

ANNUAL PERFORMANCE PLAN 2023/24



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA



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1. Overview

Executive Authority Statement



Government recognises the importance of construction as an ideal catalyst for economic growth and social development, and a key creator of work opportunities particularly for the emerging sector.

Further, with government being a key player in the construction and built environment sector, which accounts for about 40% of the country's total infrastructure budget and at least 3% to the national gross domestic product, targeted, expedited and streamlined service delivery is critical. It facilitates achievement of government's goal to improve health, education, transport, communication, sanitation and other social needs.

At least R117.5 billion in budget was allocated to infrastructure in the 2022/23 financial year and it is estimated that government expenditure on infrastructure will total R903bn over the next three years.

The Department's 2023/24 APP has, in its implementation priorities, focused on the critical aspects of job creation (especially for the youth), poverty alleviation, and socio-economic equality and transformation. The implementation priorities of the Economic Recovery and Reconstruction Programme (ERRP) and the National Annual Strategic Plan (NASP) are also taken further.

Phase I of the National Infrastructure Plan 2050 (NIP 2050), which focuses on critical infrastructure networks, including energy, bulk water, freight transport, and digital infrastructure, was approved and gazetted early in the 2022/23 financial year. Phase II of NIP 2050, the approval of which is imminent, focuses on social and distributed infrastructure.

I expect that not only the Department, but also all those involved in the implementation of infrastructure, will use the NIP 2050 as the national policy for guiding infrastructure investment and development in the short medium and long-term. Further, when it relates to the implementation of Strategic Integrated Projects (SIPs) gazetted in terms of the Infrastructure Development Act (IDA), not only will the NIP 2050 strategically guide investment, but will also direct where further catalytic infrastructure development should be focused.

The gazetting of the Infrastructure Development Regulations for the IDA in June 2022 has legislated and streamlined ISA's 5-Case Model methodology that enables infrastructure that is of social and economic significance to be expedited, for investment to be secured, much of which is through blended financing and for innovative technologies to be introduced in Strategic Integrated Projects.

A total of 19 green hydrogen projects have been identified for potential development in South Africa over the medium to long-term, nine of which have been registered in terms of the IDA as Strategic Integrated Projects (SIPs). This Programme that is being spearheaded by ISA forms part of the Country Investment Strategy

The Department together with Infrastructure South Africa (ISA), continues to forge working relationships with not only the private sector, but also with our client departments, provincial and local governments, the local, regional and international investment community and most of all not forgetting our communities.

The initiatives that DPWI and/or ISA have embarked on and will be taking to the next stages of implementation in the coming financial year, many of which involve multiple stakeholders and all of which aim to address identified needs. These include, amongst others:

- DPWI identified R100 million of in-year funding for Project Preparation in the 2022/23 financial year. National Treasury has further allocated a total of R600 million to DPWI/ISA for project preparation over the medium term;
- The Refurbishment Operate and Transfer Programme (ROTP), which aims to attract capacity (capital and skills) from private sector to work in partnership with Government to improve the condition of specific facilities. The ROTP is planned to be rolled 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 ROTP to the remainder of the High Priority facilities.
- The Integrated Renewable Energy and Resource Efficiency Programme (iREREP), which has been designated Strategic Integrated Project 28: PV and Water Savings on Government Buildings Programme (SIP 28), which addresses both the reduction of government's consumption of energy and water and the production of waste on government-owned facilities, is being finalised for market and will be awarded in the coming financial year.
- The Welisizwe Rural Bridges Programme, SIP 25, has been able to realise 48 bridges in the 2022/23 financial year. Phase 2 of the Welisizwe Rural Bridges Programme, which will be implemented in partnership with the Departments of Transport and Defence, will install 96 bridges annually to enable rural communities in the Eastern Cape, KwaZulu Natal, Mpumalanga, Limpopo, Free State, and North West to safely access schools and workplaces. R3.8 billion is allocated for the programme over the medium term.

In optimising the state-owned property portfolio, the Department has the responsibility to make a contribution to assist the broader government towards alleviation of poverty, job creation, and empowerment of women, youth, and people with disabilities, upliftment of communities and creation of a conducive environment for small business to thrive.

Our focus is not only on building new infrastructure, but also on maintaining existing infrastructure. We do this to ensure that it has longevity and performs to the required standard. In 2022/23 DPWI has taken great strides to move towards a more client-centric facilities maintenance approach that reduces reactive maintenance and increases scheduled maintenance.

The implementation of Total Facilities Management (TFM), which combines various single service streams across both hard and soft services, operating them together, to minimise management duplication, enable effect improvement in service reliability and efficiency in the interoperability of maintenance facility services, has proven to be successful in a number of large, complex facilities. In the coming year and in the MTEF TFM will be expanded.

In terms of the need to reduce the ever-increasing costs of construction and a requirement of government to obtain value for money, which is something that is essential within the built environment, DPWI will be gazetting the AECOM's Africa Property & Construction Cost Guide that will be used by the Department as the baseline for government's contracts, whether they be for new construction or for maintenance.

Further, to ensure that new development does not have future short-sighted maintenance problems, all DPWI contracts now have a standard, built in maintenance plan requirement. This is coupled with the basic energy efficiency requirements. The latter standards will be adapted and improved with the amendment of the Green Buildings Policy, which DPWI has commenced with.

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. The EPWP Policy will be finalised in the 2023/24 financial year, enabling this new approach and massification.

Improving government's performance as a contributor to the sector is key to unlocking infrastructure's role in the country's economic and social development. Government's performance also requires the necessary skills in the public sector in line with one of the seven key priorities of the 6th Administration of building a capable and ethical state.

Having said that, I remain concerned with the slow pace of transformation in the sector, where there are few black property owners and even fewer listed companies, despite the Department's efforts. The Department has had a Property Management Empowerment Policy since 2018, which primarily focuses on ownership of property by designated groups, arising from leasing opportunities. This enables access to black-owned companies with some ending up having listed their companies on the JSE. The efforts of the Department, together with its Entities and Professional Councils, must be further intensified to ensure that transformation can be seen and felt in this industry to redress the past and create equality. This is inclusive of women.

The Department has delivered on its targets regarding the provision of facilities for victims of gender-based violence. Considering the increase in occurrence of GBV-F in our country to pandemic proportions, what is being done is not enough. The efforts of the Department are therefore being increased in the 2023/24 financial year, together with a call to our provincial and local counterparts to identify properties for potential use by the Department of Social Development.

Eighty per cent of the month-to-month leases, most of which were at exorbitantly over charged rates and which were considered to be irregular expenditure by the Auditor General of South Africa (AGSA) have been renegotiated, in terms of the Rhode Guidelines. This exercise has led to government saving R273 million.

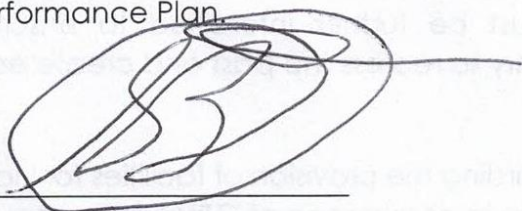
The magnitude of immovable assets under the custodianship of DPWI, carefully made available to the disadvantaged groups and Non-Profit Organisations can assist to reverse the ills of the past, and assist designated groups and communities to access productive land and property. This will be done through ramping up efforts to release land for socio-economic purposes. The built environment sector is seen to be one the most corrupt sector in our country.

To combat this, DPWI, together with the Special Investigations Unit (SIU), established the Infrastructure Built Anti-Corruption Forum (IBACF) in May 2021, bringing together stakeholders to foster collaboration amongst the key role players such as law enforcement agencies, the construction sector regulators, civil society, government departments and private sector, to monitor infrastructure projects more effectively and put systems in place to detect and prevent corruption.

Apart from the Department and the SIU, this Forum, which is chaired by Advocate Mothibi, is comprised of members from the National Prosecuting Authority; Priority Crimes Investigation (Hawks); Corruption Watch; Financial Intelligence Centre; Council for the Built Environment (CBE); Master Builders South Africa (MBSA); South African Council for the architectural Profession (SACAP); South African Bureau of Standards (SABS); Consulting Engineers of South Africa (CESA); South African Black Technical & Allied Careers Organisation (SABTACO), the Human Sciences Research Council (HSRC); and Business Unity South Africa. The Forum is scheduled to meet quarterly, subject to their workload, with their next meeting mat the commencement of the 2023/24 financial year.

As the Executive Authority responsible for the Department of Public Works and Infrastructure, along with ISA and the four Entities, I will hold the Accounting Officer of DPWI, his Executive Management Team and the four DPWI Entities accountable for the achievement of the targets set in the Department's 2023/24 Annual Performance Plan (APP).

I hereby present the Department of Public Works and Infrastructure's 2023/24 Annual Performance Plan.



Mr Sihle Zikalala, MP
Minister of Public Works and Infrastructure

Accounting Officer Statement



This year marks the 4th year of implementation of the priorities for the 6th Administration of government. The Department continues to action the key priorities of the government as well as the seven outcomes contained in the Department's 2020-2025 Strategic Plan.

Despite the moderate economic growth experienced in the third quarter of 2022 of about 1.6%, the future prospect still hangs in the balance. The global growth estimates for 2023 have been revised downwards from 3.4 percent in 2022 to 2.9 percent in 2023. For the South African economy, real GDP growth is projected to average 1.4 percent from 2023 to 2025, compared with 1.6 percent estimated in October 2022. Such will require a relook at how government restructures its operations. Investment in infrastructure is key to driving inclusive and sustainable growth. The 2023 budget speech announced a projection of R903 billion to be spent on infrastructure over the medium-term. Of this amount, around R448 billion will be spent by State-owned companies, public entities, and through public-private partnerships. This will be a huge task for Infrastructure South Africa working together with various stakeholders contributing towards the National Infrastructure Plan 2050. The Department will also report on progress regarding the gazetted strategic integrated projects.

The maintenance of public infrastructure is also key to ensuring the longevity of these assets as well as improving service delivery through their use. In this regard, the Department has developed a Refurbishment, Operate, and Transfer Programme (ROTP) that aims to attract capacity (capital and skills) from the private sector to work in partnership with the government to improve the condition of specific facilities. The Programme is planned to be rolled 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 out of the ROTP to the remainder of the High Priority Facilities.

The Department continues to implement programmes to recover from the devastation caused by the pandemic to the economy. These programmes are key in the development of the economy, job creation, business support and reducing poverty in our communities. In addressing the priorities outlined in the Economic Reconstruction and Recovery Plan (ERRP), the Department has embraced this initiative and participates fully to ensure the realization of the commitments through:

- Local procurement where procurement is targeted to designated groups in the rural or underdeveloped or township areas.
- Support to SMMEs and cooperatives through tendering of key projects.
- Construction of rural bridges through the Welisizwe programme especially in KwaZulu Natal where various areas were affected by the floods.
- Coordination and monitoring of Expanded Public Works Programme.

- The repair and maintenance programme of the Harbours.
- Construction of projects across the country as part of the District Development Model.
- Support and implementation of the Strategic Integrated Projects through ISA, which specialises in unblocking the processes on all major infrastructure projects in the country.
- Upscale the implementation of the BUILD Programme through the Construction Industry Development Board (CIDB) and training stakeholders to for the uptake the programme.
- Implementation of the Refurbish, Operate and Transfer Programme (ROTP).

The Department continues to implement key departmental programmes toward the achievement of the outcomes. In addressing the Department's outcomes, the following interventions are in place:

To improve internal operations and build resilience, the Department embarked on a change management initiative and has since made progress in reorganising itself into becoming a high-performing institution that focuses on effective service delivery. Part of change management is to modernise and digitise the ICT systems with the intention of improving customer service (internally) and service delivery (externally). Furthermore, the Department has embarked on reforming its procurement process with a focus on supporting the empowerment of designated groups (women, youth and people with disabilities). This will be represented by the procurement spend by each designated group. Other initiatives include the participation of women, youth and persons with disabilities through the EPWP programme, internal recruitment processes, awarding of bursaries within the built environment and rolling out the internship and apprentice programmes.

The Department also coordinates and integrates planning efforts with other department and government agencies through the sector plan overseen by the MINMEC and Technical MINMEC. This integration approach seeks to contribute to the development of the National Infrastructure Plan 2050 (or NIP 2050). Phase 1 of NIP 2050 focuses on critical infrastructure networks such as bulk water, freight transport, energy and digital infrastructure whilst the second phase focuses on social and distributed infrastructure. The Department continues to assist other government departments and agencies in project preparation and ensure that infrastructure projects are ready for execution.

In support of the spatial justice and land reform programmes, the Department has to date, released 214 properties measuring 30 277 hectares for land restitution and 62 land parcels measuring 3 090 hectares for human settlements, agrarian purposes and accommodation. Furthermore, about 214 properties measuring 30 277 hectares for land restitution and 62 land parcels measuring 3 090 hectares for human settlements, agrarian purposes and accommodation has been released by the Department. A further 10 126 hectares of land is earmarked for release in the financial year under review.

The construction industry plays a critical role in the South African economy and contributes significantly to the country's economic growth. Since 2009, the industry has not been doing well. The situation worsened with Covid-19. The industry has also been marred with construction forums/mafias, exacerbating the already ailing industry. To mitigate these challenges, the Department has introduced social facilitation with the intention of ensuring that stakeholders are involved in the project and understand the importance of the project.

Transformation is key in every sector. The Department has a number of initiatives that seek to improve the lives of all South Africans. For example, the leasing portfolio has embarked on empowering emerging landlords and ensuring that they play a part in the provision of suitable accommodation for the State. In 2022, a conference of landlords was held with the intention of partnering with them and working with the government to provide solutions to state accommodation. Parallel to this are initiatives to also transform the built environment through a legislative programme such as expropriation, fast tracking the development of a public works bill, and supporting the built environment entities with relevant and enforceable acts.

To ensure the availability of suitable future skills, the Department has developed a Skills Pipeline Strategy that provides capacity-building programmes and employment of young professionals to improve the skills needed in the sector. Transforming the economy and creating jobs requires initiatives that seek to prepare persons for the labour market as well as proving temporary income streams and lessen the impact of poverty. Some of the Department's initiatives include programmes aimed at creating work opportunities. Since 2019, a total of 3 576 243 (or 72%) work opportunities have been created. The goal is to reach 5 million work opportunities by end of 2024. Efforts and strategies have been put in place to ensure that the remaining 28% or even going beyond it are in place.

As emphasised in the recent Cabinet Lekgotla that unemployment, energy crisis and land reform initiatives are critical, the Department has committed to contributing to the initiative through its various programmes. For instance, infrastructure projects will create jobs, land will be released for socio-economic initiatives and land reform and a deliberate focus on the energy efficiency programmes that will be implemented in the states accommodation portfolio. All these efforts are geared towards contributing to the National Annual Strategic Priorities, which include economic growth, employment, safety and security, social protection and state capacity.

In concluding, the Department wants to emphasize the importance of public works for our society, by investing in infrastructure and facilities that serve the common good, we demonstrate our commitment to the well-being of our citizens and in improving service delivery.



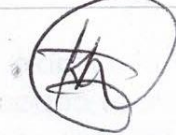



Dr Alec Moemi

Acting Director General: DPWI

Official Sign-Off

It is hereby certified that this Annual Performance Plan 2023/24:

- Was developed by the management of the Department of Public Works Infrastructure 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 2023-2024.

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| Ms K. Sebati Acting Deputy Director General: Governance, Risk and Compliance |  |
| Dr A. Moemi Acting Director-General of Public Works and Infrastructure |  |
| Hon. B. Swarts (MP) Deputy Minister of Public Works and Infrastructure |  |
| Hon. S. Zikalala (MP) Minister of Public Works and Infrastructure |  |

2. Part A: Our Mandate

The mandate of the Department of Public Works and Infrastructure (DPWI) was reconfigured in 2019 when the President of South Africa announced that it will assume the responsibility of coordinating all public infrastructure development in the Country. The Department performs the infrastructure mandate together with Infrastructure South Africa.

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 A1: Constitutional Mandate

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

Table A 2: Constitutional Imperative: Areas of Compliance¹

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| Section 9 of the Constitution | Requires state immovable assets to be accessible to persons with disabilities. |
| Section 41 of the Constitution | The Department has to observe the principles of good cooperative governance and intergovernmental relations. |
| Section 114 (2) of the Constitution | A provincial legislature must provide for mechanisms to ensure that all provincial executive organs in the province are accountable to it and to maintain oversight of the exercise of provincial executive authority in the province including the implementation of legislation, and any provincial organ of the state. |
| Section 195 and Section 197 of the Constitution | Address skills development in a manner that accelerates the advancement of previously disadvantaged people, women and designated groups with particular emphasis on leaderships, as well as technical and management training. |
| Section 217 of the Constitution | Procurement must be done in accordance with a system which is fair, equitable, transparent, competitive and cost effective. |

¹ 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 A3 that the Department is directly responsible for administering and implementing, in performing its primary and secondary mandates:

Table A3: Legislative and Policy Mandates

| | KEY LEGISLATIVE MANDATES |
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| The Government Immovable Asset Management Act, 2007 | Aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery. |
| Infrastructure Development Act, 2014 (Act 23 of 2014), as amended and Infrastructure Development Regulations of the Infrastructure Development Act, 2014, GG No 46519 2 June 2022 | <p>The IDA provides for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic. The National Infrastructure Plan, an IDA requirement, fosters integrated spatial planning and focused infrastructure implementation among organs of state by establishing a single view of service delivery.</p> <p>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.</p> |
| Land Affairs Board Act, 1987 (Act 101 of 1987) | Section 6: Provides for the function of the Land Affairs Board in relation to determinations of valuations for immovable assets under the custodian of the Department. |
| The Construction Industry Development Board Act, 2000 (Act 38 of 2000) | Provides for the establishment of the Construction Industry Development Board (CIDB), for the implementation of an integrated strategy for the reconstruction, growth and development of the construction industry and other matters connected thereto. Ensures that infrastructure projects are procured and delivered in accordance with CIDB Prescripts. |
| The Council for the Built Environment Act, 2000 (Act 43 of 2000) | 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. |
| The Professional Council Acts regulate the six Built Environment Professions | Organizes the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc. |

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| Expropriation Act, 1975 (Act 63 of 1975) | Section 12(1): Basis of the compensation amount determined. |
| State Land Disposal Act, 1961 (Act 48 of 1961) | Provides for the disposal of certain state land and for matters incidental thereto, and prohibits the acquisition of the state land by prescription. |
| Agrément South Africa, 2015 (Act 11 of 2015) | The Agrément South Africa (ASA) is an entity mandated to, among others, evaluate the fitness-for-purpose of non-standardised construction related products, materials or systems for use in the construction industry in the Republic of South Africa, for which a national standard does not exist. |
| LEGISLATION OF RELEVANCE TO DPWI | |
| Municipal Property Rates Act, 2004 (Act 6 of 2004) as amended in 2014 | Section 48-49: Inspections of and objections to valuations on the general valuations roll. |
| Spatial Planning and Land Use Management, 2013 (Act 16 of 2013) | <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 4(a) confirms that a component of the spatial planning system is spatial development frameworks to be prepared and adopted by national, provincial and municipal spheres of government.</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 payment contributions for external engineering services by the Developer or Applicant (i.e. DPWI).</p> |
| National Environmental Management Act, 1998 (Act 107 of 1998) | Section 4: NEMA sets out an environmental governance framework, which seeks to promote certain common environmental management principles and procedures which apply throughout South Africa. These principles must be used by all when making decisions on matters which may affect the environment. |
| Public Finance Management Act (PFMA), 1999 (Act 1 of | The PMFA regulates financial management in the national government and provincial governments; to |

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| <p>1999) and Treasury Regulation 16 issued May 2002 in terms of the PFMA</p> | <p>ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.</p> <p>Treasury Regulations are issued in terms of the PFMA. Regulation 16 (amended 2004) deals with PPP's.</p> |
| <p>National Heritage Resources Act, 1999 (Act 25 of 1999)</p> | <p>Provides for the management and protection of heritage resources in the national estate. It also provides system for the identification, assessment and management of heritage resources.</p> <p>It further provides for heritage authorities at the three tiers of Government to prescribe on the heritage importance of any building older than sixty years that may have heritage implications.</p> |
| <p>Integrated Coastal Management Act, 2008 (Act 24 of 2008)</p> | <p>Section 59: Ensures that the development and use of natural resources in the coastal zone is social and economically justifiable and ecologically sustainable.</p> |
| <p>Occupational Health and Safety Act, 1993 (Act 181 of 1993)</p> | <p>Section 16 (1): Compels every employer to provide environment that is safe without harm.</p> |
| <p>National Building Regulations and Building Standards Amended Act, 1989 (Act 62 of 1989)</p> | <p>Provides for new definitions and extending existing definitions.</p> |
| <p>National Forestry Act, 1998 (Act 30 of 1998)</p> | <p>Section 53: Regulates in respect of management of the protected natural state forest and obligations on the owner.</p> |
| <p>Water Services Act, 1997 (Act 108 of 1997)</p> | <p>Section 2: Provide for access to water and basic sanitation to ensure that the environment is not harmful to human health and well-being.</p> |
| <p>The Critical Infrastructure Protection Act, 2019 (Act 8 of 2019)</p> | <p>Ensures that National Key Points are safeguarded.</p> |
| <p>Electricity Regulation Act, No 4 of 2006</p> | <p>Where required of DPWI, expropriation of land for power line servitudes to enable the construction of electrification infrastructure will be done in terms of section 3 of the Expropriation Act, 1975 read with the Electricity Regulation Act, 2006.</p> |

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| <p>Commonwealth War Graves Act, Act 8 of 1992</p> | <p>This legislation prohibits the desecration, damaging or destruction of Commonwealth war graves; to regulate the disinterment, removal, re-interment or cremation of Commonwealth war burials and the removal, alteration, repair or maintenance of Commonwealth war graves etc., and is applicable to all custodians and property owners in SA that might have such graves on their properties.</p> |
| <p>ADMINISTRATIVE COMPLIANCE LEGISLATIVE FRAMEWORK</p> | |
| <p>The Public Finance Management Act, 1999 (Act 1 of 1999)</p> | <p>Promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources.</p> <p>Section 38(d): Provides for the management, safeguarding and maintenance of assets; Implement a procurement system that is fair, equitable, transparent, competitive and cost- effective.</p> <p>Section 54(d): Ensures that National Treasury and Accounting Officer approve the acquisition and disposal of immovable assets.</p> <p>Section 16 read with NTR A7.3-4: Provides for the determination of market related values for all purposes including letting.</p> <p>Section 76(1) (l) read with NTR 21.3: Regulates the donation of the state immovable assets to or by the State.</p> |
| <p>The Preferential Procurement Policy Framework Act, 2000</p> | <p>To develop and implement policies that advances preferential procurement for designated groups in order to advance economic transformation.</p> |
| <p>Public Service Act, 1994 as amended in 2007</p> | <p>Regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.</p> |
| <p>Promotion of Equality & Prevention of Unfair Discrimination Act, 2000 (No 4 of 2000)</p> | <p>Section 9: Ensures direct or indirect discrimination against any persons on the ground of disability in terms of the State owned immovable assets.</p> |
| <p>Employment Equity Act, 1998 (Act 55 of 1998)</p> | <p>Provides for achieving equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination and implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce.</p> |

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| <p>Public Administration Management Act, 2014</p> | <p>The objects of this Act are to:</p> <ul style="list-style-type: none"> • Promote the basic values and principles governing public administration in section 195(1) of the Constitution; • Provide for the transfer and secondment of employees in the public administration; • Regulate conducting business with the State; • Provide for capacity development and training; The establishment of the National School of Government; • Provide for the use of information and communication technologies in the public administration; • Establish the Public Administration Ethics, Integrity and Disciplinary Technical Assistance Unit; • Provide for the Minister to set minimum norms and standards for public administration; • Establish the Office of Standards and Compliance to ensure compliance with minimum norms and standards; • Empower the Minister to make regulations; and • Provide for related matters. |
| <p>Basic Conditions of Employment Act, 1997 (Act 75 of 1997)</p> | <p>The Basic Conditions of Employment Act, No 75 of 1997 gives effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation.</p> <p>The Basic Conditions of Employment Amendment Act, No 20 of 2013 was published and became effective on 01/09/2014.</p> |
| <p>The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)</p> | <p>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"> • promote economic transformation in the Property Sector to enable meaningful participation of black people and women; • unlock obstacles to property ownership and participation in the property market by black people; • promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and • facilitates the accessibility of finance for property ownership and property development <p>Section 1, Section 6 and Section 13: To ensure that B-BBEE requirements are adhered to within the SCM.</p> |
| <p>Skills Development Act, 1998 (Act 97 of 1998)</p> | <p>The Skills Development Act aims to expand the knowledge and competencies of the labour force in order to improve productivity and employment.</p> |

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| Labour Relations Act, 1995 as amended (Act 66 of 1995) | 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. |
| Protected Disclosure Act, 2000 (Act 26 of 2000) | 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. |
| The Promotion of Access to Information Act, 2000 (Act 2 of 2000) | To ensure availability of records in accordance with PAIA. |
| The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) | To establish fair administrative processes to ensure those affected by the administrative decisions have necessary recourse. |
| The National Archives and Record Service of South Africa Act, 1996 (Act 43 of 1996) | 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 | |
| National Infrastructure Plan 2050: Phase 1 | The goal of the National Infrastructure Plan 2050 (NIP 2050) is to create a foundation for achieving the NDP's vision of inclusive growth. Prepared by Infrastructure South Africa (ISA), the NIP 2050 offers a strategic vision and plan that link top NDP objectives to actionable steps and intermediate outcomes. Its purpose is to promote dynamism in infrastructure delivery, address institutional blockages and weaknesses that hinder success over the longer term, as well as guide the way towards building stronger institutions that can deliver on NDP aspirations. |
| DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)] | Documents the challenges facing the Department and serves as an overarching policy framework for the Department's restructuring process. This has led to directing the Department to meet Government's socio-economic objectives by becoming a client-orientated organisation which will focus on policy and service reform; property investment, property and facilities management and the implementation of the National Public Works Programmes. |
| DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1997)] | 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. |

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| <p>Construction Sector Transformation Charter, 2006 (Charter 2006)</p> | <p>The Charter 2006, <i>inter alia</i>, aims to:</p> <ul style="list-style-type: none"> • Provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving B-BBEE targets and thereby contributing to ending the malpractice of fronting; • Expand the employment potential & absorption capacity of the sector by using labour-intensive approaches where economically feasible and possible; and • Address skills development in a manner that accelerates the advancement of black people, women and designated groups with particular emphasis on learnerships, as well as technical and management training. |
| <p>Amended Property Sector Code of Good Practice on Broad-Based Black Economic Empowerment, Notice 464, GG 40926 of 9 June 2017</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) [BBBEEAct) 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"> • Promote economic transformation in the Property Sector to enable meaningful participation of black people and women; • Unlock obstacles to property ownership and participation in the property market by black • Promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and • Facilitate the accessibility of finance for property ownership and property development. |
| <p>Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS B-BBEE 2007)</p> | <p>The objective of the PMS BBBEE 2007 is to:</p> <ul style="list-style-type: none"> • Address skewed property and equity ownership in the property industry in the country; and • Promote black participation in the property industry through management, control and procurement. |
| <p>Green Building Policy, 2013</p> | <p>Policy outlines the Department's commitments to address key elements in the New Growth Path and the Industrial Policy Action Plan by, amongst others, promoting sustainable development, reducing greenhouse gas emissions, promoting energy efficiency and stimulating new green industries. The Integrated Renewable Energy and Resource Efficiency Programme (IREREP) was developed out of the Green Buildings Policy.</p> |

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| Property Management Empowerment Policy, 31 January 2018 | <p>The policy seeks to empower formerly disadvantaged and designated groups and further support the commitment of all the stakeholders within the property sector that strive for transformed property relations in South Africa and to promote a vibrant and growing property sector that reflects the South African nation.</p> |
| The National Water Resource Strategy, 2013 | <p>The protection and management of water resources to enable equitable and sustainable access to water and sanitation services in support of socio-economic growth and development for the well-being of current and future generations.</p> |
| National Energy Efficiency Strategy, 2009 | <p>To encourage sustainable energy sector development and energy use through efficient practices thereby minimizing the undesirable impacts of energy usage upon the health and the environment, and contributing towards secure and affordable energy for all.</p> |
| National Waste Management Strategy, 2011 | <p>The NWMS provides a coherent framework and strategy for the implementation of the Waste Act and outlines the government's policy and strategic approach to waste management within the South African government's context and agenda of socio-economic development that is "equitable, inclusive, sustainable and environmentally sound.</p> |
| The National Development Plan (NDP) | <p>The aim is to eliminate poverty and reduce inequality, through the energies of its people, growing an inclusive economy, building capabilities, enhancing the capacity of the state, and promoting leadership and partnerships throughout society.</p> |
| Green Economy Accords | <p>Aims to transition to an inclusive green economy, combining economic development, social progress and environmental preservation. Commitments by stakeholders toward a greener economy in South Africa.</p> |
| Green Building National Framework | <p>Applying the principles of sustainability in property development, including all related processes and activities, requires the direct and responsible involvement of all interested parties.</p> |
| FM Policy, Strategy and Guidelines | <p>To establish and set out the direction that the PMTE proposes to follow in order to provide excellence of services in the maintenance of facilities, in order to meet the requirements of users, occupants, national and provincial departments and the public in a manner which is consistent with relevant prescripts and policy at an acceptable life cycle cost.</p> |

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| District Development Model | <p>The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) promotes collaboration and alignment between all spheres of government to, through a concerted effort by government in all spheres, work together and integrate their actions in the provision of services, the alleviation of poverty and the development of the people and our country. The District Development Model (DDM) emanates from the Act and is aimed at transforming the economy and improving the quality of life of people by enhancing cooperative governance and overall state coherence and performance through the development of One Plans for all District and Metropolitan Municipalities.</p> |
| Priority Housing and Human Settlement Development Areas | <p>Informed by Section 3 of the Housing Act, 1997 read in conjunction with the Housing Development Agency Act, 2008 [23 of 2008] and Section 7 (3) and the Spatial Land Use Management Act 16 of 2013 the Minister of Human Settlements has published 136 PSHSDAs on 23 February 2020.</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 legislation, policies and strategies were identified as per Table A4 as critical interventions that would assist the Department in realising the intended impact and identified outcomes over the five-year period. Some of the old existing acts will be reviewed and possibly be amended or repealed to give effect to the current environment.

This 2023/24 APP highlights some of the key achievements of the Department, in each of the main outcomes. The aim of this is to focus the Department on the remaining priorities, whether in progress or yet to be actioned.

Table A4: Institutional Legislation, Policies and Strategies & Key Achievements

| IDENTIFIED INSTITUTIONAL LEGISLATION |
|---|
| <ul style="list-style-type: none"> • The introduction of the Expropriation Bill to Parliament and its enactment. • Development of the Public Works General Laws and Repeal Bill.² • Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000). • Drafting of the Public Works and infrastructure Bill.³ • Infrastructure Development Amendment Bill⁴. |

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

³ This drafting is based on 1997 and 1999 Public Works White Papers cited above under "Policies and Strategies supporting the Mandate of the Department".

⁴ The intention of the Bill is to amend the Infrastructure Development Act, No 23 of 2014, as amended, to allow for the incorporation of Infrastructure South Africa (ISA) as a Schedule 2A Public Entity, once ISA's Business Case has been approved by the Minister of Public Service and Administration and the Minister of Finance.

Achievements:

- The Expropriation Bill introduced to Parliament
- Infrastructure Development Regulations, in terms of the Infrastructure Development Act, No 23 of 2014, as amended, gazetted on 2 June 2022.

POLICIES AND STRATEGIES

| DPWI Outcomes | Identified Institutional Policies/Strategies & Key Achievements |
|--|--|
| A Resilient, Ethical and Capable DPWI | <ul style="list-style-type: none"> • Implementation of the 6 pillars of the National Anti-Corruption Strategy (NACS). • Organisational and Employee Performance Management Strategy – alignment and cascading of Strategy, Annual Performance and Operational Plans with an automated performance management system. • Retention of core competencies and requisite experience through the Retention Policy. • Digital Transformation Strategy - enable strategy through technology, including e-gov. • Organisation-wide Change Management Strategy – to improve on the culture of the organisation <p>Key Achievements:</p> <ul style="list-style-type: none"> • Establishment of the Infrastructure Built Anti-Corruption Forum • Implementation of a Change Management Strategy for the Department |
| Integrated Planning and Co-ordination | <ul style="list-style-type: none"> • Implementation of an effective DPWI Sector-wide Monitoring and Evaluation Strategy and an automated performance reporting system. • Develop and implement a Stakeholder Value Management Strategy (to coordinate external stakeholders outside the sector). • Continue the implementation of the urban regeneration precinct planning, with Salvokop being the lead project and test case. • Programme manage the New City Initiative starting with the development of a brief for the Framework and Brief. <p>Key Achievements:</p> <ul style="list-style-type: none"> • A closed RFQ for New City to education institutions issued. • Salvokop Precinct – 4 PPPs have been registered, bulk services being constructed, social facilitation underway. • Polokwane Precinct – Local Municipality has installed the bulk services to the site, conceptual design drawings completed, next phase to commence in 2023/24 FY |
| Sustainable Infrastructure Investment | <ul style="list-style-type: none"> • Review and roll-out of the Infrastructure Delivery Management System (IDMS) and its relationship with the ISA 5-Case Model plus how the two processes can be streamlined into one.⁵ • Develop an Infrastructure Investment Strategy based on research into international best practices and lessons learned. • Infrastructure Development Strategy and Plan in terms of the Infrastructure Development Act to enable targeted, demand-driven infrastructure development and investment across the lifecycle. • In terms of the Infrastructure Development Act, formulation of the 2050 National Infrastructure Plan, informed by the National |

⁵ The IDMS system assists government to manage planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure.

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| | <p>Spatial Development Framework and the District Development Model.</p> <ul style="list-style-type: none"> • Review of the Strategic Integrated Projects (SIPs), Cabinet approved projects and other projects in terms of the new inclusive DPWI mandate. • Develop and Implement a Project Performance and Monitoring System (Investment in Construction-related Technology). • Infrastructure Modular and Costed Design Programme for all public facilities. • Upscale the Welisizwe Rural Bridges Programme and ensure increased implementation so as to link communities and prevent drowning of children crossing rivers. <p>Key Achievements:</p> <ul style="list-style-type: none"> • National Infrastructure Plan 2050 Phase 1 complete. Phase 2 public consultation completed and will serve before Cabinet in March 2023. • The SIPs gazetted by Cabinet in 2020 are progressing well by ISA unblocking various projects and programmes, including: <ul style="list-style-type: none"> ○ The awarding of 6 SANRAL tenders; ○ Finalisation of a staged process for the delivery of the uMzimvubu Dam ○ The delivery of Social Housing Programme ○ Various Water Projects • Most recently the gazetting of 6 Green Hydrogen Projects as Strategic Integrated Projects (SIPs) • The progress made on the SIPs under DPWI, include: <ul style="list-style-type: none"> ○ SIP 36 – Salvokop Precinct, as mentioned above; ○ SIP 28 – PV and Water Savings Programme on Government Buildings, as mentioned below; ○ SIP 21m – Small Harbours Development ○ SIP 25 – Rural Bridger "Welisizwe" Programme, where 48 bridges will be constructed in the 2022/23 financial year. (This shortfall of 48 bridges is due to National Treasury failing to provide in-year funding). DPWI reprioritised its budget to enable the construction of 24 of the 48 bridges. NT has allocated R1.6billion over the MTEF for the construction of bridges. |
| <p>Productive Assets</p> | <ul style="list-style-type: none"> • Implementation of Green Building Policy to inform the development and implementation of two Green Building Rating Tools for all new and selected existing buildings, coupled with the implementation of the PV Programme for all government buildings. • Utilisation Optimisation Strategy intended to optimise portfolio utilisation to improve productivity, save costs, improve efficiencies and freeing up for other use. • Disposal Strategy developed to guide the strategic releases of immovable assets gratis (donation) for purposes of land reform and human settlement, in support of government strategic key imperatives. Further, various legislations require that DPWI derives the highest and best possible value from its immovable assets to enhance revenue generation. • Cost Containment Strategy - In addressing the fiscal constraints faced by Government, the DPWI must focus of devising strategies and initiating plans to extract maximum value-for-money from the property portfolio by <i>arresting exorbitant</i> |

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| | <p><i>expenditure and quantifying potential savings.</i></p> <ul style="list-style-type: none"> • 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>Key Achievements:</p> <ul style="list-style-type: none"> • Agrément South Africa (ASA) eco-Labeling and Rating Tool was launched in 2022/23 FY • PV and Water Saving Programme (SIP 28 iREREP) for all government buildings Request for Information (RFI) was issued and processed and the RFP is to be issued by the end of 2022/23 FY • AECOM's Africa Property & Construction Cost Guide gazetted to be used as the baseline for government entering into lease agreements. • Facilities Management Policy, Strategy and Guidelines have been finalised and signed off by the acting DG and Minister. • Facilities Management entered into a number of Total Facilities Management (TFM) Contracts with major Clients (e.g. Robben Island). |
| <p>Transformed Built Environment</p> | <ul style="list-style-type: none"> • In order to address the Spatial Transformation Agenda, establishment of a joint working committee between the Department and other National, Provincial and Local Departments responsible for Land Reform and Human Settlements, for the purpose of Land Release under the custodian of the Department. • Built Environment Professions Development Strategy outlining areas for skills development in terms of the Skills Gap Analysis and identified interventions process for creating a multidisciplinary team internally to the Department; addressing the value chain empowerment initiatives (from cradle to economic sustainability), including facilitating the registration into the professional bodies to inform economic sustainability of designated groups in the built environment. • Revise and implement transformative SCM Prescripts and Procurement Policy. |

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| | <ul style="list-style-type: none"> Review, implement and monitor the Contractor Development Programme, including ring-fenced projects, in partnership with the CIDB. Aggressive implementation of Contractor Development/Incubator Programme in the procurement of construction related services (i.e. Capital Projects and Built Environment Professional Services at design stage and execution stage of construction/major maintenance projects in conjunction with 2017 Preferential Procurement Regulation, in partnership with the CIDB. Aggressive Implementation of Property Management Empowerment Policy, 2018 on property related services (i.e. Facilities Management-hard/planned (maintenance) & soft services, leasing, property brokering, etc., in conjunction with 2017 Preferential Procurement Regulations. <p>Key Achievements:</p> <ul style="list-style-type: none"> The internal circular for the letting-out processes has been approved and is in operation (Circular 135) and the Social Transformation Circular (Circular 132 of 2022) will be finalised and operational at the commencement of 2023/24 FY. Planning and design of the Refurbish, Operate, Transfer Programme (ROTP) and issuing the RFP before the end of the 2022/23 financial year for key pilot government buildings. DPWI's Preferential Procurement Policy in operation. |
| <p>Optimised Job Opportunities</p> | <ul style="list-style-type: none"> Review and implement the Procurement Framework for the property and construction industry. Restructuring of the Expanded Public Works Programme (EPWP), EPWP Coordination Strategy to be developed to guide how DPWI monitors, evaluates and reports on EPWP performance by implementing bodies across the country. Furthermore, it is intended to ensure functionality of coordination mechanisms, and direct the process of developing the 5-year implementation Plan. Enable the mainstreaming of EPWP across the built environment sector, in all three spheres of government. <p>Key Achievements:</p> <ul style="list-style-type: none"> New EPWP Policy went out for public consultation. To be finalised and operationalised in 2023/24. |
| <p>Dignified Client Experience</p> | <ul style="list-style-type: none"> Develop and implement a Stakeholder Value Management Strategy to enhance departmental client satisfaction. Improve Business Processes, Standard Operating Procedures (SOPs) and Service Delivery Standards in line with Batho Pele Principles. <p>Key Achievements:</p> <ul style="list-style-type: none"> Monthly working sessions with User Departments established to address key pressure points Facilities Management Branch entered into a planned maintenance programme with the Department of Justice for the Courts. |

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 |
|---|---|---|---|
| Infrastructure-led Economic Growth | Integrated Planning and Coordination | 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. |
| | | | Reduced vulnerability of key sectors to climate change. |
| | | | Reduction of total GHG emissions in South Africa. |
| | | | Reduced waste disposal by landfill and improved state of ecology. |
| Infrastructure-led Economic Growth | Productive Assets Sustainable Infrastructure Investment | Priority 2: Economic transformation and job creation | Inclusive economic growth. |
| Infrastructure-led Economic Growth | Sustainable Infrastructure Investment | Priority 7: A better Africa and world | Increased investment opportunities for foreign direct investment in the South. |
| Infrastructure-led Economic Growth | Optimised Job Opportunities | Priority 2: Economic transformation and job creation | Creating more decent jobs. |
| Infrastructure-led Economic Growth | Transformed Built Environment | Priority 2: Economic transformation and job creation | Increased ownership and participation by historically disadvantaged individuals. |
| | | | Competitive and accessible markets through reduced share of dominant firms. |
| | | Priority Cross Cutting: Economic transformation and job creation | Zero discrimination based on gender. |
| | | Priority 3: Education, skills | Improved education, training and innovation. |
| | | Priority 3: Education, Skills | Improved employability of youth through skills training. |

| Impact (ultimate result) | DPWI Outcomes | MTSF Priority | MTSF Outcome |
|--|--|--|--|
| Infrastructure-led Economic Growth | Resilient, Ethical and Capable DPWI | Priority 1: A capable, ethical and developmental state | Integrated government and social compact with the citizenry. |
| | | | Ethical, efficient operations and effective accountability mechanisms. |

Implementing the Ministerial Priorities

Table A6 identifies the National Annual Strategic Plan (“NASP”) priorities of which some relate to the DPWI. These NASP priorities also shape the Minister’s priorities for the Department. The following 10 Priorities were approved by Cabinet for implementation in the 2022/23 financial year and across the MTEF and are therefore also applicable to the 2023/24 financial year.

- Massify job creation and infrastructure
- Structural reforms and ease of doing business
- Better leveraging public procurement
- Digitilisation & 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 2023/24 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: In implementing the Ministerial Priorities in the 2023/24 APP, some of the key have been highlighted. Further, there are only minor additions that have been made to these priorities, due to pressures and/or Cabinet decisions and related strategic policy direction.

| Minister’s Priority Area | NASP Priorities (Direct and/or Indirect) | Priorities/ Strategies to Implement Ministerial Directives |
|--|--|---|
| Spatial Transformation and Social Justice | <ul style="list-style-type: none"> • Massify job creation and infrastructure delivery • Structural reforms and ease of doing | <ul style="list-style-type: none"> • Precincts Plans developed to support the New City/Smart Cities initiative that will facilitate the principles and practices of spatial transformation, urban efficiencies and the deployment of smart, green technologies. • The strategic use of public land and buildings through innovative social and economic partnerships, to give effect to social and spatial justice, poverty alleviation and transformation of |

| Minister's Priority Area | NASP Priorities (Direct and/or Indirect) | Priorities/ Strategies to Implement Ministerial Directives |
|---|---|--|
| | <p>business</p> <ul style="list-style-type: none"> Better leveraging public procurement | <p>the built environment.</p> <ul style="list-style-type: none"> Alignment to the NSDF priorities, focusing on the 44 district municipalities (District Based Service Delivery Model), to focus of poverty alleviation and the improvement of the quality of life. Land release to support land reform programme in an integrated, spatially just manner. Through integrated planning, small towns and rural areas can become viable and attractive spaces for households, businesses and institutions. Assets that, in terms of GIAMA, are surplus to the requirements of the State are put to use for public good and facilitate spatial transformation, through letting, redevelopment and/or disposal, to ensure portfolio vacancy is at its minimum. All new infrastructure is to be developed at a standard that facilitates integration and sustainable lifecycle management. Existing infrastructure should be upgraded and maintained to a spatially and socially just standard. |
| <p>Dignified Client Experience</p> | <p>Digitilisation & modernisation</p> <p>Basic services, electricity & water and sanitation</p> | <ul style="list-style-type: none"> Service delivery to be reoriented towards redefining the dimensions of the client (client department, user client and recipient client). A service delivery value chain is essential to ensure quality, quantity and the focused addressing of identified needs. Value for money across all stages of the infrastructure lifecycle. Maintenance Backlogs to be addressed to provide our Clients the dignified experience they deserve. Determination of costed modular design of public infrastructure and facilities across the lifecycle. 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, as amended and the Infrastructure Development Regulations gazetted 2 June 2022. Ensure that all new infrastructure projects that |

| Minister's Priority Area | NASP Priorities (Direct and/or Indirect) | Priorities/ Strategies to Implement Ministerial Directives |
|---|--|--|
| | | <p>are to be expedited through the Infrastructure Development Act processes and be gazetted as SIPs, follow the processes as stipulated in the Infrastructure Development Regulations.</p> <ul style="list-style-type: none"> Expedite the implementation of gazetted SIPs, with particular reference to SIP 21m, SIP 25, SIP 28 and SIP 36. |
| <p>Economic transformation and job creation</p> | <ul style="list-style-type: none"> Massify job creation and infrastructure Structural reforms and ease of doing business Better leveraging public procurement | <ul style="list-style-type: none"> DPWI and its Public Entities projects and programmes will be refocused towards achieving infrastructure-led economic growth and full lifecycle planning. Ensure that the EPWP Programme is aligned to achieving the objectives of the new EPWP Policy. Establishing an empowerment programme in infrastructure maintenance for women, youth and for persons with disabilities. Planning for productive infrastructure investment and development of accommodation solutions that addresses economic transformation and job creation. Ensure that all of the infrastructure grants have implementable, functional criteria that focus on achieving universal access. Establish a special purpose vehicle (SPV) that is able to work with the private sector in the Refurbish-Operate-Transfer-Programme (ROTP), where major government immovable assets can be put back to use and optimised through a long-term operational mechanism and expedite the awarding of the preferred bidder for the tender. |
| <p>Accelerated infrastructure investment for economic growth</p> | <ul style="list-style-type: none"> Massify job creation and infrastructure Structural reforms and ease of doing business | <ul style="list-style-type: none"> In accordance with the Infrastructure Development Act, implement the National Infrastructure Plan 2050, Phase 1 and 2 and begin with the more detailed implementation tools that will facilitate streamlined expedited infrastructure delivery Work in partnership with the private sector on infrastructure investment that will facilitate spatial integration and economic regeneration. Ensure that ISA develops the strategic direction |

| Minister's Priority Area | NASP Priorities (Direct and/or Indirect) | Priorities/ Strategies to Implement Ministerial Directives |
|--------------------------|---|---|
| | <ul style="list-style-type: none"> Better leveraging public procurement Corruption prosecutions | <p>for infrastructure pipeline planning, bankability, oversight and investment. Perform the oversight role for infrastructure development implementation and investment, including oversight of the Infrastructure Fund and the Budget Facility for Infrastructure.</p> <ul style="list-style-type: none"> Rollout the PV and Water Savings Programme (SIP 28) on all government buildings. Upscale the Welisizwe Rural Bridges Programme and expedite implementation. ISA to upscale the project preparation, in accordance with the funding received ensuring infrastructure projects are brought to market. Further identify and ring-fence funding from private sector sources for Project Preparation to assist infrastructure project owners to be able to package their projects to be ready for implementation. |

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.

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. These plans are clearly articulated in Part B (Situational Analysis) and Part C (Performance Measures) of the APP.

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

| DIRECT LINKS TO ANY OTHER PLAN (RELEVANT TO THE MANDATE) | |
|---|---|
| Relevant initiatives to the mandate | Priority/ Strategic Linkage |
| Job Creation | The Department's programmes and projects will support the job creation initiatives of government. |
| Gender-Based Violence and Femicide | The Department's programmes and projects will support the fight against Gender-Based Violence and Femicide. |
| Accelerated Public Infrastructure Investment | Effective government-wide socio-economic infrastructure investment coordination in partnership with private sector to facilitate spatial integration and economic regeneration. |
| Outcomes of the Presidential Jobs Summit | Identify and provide suitable land supporting land reform programmes and sustainable human settlements; and implement labour intensive projects. |
| Economic Recovery and Reconstruction Plan (ERRP) | The Department's programmes and projects will support the Economic Recovery and Reconstruction Plan (ERRP) initiatives of government. |
| National Annual Strategic Plan (NASP) | 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

| Case Number: J 4 8 8 / 2 0 2 2 | |
|---|--|
| Applicant: | Department of Public Works and Minister in the Presidency |
| Respondent/s: | Samuel Vukela and Commissioner K Wabile and General Public Sector Bargaining Council |
| Mini Summary: | <p>The cases concerns an application for review and setting aside an arbitration award issued by the Second Respondent (arbitrator) on 31 March 2022. In his award, the arbitrator found that the Applicants had committed an unfair labour practice by suspending the first respondent for a period of more than 60 days, and ordered that his suspension be uplifted and that he report for duty on 11 April 2022.</p> <p>In deciding the issue, the court found that the arbitrator did not commit any reviewable irregularity, in the form of an error of law or otherwise, in coming to the conclusion that he did. In any event, on the available evidence, his conclusion meets the threshold of reasonableness. The application thus stand to be dismissed.</p> <p>The interpretation adopted by the court is thus that any precautionary suspension by an employer is limited to 60 days, that a disciplinary enquiry must be v=convened within that period, and that any extension of the 60 day period is a matter for decision by the Chairperson of the disciplinary enquiry.</p> <p>Further suspension beyond the 60 day period is a contravention of the SMS Handbook and for the purposes of Section 186 (2) of the Labour Relations Act of 1995 as amended, an unfair act by the applicants in relation to the first respondent's suspension.</p> |
| Judgment: | <p>The following order was granted:</p> <ul style="list-style-type: none"> • The application is dismissed with costs; • Such costs to include costs consequent to employment of two counsel where so employed. |
| Remedial Action (policy/strategy) to reduce or avoid recurrence): | <p>Department of Public Works & Infrastructure should consider exercising caution before suspending employees by ensuring that the necessary steps are in place that the employee appear before disciplinary hearing within the 60 days of suspension and that the Chairperson of the hearing is empowered to order further suspension of the employee pending finalization of the hearing in order to avoid committing acts of unfair labour practice which may be challenged successfully at the Bargaining Council.</p> |

Case Number: 33259/2021

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|---------------|--|
| Applicant: | Xoliswa Tini Facilities Management Services Pty Ltd |
| Respondent: | Minister of Public Works & Infrastructure and Others |
| Mini Summary: | <p>The DPWI advertised a tender for accommodation of its client department and several bidders responded including the Applicant and during the evaluation the bids were found responsive, however, DPWI recommended third as the second highest scoring bidder. Upon learning about this decision, the Applicant launched an urgent court application to interdict implementation of the lease agreement pending review of the decision. The urgent application interdicting implementation as an interim order was granted by the Court and it paved way for the review.</p> <p>The Applicant raised amongst others, the following grounds for review:</p> <p>i) That the property offered by the Third respondent, Oak Avenue, does not comply with the space requirement stipulated in the tender document. The tender document requires office space of 12 146m2 AND 528 parking bays,</p> <p>ii) Oak Avenue is not correctly zoned as it is zoned for industrial 2" use and the property zoned industrial 2"is not to be used for office space as the main use,</p> <p>iii) Third respondent was not the owner at the time it submitted its bid. As a result, and in accordance with the responsiveness criteria set-out in the tender document, the Third respondent was obliged to submit signed purchase agreement and title-deed with its bid. The ROD reflects that the Third respondent's bid did not include a signed purchase agreement or the title-deed in respect of Oak Avenue.</p> <p>iv) Third Respondent failed to comply with important conditions of the bid.</p> <p>The issue for determination at the time of hearing were amongst others the following:</p> <p>Whether the property offered by Third respondent (Oak Avenue) complied the tender requirements, in particular in terms of size and zoning as offices, and whether there was a valid purchase agreement of Oak Avenue between Third respondent and Fourth respondent being owner of the property.</p> <p>The Court found that the sale agreement between Third and Fourth respondent was subject to suspensive condition which was not fulfilled at the closure of bids and therefore the Bid Evaluation Committee should have found Third respondent's bid non responsive. Moreover, Third and Fourth respondents were bidding for the same tender using the same building.</p> |

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| | <p>On the issue of zoning of the property, the Court decided that in the absence of any proof to the contrary, the BEC erred when they disregarded the property's zoning as industrial 2", as indicated on the zoning certificate.</p> <p>The court then decided that in the light of the two aspects dealt with above, it is not necessary to consider any of the remaining grounds of review since it was satisfied that the BEC by accepting agreement of sale presented by Third respondent as a valid agreement, despite it not meeting the mandatory requirement of tender, committed an error of law since this requirement ensures that the bidders can deliver what it offers. Court went further to state that it is likewise unlawful to award a tender when using the building that is subject of the tender would constitute a zoning law contravention and found that the BEC erred in finding that Third respondent's bid was responsive, and as a result, the award of the tender to Third respondent stands to be set aside.</p> |
| Judgment: | <p>In the result, the following order was granted:</p> <p>1. The decision of the first respondent to award the tender under tender number H20/011PF, for the procurement of alternative office accommodation of 12 146m2 and 528 parking bays for a period of 5 years to the third respondent, and all administrative actions pursuant thereto, is reviewed and set aside.</p> <p>2. The first respondent and third respondents, jointly and severally, to pay the costs of the application.</p> |
| Remedial Action policy/strategy) to reduce or avoid recurrence): | <p>DPWI to ensure that the BEC and BAC ensure that the bids received meet the criteria set in the bid documents and amongst others ensure that the bidders do have lawful mandates to bid on the property in question and that the space offered is scientifically measured and also to ensure that the property is appropriately zoned as such for the use intended by DPWI client/s, prior to making recommendations and or approval of the bid for award.</p> |
| <p>Case Number: SCA CASE NUMBER 779/2019</p> | |
| Applicant: | Minister of Public Works |
| Respondent: | Roux Property Fund (Pty) Ltd |
| Mini Summary: | <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 DPWI.</p> |

| | |
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| | <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"> 1. The appeal is upheld with costs including those attendant on the employment of two counsel. 2. The order of the high court is set aside and the following order substituted for it: <ul style="list-style-type: none"> '1 The application is dismissed with costs including the costs of two counsel. 2 The plaintiff's claim is dismissed with costs, including the costs of two counsel where two counsel were employed |
| <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

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

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

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

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.

SITUATIONAL ANALYSIS

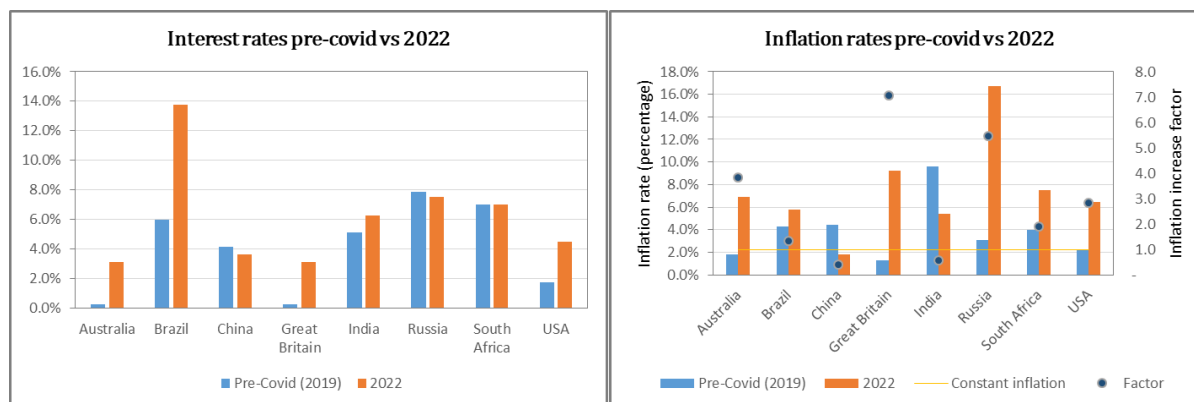
External Environment

Global Economic Overview

The global economy's growth contracted from 6% in 2021, to 3.2% in 2022 and is estimated to only grow by 2.7% for 2023 according to the International Monetary Fund (IMF). Various factors affect the global economic climate, the war in Ukraine, the impact of COVID-19, inflation pressures and rising interest rates (tighter monetary policies). Although most countries have come to terms with COVID-19 and seem to manage it, its impact still persists, with lockdowns still being implemented in China. Central banks around the World are implementing tighter policies in order to curb recent inflation levels, the most common tool being interest rate hikes. Global inflation is estimated to have reached 8.8% in 2022, an increase from the 4.7% of 2021. For emerging economies, inflation for 2022 is expected to reach 9.9%, which is much higher than the 2021 value of 5.9% and the 10-year average of 5.1%.

The charts below show interest and inflation rates for some countries before COVID-19 (that is before 2020) versus December of 2022. It can be seen that with the exception of China and Russia, interest rates have risen beyond COVID-19 levels. Due to a mixture of factors, mostly supply-side, prices have risen across the globe as depicted in the right-hand-side of the charts. Inflation in Great Britain is 7 times higher (as shown by the dot) than it was in 2019.

With the exception of China and India, all the countries depicted in the chart had inflation rates above the pre-COVID-19 levels, this can be seen by the dots being above the yellow line which represent constant inflation.



Data Source: IMF World Economic Outlook

As an open economy, interest rate hikes in other countries tend to dictate similar action internally in order to protect our currency and its buying power. As a trading economy, rising prices in other countries result in inflation locally, either through imports or increased export demand. These phenomenon (rising interest rates and inflation risks) are critical as they will to a large extent dictate the tempo of our economy across various sectors.

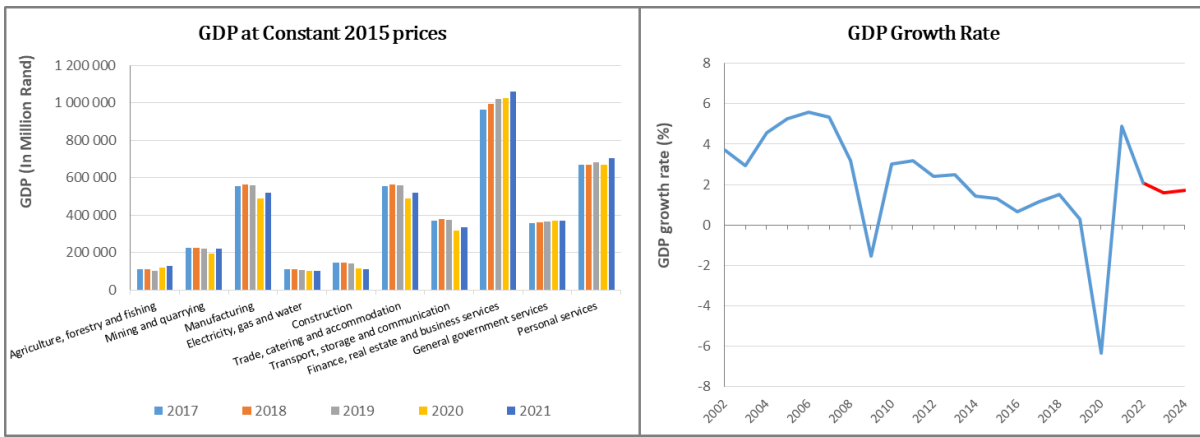
Local Economic overview

South Africa's economy was weakened by the COVID-19 Pandemic. The growth rate was already on a downward slope prior to the outbreak of the pandemic due to economic and structural constraints. Multiple measures were implemented to combat the impact of the pandemic on socio-economic status of the country. Monetary policy was one of the avenues that was effected to counter effect the impact of COVID-19, with the Reserve Bank reducing the interest rate from March 2020. Social relief programmes were set up and distributed to unemployed youth to combat poverty and job losses. Business grants were awarded to assist businesses that were struggling. Global and local travel restrictions hit the tourism sector and affected the revenue significantly. In the construction sector, various stages of lockdown and social distancing requirements stifled an industry which was already struggling.

Some businesses and firms were forced to close their doors because of low revenues. Closure of such businesses led to increased levels of unemployment. The economy was also affected by the Russian-Ukraine war, specifically the energy sector in which fuel prices were soaring high because of the restrictions imposed on the oil manufacturing country. The economy is currently faced with increased interest rates and inflation which has caused high food prices.

South Africa is currently facing another "pandemic" in the form of load shedding. More businesses are on the verge of closing due to lack of electricity and the high cost of alternatives. South Africa's growth rate for 2021 was reported at 4.9% and 2.1% for 2022. National Treasury has projected growth rates of 1.6% and 1.7% for 2023 and 2024 respectively. High levels of crime and corruption in the country are weakening public safety, infrastructure investment and economic growth.

Data Source: Stats SA, National Treasury

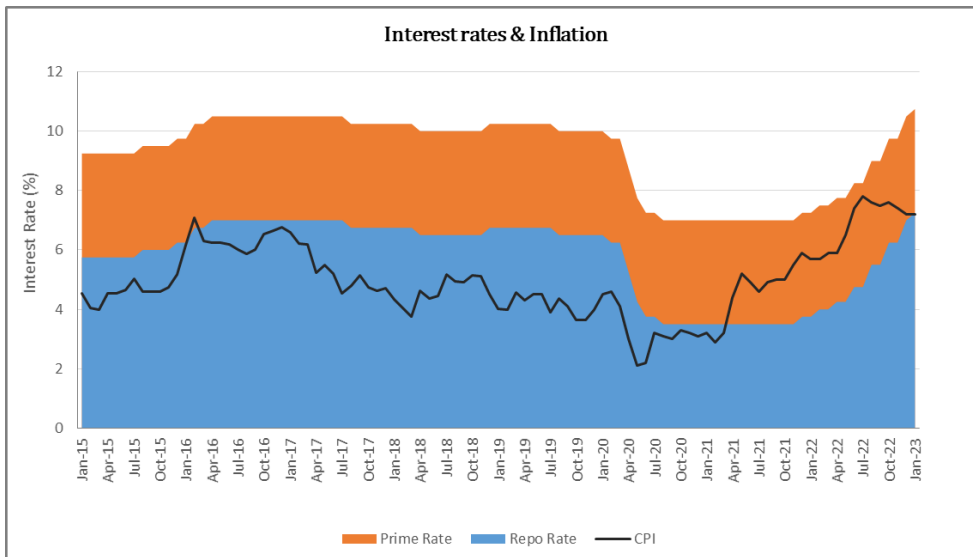


The charts above depict the value added to GDP by sectors and the growth rate over time. The growth outlook is moderately improving, with growth rates expected to return to pre-Covid levels. The finance, real estate and business services contributed significantly to GDP. The finance sector contributed 26% to the overall GDP followed by Personal Services with 17%. The manufacturing and trade sectors made equal contribution of 13%. The construction services is the only sector that contributed less in 2022 as compared to 2021; this was as a result of low productivity, high labour turnover and poor skills.

Interest Rates and Inflation

Global interest rates have an impact on our local interest rates. The Reserve bank uses inflation targeting as a framework in which it adapts its monetary policies. The Reserve Bank reduced the repo rate by a 100 basis points in March 2020 from 6.25% to 5.2%. The reduction in repo rate reached the lowest value of 3.5% in July 2020 and continued to remain stable until November 2021. The repo rate is currently reported at 7.25% in January 2023, the rate is 25 basis points more than pre-Covid levels. Increase in the repo rate affects the purchasing power of consumers as the cost of borrowing increases. The cost of repayments on properties increases when the repo rate goes up, which slows demand for property. The average headline CPI for 2022 is reported at 6.9%. This is the highest annual value reported since the 2008 recession. The monthly CPI from June 2022 to December 2022 was above 7%, with July 2022 recording the highest CPI of 7.8% in a 13 year period.

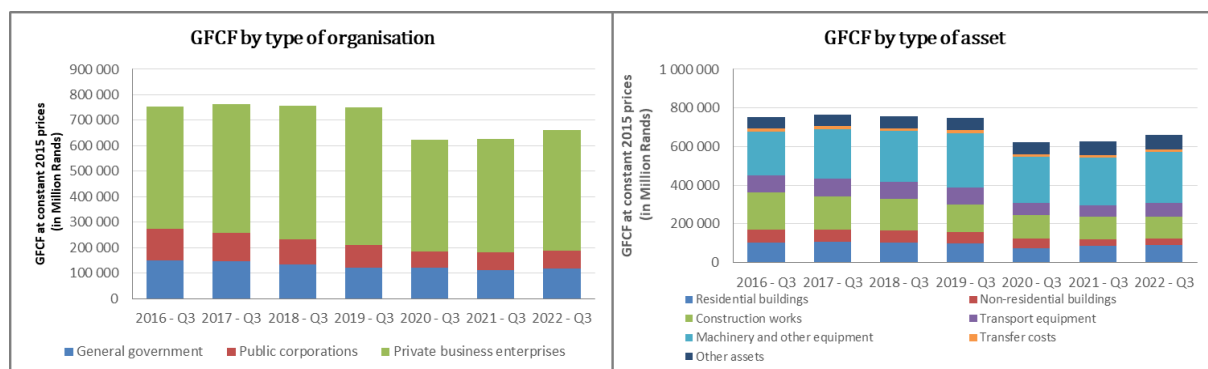
Data Source: Reserve Bank



As depicted earlier, the global economy has entered a period of high inflation and weakened economic growth. Local inflation is projected to remain above target but will converge towards the midpoint target during 2023 with domestic food prices remaining high. Fuel prices were up by 40.4% in December 2021 due to high global crude oil price. Increased prices of raw materials and intermediate inputs will continue to burden consumers with inflation. Reserve Bank has projected headline CPI of 5.3% in 2023 and 4.6% in 2024.

Gross Fixed Capital Formation

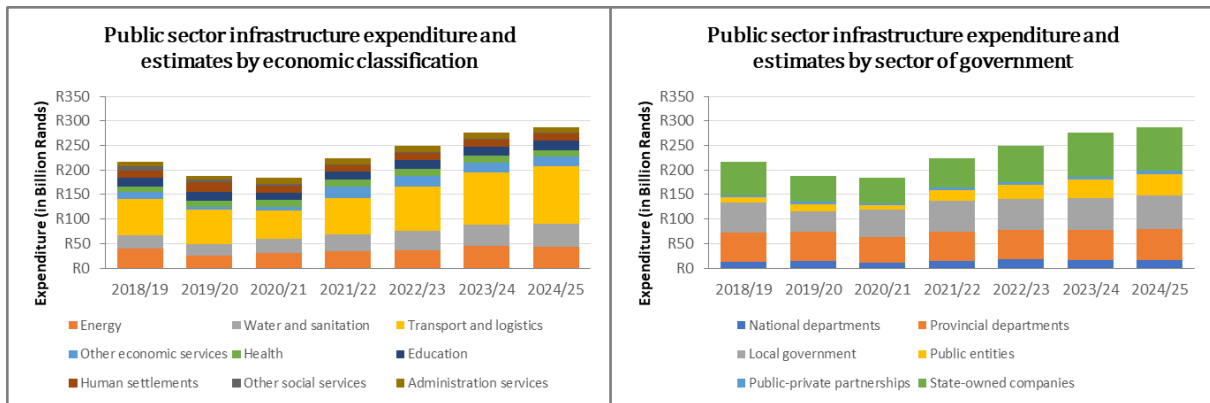
Gross fixed capital formation is investment spending on buildings, machinery and equipment which contributes to the economy. Private investment has strengthened on the back of the recovery, but public sector investment remains weak, as shown in the charts below. Renewed investment in fixed capital is vital to economic growth and recovery. The rise in interest rates has resulted in less investments by the private sector. GFCF increased by 1.2% in 2021 and it is expected to be on the rise and reach 4.1% in 2024/25.



For the construction and property sectors, low interest rates allow businesses to invest, which in turn creates jobs and boosts GDP. Gross fixed-capital formation is projected to increase by 1.9% in 2023 due to slowing global growth, rising borrowing costs, weaker equity markets and heightened risk aversion. In the near term, business conditions will remain challenging given the slow pace of economic reforms and inadequate electricity supply. Over the medium term, the rollout of energy infrastructure through the independent power producer initiatives and embedded generation projects will support investment. Implementation of the other non-energy infrastructure developments proposed in the national infrastructure plan (NIP 2050) is crucial in improving capital formation.

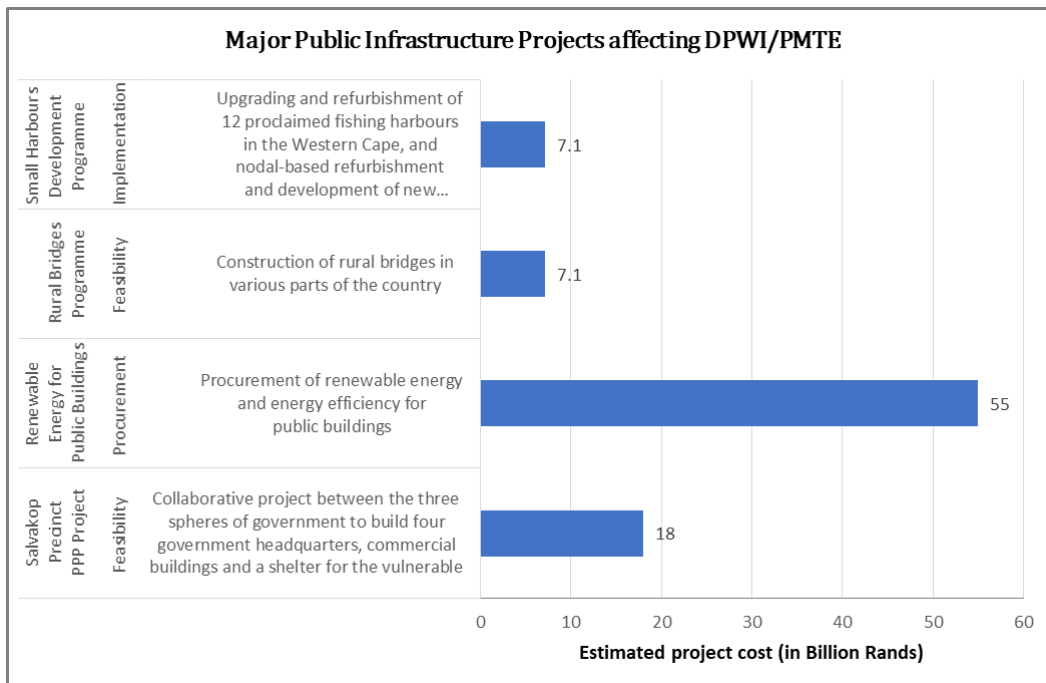
Public Infrastructure

The charts below show actual (2018/19 to 2020/21) and estimated (remaining years) expenditure (in billions) on infrastructure by the public sector. Following declines due to COVID-19 in 2019/20 and 2020/21, spending is estimated to have recovered above pre-pandemic levels. The energy, transport and logistics, and water and sanitation industries are expected to receive the most expenditure in the medium term. After falling below provincial and local government infrastructure spending, state-owned entities are expected to regain their spot in leading public sector capital formation for the medium term.



Data Source: National Treasury

There are multiple major projects at advanced preparation, procurement and implementation which are expected to kick-off in the near future. Most of the projects are expressed in the NIP 2050 and will see the public sector partnering with private sector to deliver such. The chart below show those projects that have a much direct impact to DPWI as well as the PMTE.



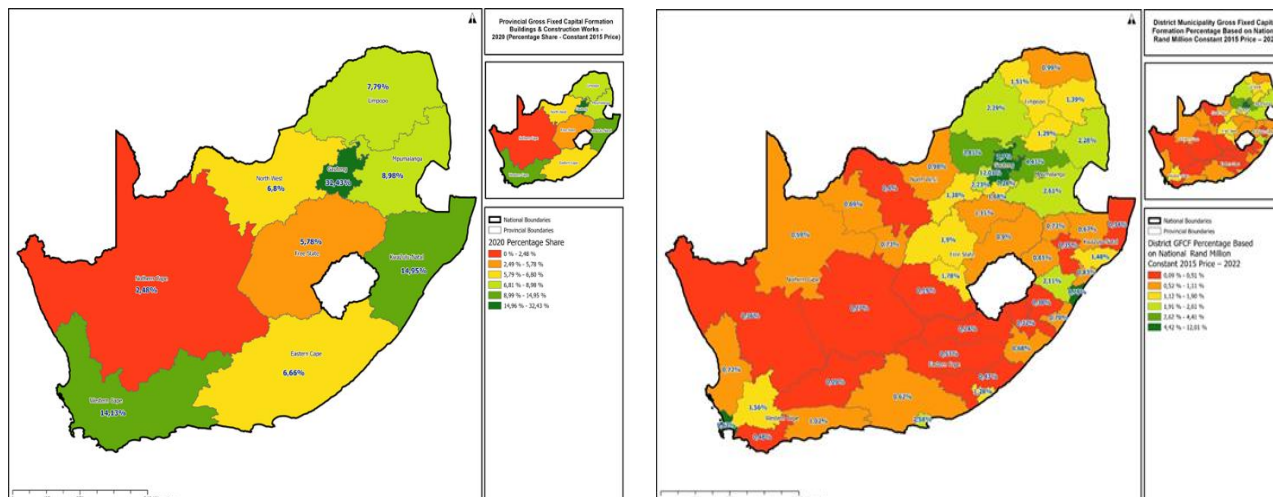
Data Source: National Treasury

The largest part of public infrastructure financing is allocated to State Owned Companies, Provinces and Municipalities. There is massive underspending in infrastructure by government and in particular local government and SOEs. While public-sector infrastructure investment continues to grow, the pace is not enough to address backlogs and cater for future capacity.

To achieve the NDP targets and the NIP 2050 vision, a quantum shift in both the quality and quantity of infrastructure investment is needed, while simultaneously mobilising significant private sector finances and expertise.

The tables below shows the spatial distribution of infrastructure investment by Province and District.

GFCF for Buildings and Construction Works at Provincial and district Levels - % Share

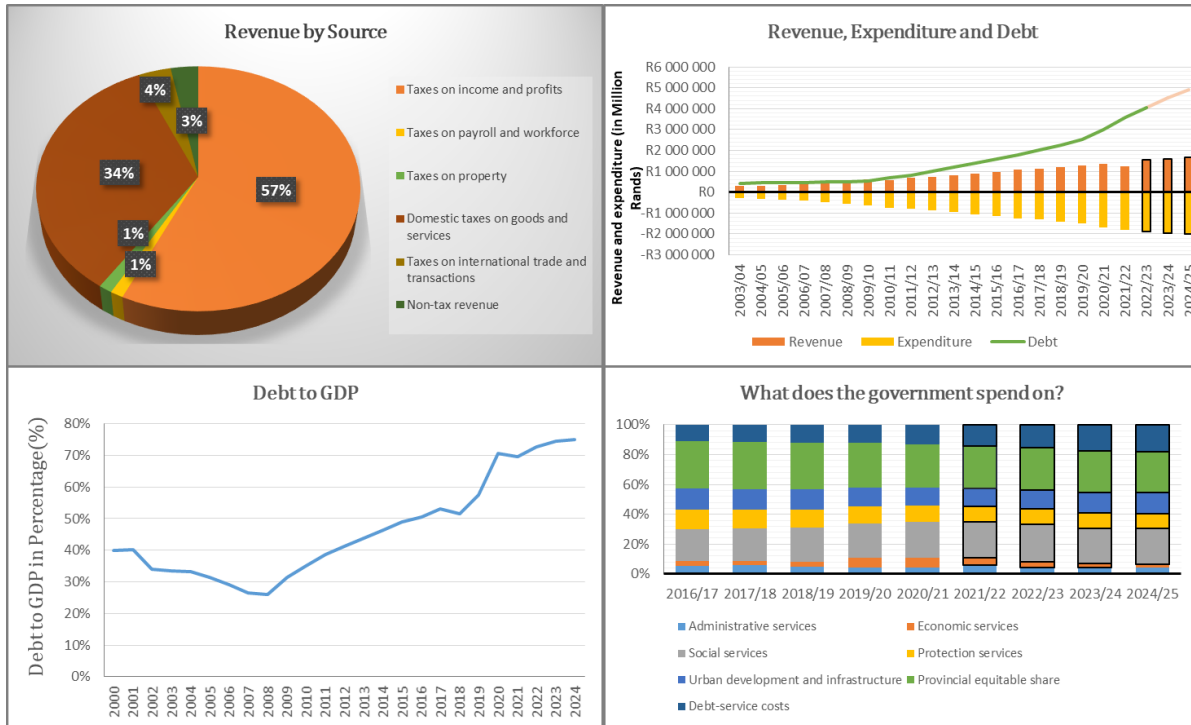


Source: Infrastructure South Africa and Quantec

Public Finances

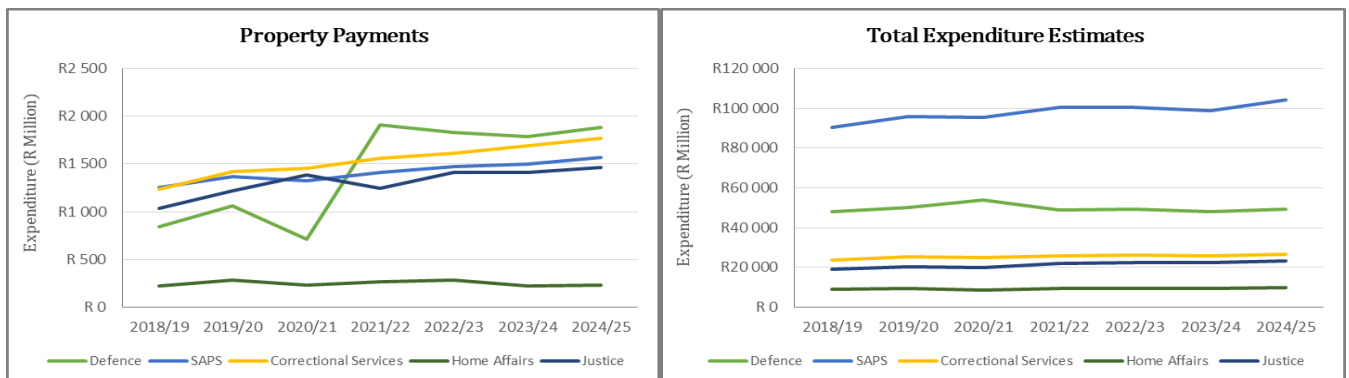
One of the objectives of the Medium-term Fiscal strategy is to reduce the budget deficit and stabilize the debt-to-GDP ratio. Similarly to most developing countries, South Africa is faced with many challenges such as rising debt-to-GDP ratio, weaker currencies and sky-rocketing inflation. The projected revenue for 2021/22 amounted to R1.3 trillion but the actual tax receipts indicate tax revenue of R1.55 trillion which is R180 billion higher than the projections. The collected revenue is still below the expenditure level which necessitated increased borrowing over the years. Government spending surpasses tax revenue and that results in a budget deficit, the deficit is offset by borrowing. The budget deficit is 5.7% of the GDP in 2021/22, 6% in 2022/23 and it will narrow to 4.2% of GDP in 2024/25. South Africa's debt increased from R989 billion in 2011/12 to above R4 trillion in 2021/22. The debt is projected to increase to R5.2 trillion in 2024/25.

The debt to GDP ratio is 69.5% for 2021/22 and is expected to increase and stabilize to 75.1% by 2024/25. The lowest debt-to-GDP ratio reported was in 2008 and it was reported at 28% during the period of recession. Increased government spending stems from allocated COVID-19 relief funds, high public-service wage bill, debt service cost amongst other things. Despite challenging economic affairs, the National Treasury has reiterated that government is focused on stabilising the public debt and ensuring public finances are sustained.



Data Source: National Treasury

The charts below show the part of the budget going towards property payments for the security cluster departments, which occupies the majority of the department's buildings. The total expenditure estimates for each client are also shown, depicting a slow growth for all the department, with reduction around the COVID-19 period. At a percentage level, property payments are expected to fall for the 2023/24 financial year before growing at an average of 4.8% for 2024/25. Total budgets are expected to fall by 1.7% for 2023/24 and then increase by an average of 4.5% for 2024/25. These low growth rates poses a threat for the department, at the time when the results of the itemised billing project suggests that these departments have significant shortfall on accommodation budgets.

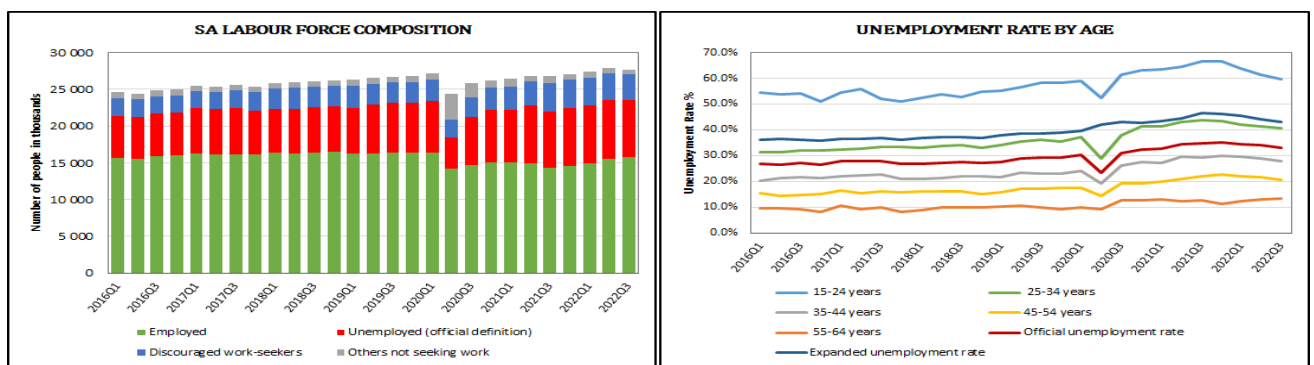


Data Source: National Treasury

Employment

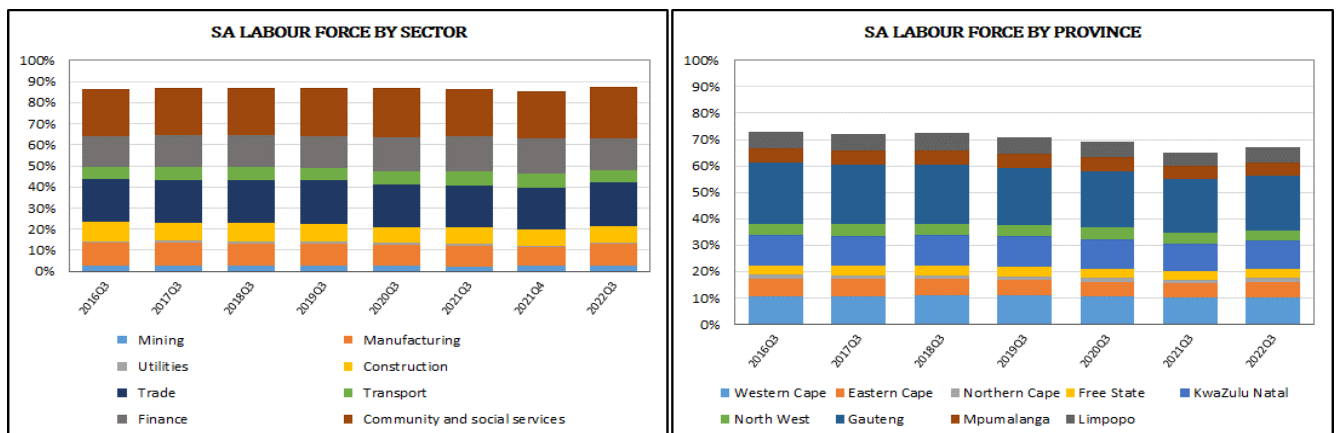
The official unemployment rate stood at 32.9% as at the third quarter of 2022 down from 33.9% in the previous quarter. The decrease represents gains of 269 000 individuals employed. The retraction is a welcomed recovery from an all-time high unemployment rate of 34.9% and 35.3% in the third and fourth quarters of 2021 respectively. Discouraged jobseekers have declined consecutively for the past four quarters from a total of 3.8 million discouraged work seekers in 2021Q3 to 3.5 million in 2022Q3. At an overall level, economic growth is still slow and as a result, demand will continue to outstrip labour supply.

The chart below shows the composition of the labour force as represented in the Quarterly Labour Force Survey (QLFS) conducted by Statistics South Africa. The charts provide an indication of the unemployment rate by age alongside the lines for official and expanded unemployment rates. Since the third and fourth quarter of 2021, when youth unemployment for the age group 15-24 stood at 66.5%, in the third quarter of 2022, 321 000 youth have been absorbed into the job market. The increase can be attributable to amongst others, Public Employment Programmes (PEPs), long-term investment programmes that directly create employment through productive activities with a high labour intensity. These programmes are financed and implemented by government.



Source: STATS SA

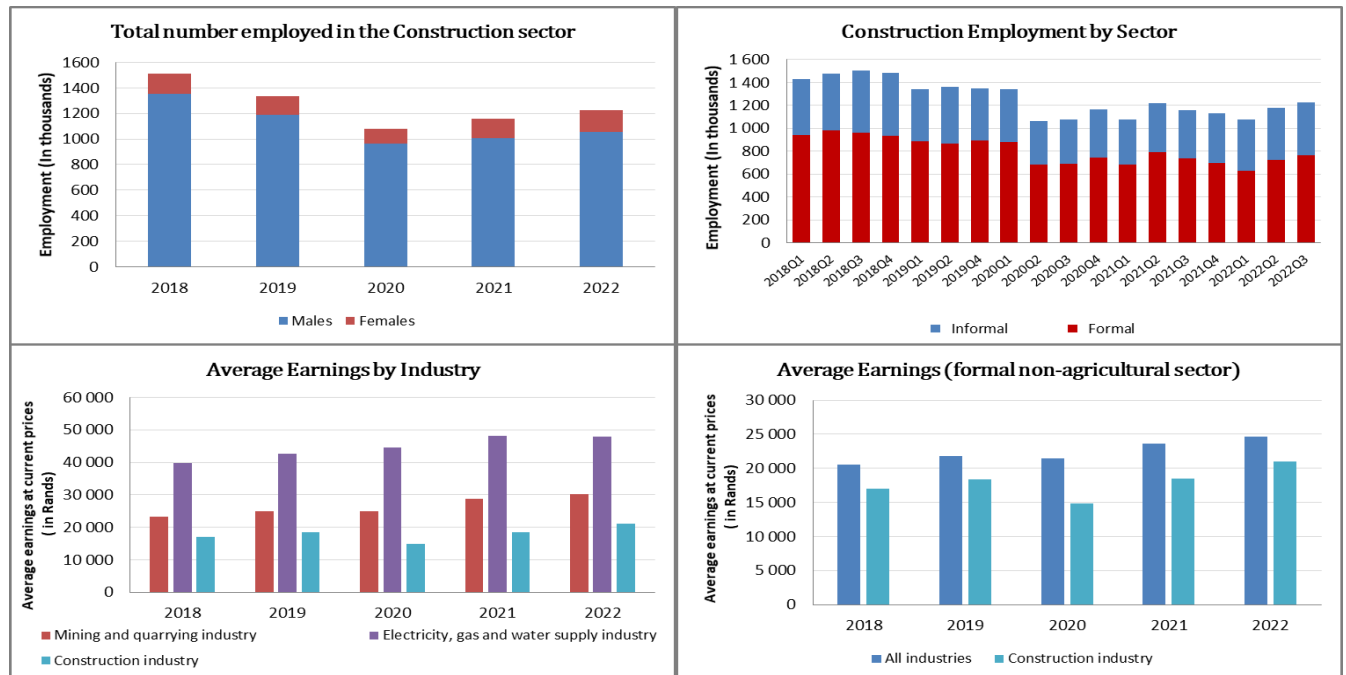
Data from the third quarter of 2022 QLFS confirm that for the secondary economic sector, both the construction and manufacturing sectors maintained a constant share of total employment of 8% and 10% respectively for both the second and third quarters of 2022. The trade sector, on the other hand, employed 1% more job seekers. Despite heavy floods experienced in KwaZulu-Natal in April 2022, the number of unemployed people reduced by 90 000 to 1.1 million in the third quarter of 2022. At the same time, employment in Gauteng province increased by 1% with 136 thousand job seekers joining the labour force. The number of unemployed people reduced noticeably in Limpopo (191 thousand), North West (109 thousand) and Western Cape (101 thousand).



Source: STATS SA

Construction Sector Employment

The charts below were derived using the QLFS and quarterly employment statistics (QES) publications data from Statistics South Africa. The two graphs on top provide a trend of total employment by gender as well as industry whilst the charts at the bottom highlight average earnings (expressed in 2015 constant prices) for selected industries. Following a depressed state in 2020, the construction sector is rebounding positively absorbing 46 000 more employees in the third quarter of 2022 from 1 177 000 in the second quarter. Despite interventions to address gender disparities, progress in terms of honing in on the gender equity gap is still slow.



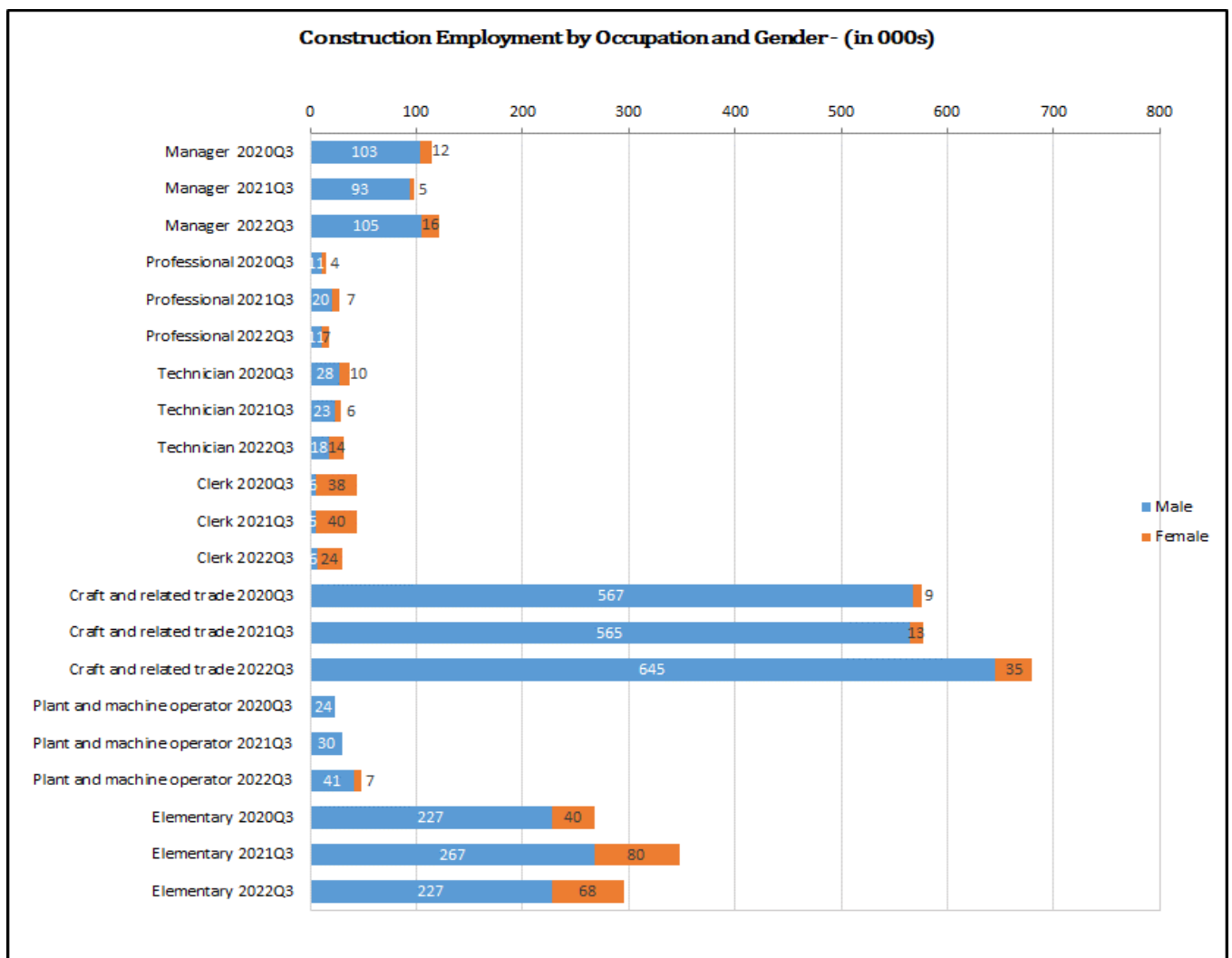
Source: Stats SA

The Electricity, gas and water supply industry boasts the highest average earnings, averaging at R47 812 in 2022. Not only did the construction sector employ more in quarter 3 of 2022 compared to the previous quarter; average earnings also increased from R18 484 in 2021 to R21 021 in 2022. The sector also picked up and increased from R14 865 in the year 2020 when COVID 19 restrictions were levied. The pick-up may be due to improving conditions for the sector as well as wages reacting to high level of inflation; however, an analysis of the earnings using 2015 constant prices also shows increase in the earnings. Using the average earnings for all industries as a base measure, the growth in earnings for the construction industry (of 13.7%) surpassed the industry growth of 4.3% when compared to the same period a year ago.

In the Construction Industry Development Board's (CIDB) annual report for 2021/2022, the minister of Public Works and Infrastructure, Patricia de Lille, highlighted that the advancement of the Construction Industry Recovery Plan (CIRP) will complement other government interventions, such as the Economic Reconstruction and Recovery Plan and the National Infrastructure Plan (NIP). With the aim of stimulating activities in the construction industry.

As part of the infrastructure investment plan, the Salvokop Precinct Development Project in Tshwane has been launched and is anticipated to create 80 000 jobs. This project aims to build four government headquarters, commercial buildings and shelter for the vulnerable. Renewable Energy for public buildings project, Kopanong Precinct PPP project, Limpopo Central Hospital PPP project, Midvaal Electricity Distribution project and Small Harbours Development Programme are amongst projects geared to create employment. Projects mentioned are currently in the implementation or procurement phase.

The chart below shows the number of males and females employed by occupation in the construction sector for the third quarter of 2020, 2021 and 2022. Females account for 14%, while males make up 86% of those employed in the sector. This narrative has been engrained for many years; however, despite existing barriers to entry, women continue to build their path in the industry. The gender gap for professionals in the industry is narrowing with 38% of females attributing for professionals in quarter 3 of 2022 compared to 26% in quarter 3 of 2021. Similar sentiments can be made for technicians in the industry, in quarter 3 of 2022, 43% of technicians are females from 20% in 2021 the same quarter. Amending policies on inclusion may be helpful towards addressing gender inequality however initiatives need to be accompanied by society-wide efforts to break down gender stereotypes.



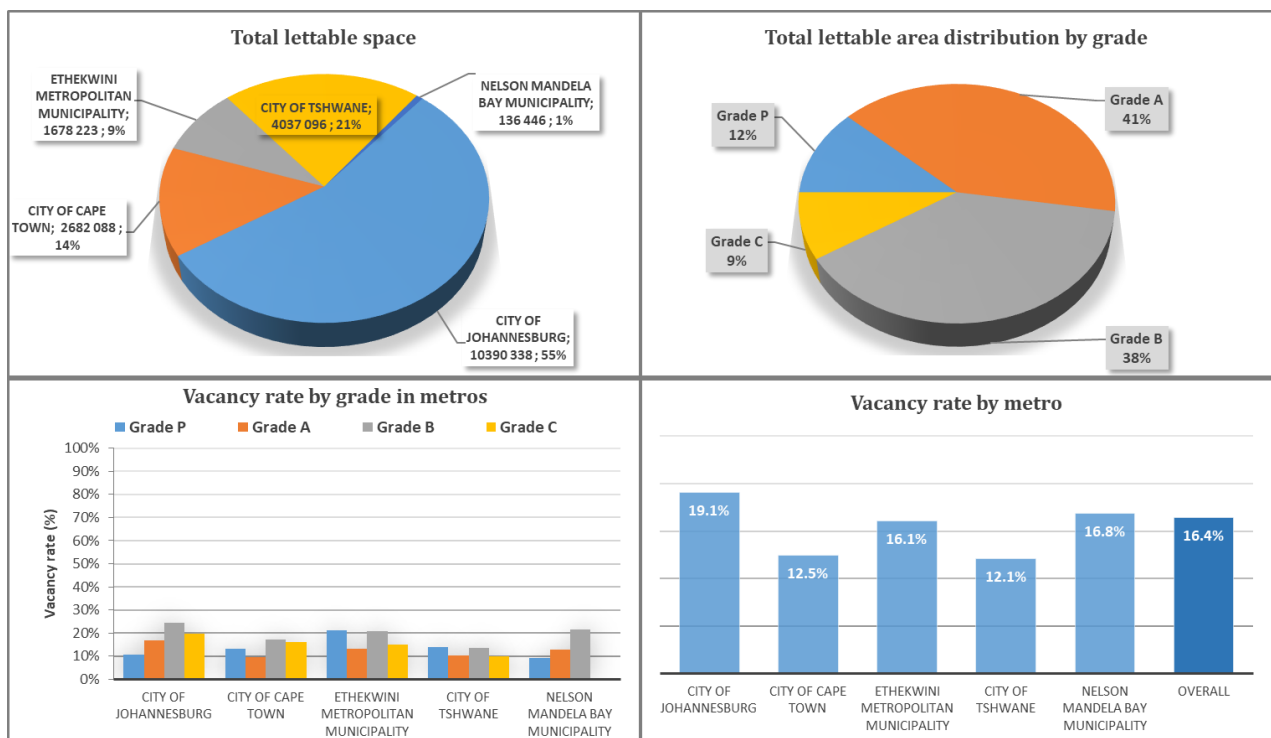
Source: Stats SA

Property Sector

Offices Market

Amidst the current sluggish decline in office vacancy rates, vacancy rates are relatively still high. The overall office vacancy rate was recorded as 16.7% and 16.4% in the second and third quarters of 2022 respectively. These are still much higher when compared to pre-COVID levels where office vacancy rates were below 11%. The high vacancy rates correspond to a larger gross lettable area or available space of 3.1 million square meters as at the third quarter of 2022 compared to 2 million square meters of vacant space in 2019. Renewed global and local pressures from a rise in CPI and cumulative interest rate hikes may dampen prospects of lower office vacancy rates, making this an opportune time to negotiate favourable rental deals with landlords. Demand is likely to improve once the economy stabilizes and businesses start expanding to levels that reduce unemployment. The slip in business confidence for three quarters as tracked by the Bureau of Economic Research (BER) is likely to have a negative effect (increase) on vacancy rates in the short and medium term.

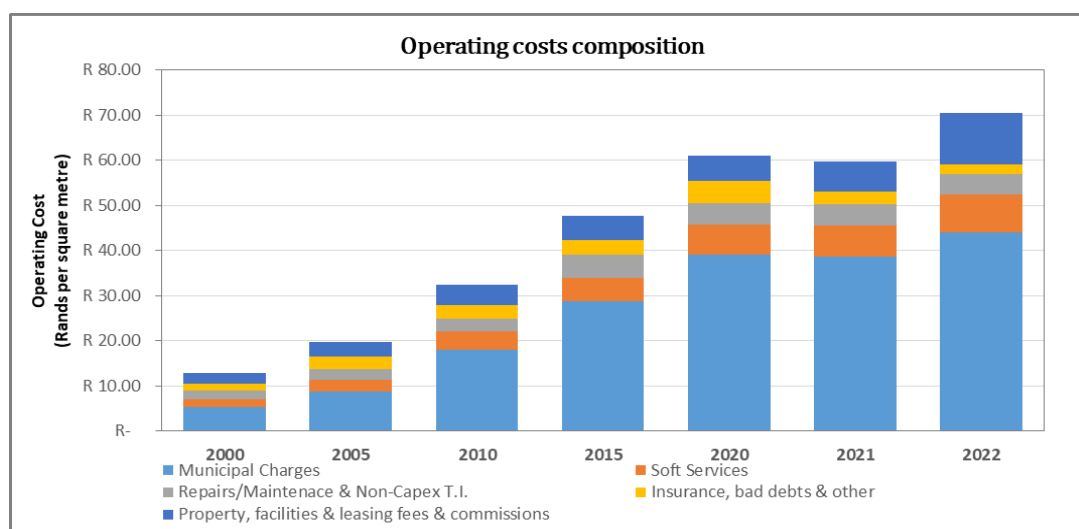
According to the South African Property Owners Association (SAPOA), City of Johannesburg continues to have the highest office vacancy rate standing at 19.1% in September 2022. This has seen the region lose approximately 2.98 billion in income. Nelson Mandela Bay Municipality's vacancy rate also remains stagnant at 16%. City of Tshwane and Cape Town are regions that have weathered the COVID 19 storm better than others with office space demands continuing to increase quarter on quarter. Amongst others, high vacancy rates for Prime and C grade nodes can be attributable to slower reduction in vacancy rate for eThekweni Municipality.



Data Source: SAPOA

Operating Costs

Operating costs are a growing headache for commercial property, the continued increase pose a risk to the industry. SAPOA reported an increase of 11% in total operating costs. The chart below is derived using data from SAPOA's Operating cost report, published in October 2022. The figures illustrate operating costs in rands per square metre. Electricity; Rates and Taxes which form part of municipal charges, make up a significant portion of overall operating costs, 30% and 25% respectively. Municipal charges account for 23.6% of gross income in the office segment. The persistent reality of energy supply constraints, shrinking budgets, climate change and increasing expenses as a whole makes it more difficult for the industry to streamline costs. Landlords are most likely to shift a larger percentage of costs to tenants.

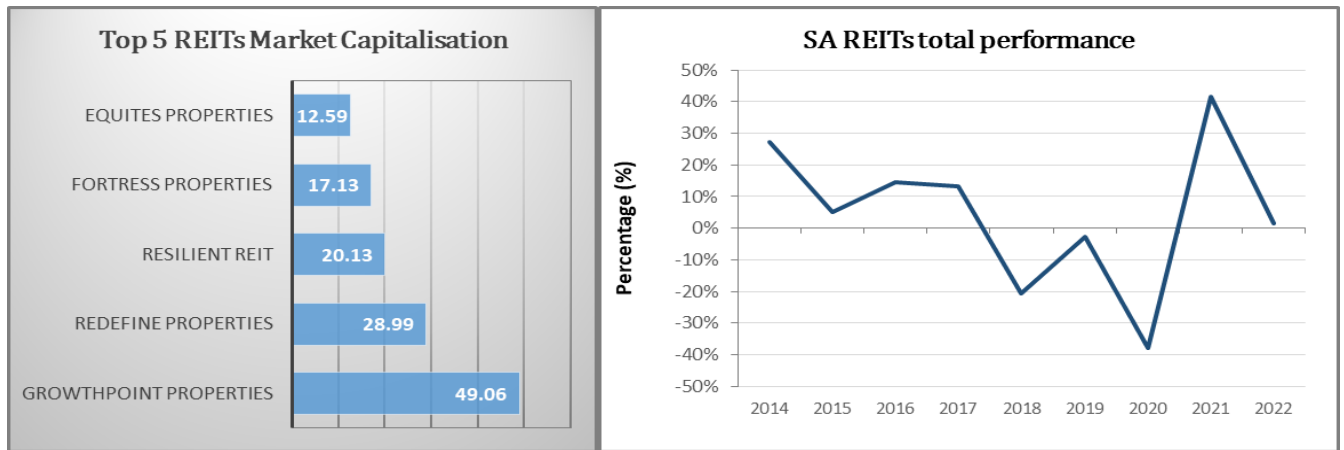


Data source: SAPOA

The approval to increase electricity by 18.65% in 2023 and 12.74% hike in 2024 by the National Energy Regulator of South Africa (NERSA), will put tenants and landlords in a position to look more carefully into their buildings' power consumption profiles in order to remain attractive to tenants. All parties will need to reconsider joining the bandwagon by focusing on activities that will assist in reducing energy consumption.

Real Estate Investment Trusts

Real Estate Investment Trusts (REITs) are companies that own, manage and finance income-generating properties in the real estate sector. They pool capital from numerous investors which then provide opportunities for individual investors to invest in the REIT Company and earn money through dividends of real estate without having to purchase or manage the property themselves. REITs covers most of the property types from residential apartments, offices, warehouses and retail centres amongst other types. The graph below shows the top 5 REIT companies by their market capitalization as stated by the SA REITS association in December 2022. Market capitalization refers to the total value of a company's shares on the market. Growth point properties is the largest listed primary REIT with a market capitalization of R49 billion followed by Redefine properties with R29 billion. There was a mixed performance within the top 5 REITs for 2021, with Growth point (3.8%), Redefine (6.5%) and Fortress (47.4% for B and -15.9% for A) registering some positive returns. Equities had the highest decrease amongst the top 5, of 19.4%, whilst Resilient also declined by 2.4%.

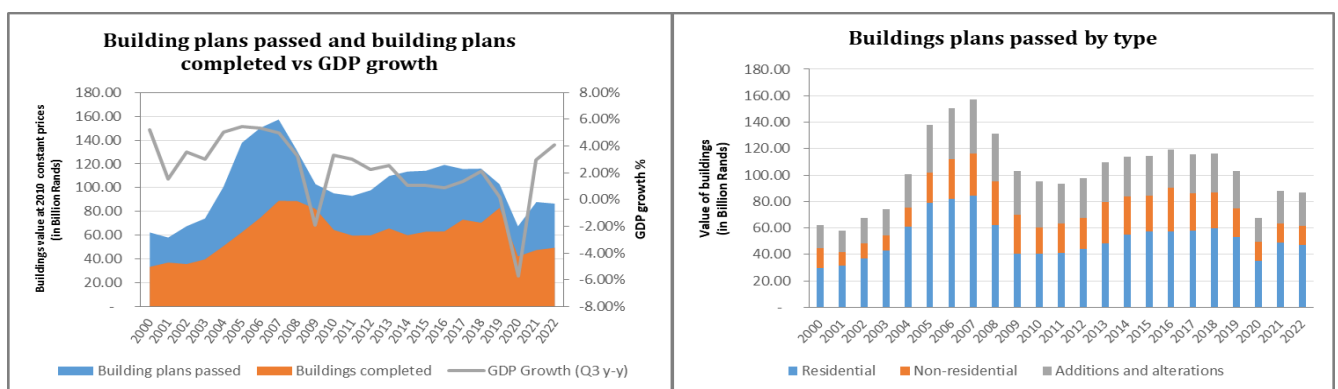


Data Source: SA REITS, JSE

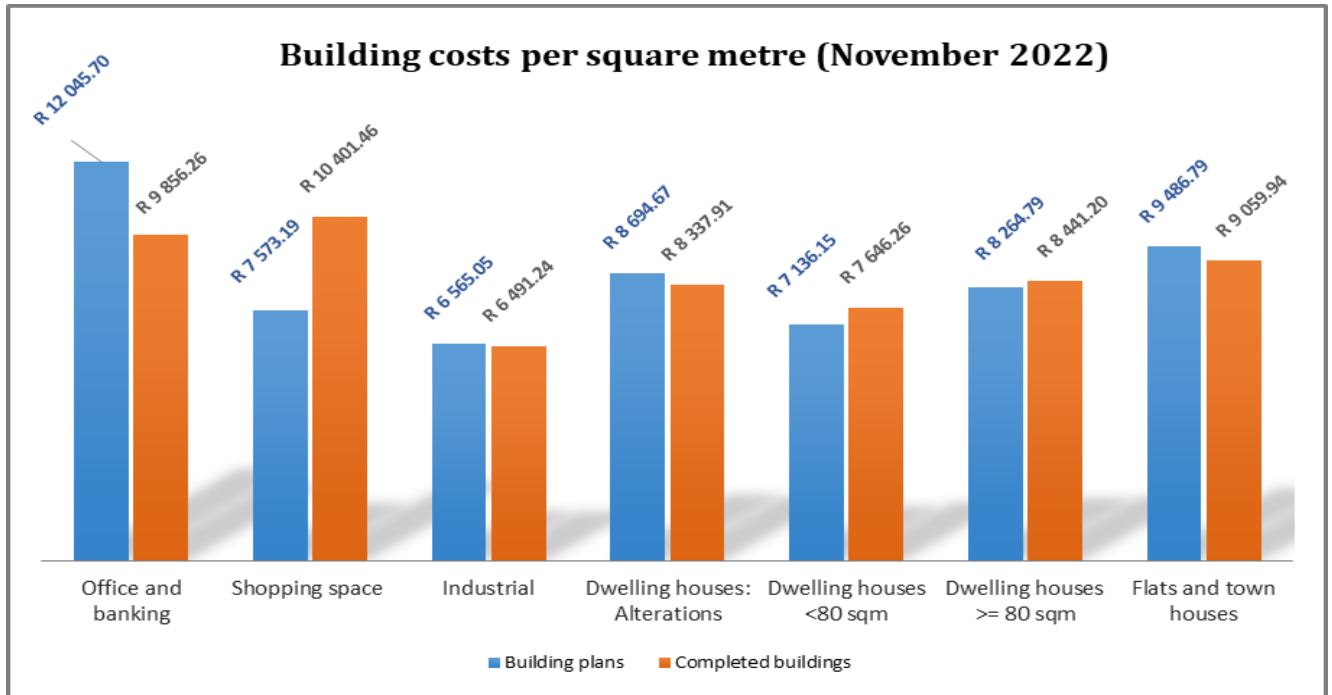
The performance of the REITs industry is shown by the line graph above and it illustrates the fact that REITs were hard hit and underperformed during 2020 COVID-19 pandemic. Their performance improved quite drastically in 2021 resulting in higher earnings but declined again in 2022. Investors are pessimistic as they are projecting that long term growth rates will be lower than historical growth rates. The challenging times for the real estate sector can be witnessed by the SA REIT index performing lower than other asset classes in 2022. With the exception of 2021, SA REIT has been performing lower than equities and bonds since 2018.

Building Activity

The following charts show building activity as reported by StatsSA based on plans on completed buildings reported by municipalities. The value of planned buildings decreased by 1.5% from R87.94 billion in 2021 to R86.61 billion in 2022 (expressed 2015 constant prices) for the period of January to November of both years. The decrease was mostly due to residential building plans which decreased by 3.8% from R48.72 billion to R46.89 billion. Rising interest rates and prices might exert further pressure and slow building activity. In the same period, the value of completed buildings increased from R47.54 billion to R49.51 billion (2015 constant prices); corresponding to a 4.1% increase.



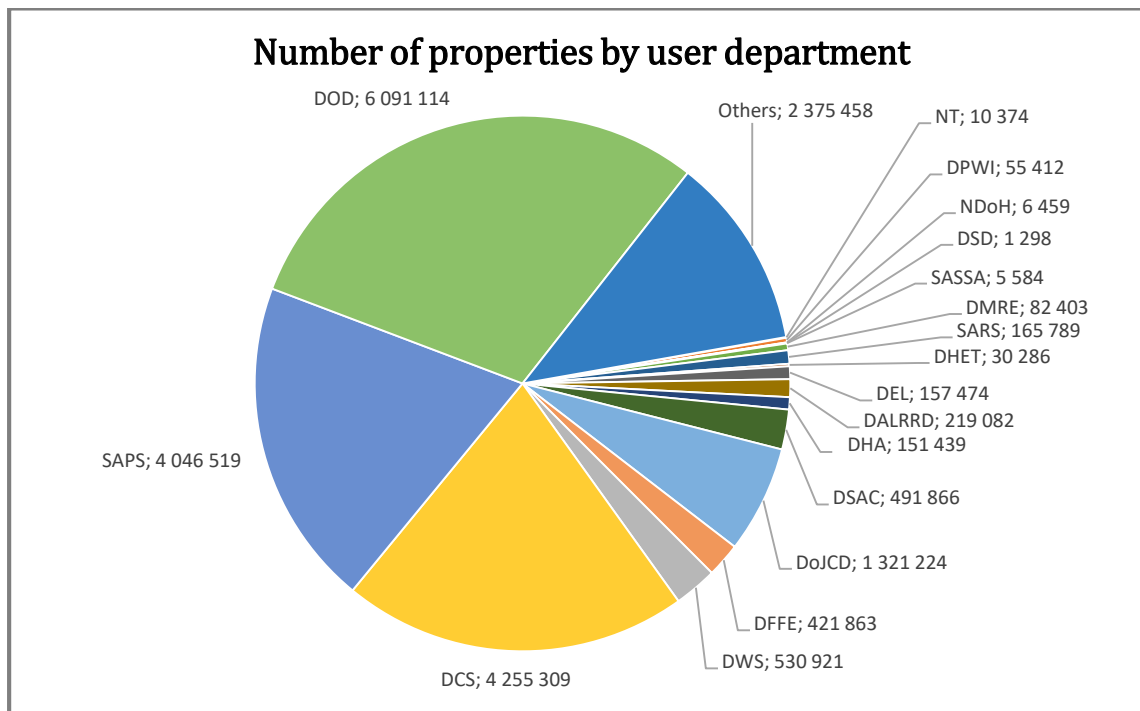
Based on the data from Statistics South Africa, average building costs can be derived for the different types of building based on the value of buildings (current prices) and their size (extent). Office and banking spaces planned for construction had the highest average cost per square metre (R12 046 per square metre) in November of 2022 compared to the other building types. The average costs depicted here will vary per project, but may be used to check the difference between the departmental average and those shown here.



Financial sustainability and portfolio composition

The PMTE, as part of the conditions required by National Treasury for its operationalization, has undergone a 5 year process of getting user departments to move from the devolution framework for accommodation charges towards the itemised billing method. The process of itemised billing involved confirmation of properties occupied by client and the calculation of cost-recovery user charges. The calculated user charges were then contrasted with the available budget to determine surpluses or deficits.

18 user departments underwent this process where they were grouped into 5 cycles, with National Treasury approvals being obtained through the various cycles. In the 2022/23 financial year, the process concluded with the security cluster clients. The 18 client departments occupy a total of 59 503 buildings, which constitutes 77% of the total buildings of 77 539 in the asset register. The total extent occupied is 18 044 417 square metres, which is 88% of the total extent (20 419 875 square metres) disclosed in the Immovable Asset Register for 2022/23. The chart below shows the distribution of space occupied by client department. The other space (2.37 million square metres) represent facilities not included in itemised billing (either not yet allocated to client or covered by special agreements), those occupied by private tenants and unutilised buildings.



The total cost recovery user charge required in the same period for the itemised billing properties is R12.07 billion; however, the approved user charges amounted to R5.07 billion. The required full cost recovery user charge amounts to R55.76 per square metre, whilst the approved user charge amounts to an average of R23.41 per square metre. The approved user charges result in a shortage of 58% across the portfolio, equal to R7 billion. The amount approved R5.07 billion only covers (100%) municipal rates and 58% of normal maintenance, excluding refurbishment.

At a client level, the approvals generally maintained the devolution amount with few increases for some clients. The main budget shock at client level is for the Department of Correctional Services (DCS) where the total approved user charge is R661.63 million, whilst the devolved budget used to be above a billion Rands. The approved (devolution-based) accommodation charges for Mineral Resources, Social Development, and Higher Education and Training do not cover municipal property rates for the properties occupied.

It is evident that the current payments received from the clients are not sufficient to optimally maintain the properties. Without maintenance, dilapidation and failure of properties will be accelerated, which will result in higher rate of leasing and increase in major refurbishment projects; both of which will demand more funds. Accommodation budgets need to be prioritised to ensure that infrastructure failure is limited.

Notwithstanding the funding challenges, there are internal shifts and adjustments required in the department. These include:

- The prioritisation of maintenance on clients who are paying the full required user charge in order to entice other clients to increase their rentals;
- maximised spending of current user charges; that is, reduce underspending;
- Engaging clients on implications of current budgets on the level and quality of services to be rendered;
- Signing lease agreements with affected clients; and
- Maximising occupation and rental on the 12% of the portfolio's space not covered by the 18 clients.

Technological Advances / Impact

The fourth Industrial Revolution or 4IR as it is affectionately known is one of the technological advancements that is taking the world by storm. 4IR thrives in areas of high capacity connectivity, human-machine interactions. The most influences in technological advancement include 3D printing, artificial intelligence (AI), robotics and autonomous vehicle.

Technology and digitization are considered as having the potential to stimulate economic growth with opportunities that can be available for youth in the digital space. South Africa needs to embrace the technological advancements, through reskilling workers in automation and other sector that can significantly contribute to economic growth. The proposed broadband infrastructure investments embodied in the NIP 2050 as well as the National Treasury's public infrastructure spending reports will be a strong catalyst in ensuring that various parts of the country are impacted by this wave of technological advancement.

There are certain strides that the government has taken to ensure the country is advancing in technology and automation to improve service delivery. There are technology advancements in the construction sector and that covers a vast range of techniques and practices that include developments in design procedures, materials technology, facilities management, quantity surveying and structural analysis and design.

Technology does increase productivity but it has challenges that come any innovation with it such as cyber-security, adequate skills. An assessment was conducted by SITA to assess the readiness of SA State to adapt digital transformation in the public service and the findings indicated that South Africa falls within quadrant 2 and there need to be improvements. There are systems that are currently digitized in South Africa, an example is the Home-Affairs Identity document system.

Internal Environment

Human Resource Capacity

The capacitation of the Department and the Property Management Trading Entity in terms of human capital (quantity and quality) skills and competencies remain continues with its intensive recruitment drive to ensure a that it has the required skills and competencies continuous improvement to deliver on its mandate and objectives and to proactively address the Department's prioritised focus areas. The Economic Recovery and Reconstruction programme of government and the role of the Department of Public Works and Infrastructure has placed even more emphasis on the recruitment, retention and development More emphasis and focus has been and will be placed on the filling of technical, scarce positions and critical skills as well as senior management positions to ensure stability and accountability. As at 31 March January 20232, the vacancy rate of the Department remains at 110% which is within higher than the acceptable rate 10% as per the DPSA standards, which accounts for both Main vote and PMTE.

In its commitment to realise leadership stability and accountability, the Department has prioritised the filling of senior management position. The recruitment process with regard to the Director-General and Deputy Directors-General are at the advanced stage. The Department is has conducted a comprehensive skills audit for all senior managers and the implementation of the identified training interventions linked to personal develop plans. As part of organisational performance the Department has embarked on an organisational culture change management programme and has since completed the diagnostic exercise. The implementation and monitoring of the change management activity plans to instil and reinforce culture change.

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

In the efforts to empower Women, Youth and Persons with Disabilities and towards the achievement of the National Employment Equity targets of 50% for women in SMS and 2% respectively for Persons with Disabilities, the Department has approved and is implementing the revised Employment Equity Plan which sets out clear measures or mechanisms and annual incremental targets towards achieving the overall national targets. This is the work and role of the National Employment Equity Consultative Committee and its regional structures in support of this key priority of government.

As at 31 January 2023, the Department achieved 1.10% against the set target of 2% on employment of Persons with Disabilities, which is an underperformance of -0.90%. This is a decline from the 1.18% as at the end of the 2022/23 financial year. In creating a conducive environment for the employment of persons with disabilities and women in SMS positions, the Department has established the Disability Committee in collaboration with the National Employment Equity Consultative Committees.

The appointment of women at SMS level at the end of 31 January 2023 was sitting at 43% which falls short of 0.7% against the 50% national target. 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 current shortfalls in the appointment of women in SMS positions, any SMs position currently occupied by a female incumbent will be earmarked or targeted for female candidates on becoming vacant.

Contribution towards Vulnerable Groups

As part of the strategy to combat Gender Based Violence and Femicide (GBV-F) since 2020, 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 GBV-F. 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. The following pillars of the NSP on GBV-F are supported:

- **Pillar 2: Use public buildings to do prevention messaging to create awareness for Gender Based Violence & Femicide**

Twenty-six (26) Anti GBV-F Billboards were installed in Police stations as part of creating awareness on GBV-F matters. These 26 police stations are part of the 30 police stations that have been identified as hot spots for GBV-F in the country. 26 Billboards are installed to date in various provinces (4 in North West, 3 in Mpumalanga, 3 in Gauteng, 6 in Western Cape, 3 in KwaZulu Natal, 3 in Northern Cape and 4 in Free State). The Minister unveiled the Bloemspuit billboard on the 08 December 2022, during 16 days of activism.

- **Pillar 4: Make available unutilised public buildings to be utilised as shelters or temporary housing arrangements for victims/survivors of Gender Based Violence**

The Department provided Fifty Four (54) Unutilised State Properties which have been inspected and identified in the Provinces to be utilised as shelters and as interim housing arrangements for survivors of Gender Based Violence. Out of 54 properties, 24 properties were confirmed by DSD to be used as shelters on the 6th October 2022. Budget for renovations has been approved. The department successfully handed over Free State properties (Koffiefontein) in December 2022 during 16 days of activism. The other remaining properties will be handed over in the second quarter of 2023/24.

- **Pillar 5: Facilitate economic opportunities for women**

The Department continues to create economic opportunities for women through participation in the departmental programmes. At the end of the 3rd quarter 3, the department supported companies for women, female youth and disabled females through procurement of services for the DPWI. The quantum of the contributions are following:

- **Women:** 464 Transactions to the Value of R77 254 29, 82
 - **Youth Female:** 171 Transactions to the Value of R35 495 350.24
 - **Disabled Female:** 12 Transactions to the Value of R4272 765, 03

Information and Communication Technology (ICT)

The IT environment has substantially improved the capability of DPWI to be resilient and responsive to disasters in ensuring availability and continuity of IT services. 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 replications are done as per the approved policy. As part of adherence to the policy, ICT will conduct regular testing of the backups and also investing in alternative energy solutions like solar and batteries in the Data Centres to counteract the threat of load shedding.

The e-leave system has been developed and the plan is to roll out the solution in the 2023/24 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.

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.

ICT will champion the call for DPWI to leverage 4IR technologies like Block chain, 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.

Industry Research on Leasing Environment

The PMTE provides for its user departments through state-owned assets or leased accommodation. Where accommodation needs are satisfied through leasing, it is critical to negotiate for the lowest possible combination of rentals and escalation. Across the portfolio, month-to-month leases are common than desired. An in-depth analysis was performed on the Pretoria Region, which houses most head offices and key divisions of various national departments.

The report found that 54% of the 210 analysed leases in the region were running on a month-to-month basis. The total rental expenditure (excluding VAT) on Pretoria leases was R206 011 256.63 per month as at the end of November 2022, which translate to R2.47 billion over a year. The monthly average rental rate paid on offices in the region amounted to R156.17 per square metre. A comparison between the average rent paid by the PMTE and market rentals revealed that rental rates paid in Pretoria Central are respectively 70% and 68% above grade-A and the weighted average of the upper bounds of Grade-A and grade-B market rates.

| Suburb/Node | Grade A+ | Grade A | Grade B | Grade C | weighted Average Rent (Grade-A & Grade-B) | Weighted average (upper bound Grade-A & Grade-B) | PMTE weighted average rent | Difference between PMTE and Grade-A market rent | Difference between PMTE and upper bound of average |
|----------------------|----------|---------|---------|---------|---|--|----------------------------|---|--|
| Pretoria CBD | - | 94.38 | 81.88 | 61.88 | 84.25 | 95.47 | 160.82 | 70% | 68% |
| Menlo Park/Hazelwood | 185.63 | 152.67 | 124.63 | 100.00 | 136.07 | 153.85 | 163.57 | 7% | 6% |
| Hatfield/Hillcrest | 165.00 | 132.50 | 112.92 | 92.63 | 118.33 | 127.35 | 153.39 | 16% | 20% |
| Centurion | 152.13 | 126.15 | 114.69 | 91.67 | 119.56 | 132.00 | 197.24 | 56% | 49% |
| Highveld Technopark | - | 130.50 | 107.61 | - | 122.03 | 129.18 | 157.77 | 21% | 22% |
| Arcadia | - | 120.13 | 86.25 | 74.38 | 103.08 | 124.97 | 143.60 | 20% | 15% |

Pursuing rentals within market range can result in savings of between R396 million and R840 over a 12 months period. Analysis is ongoing for the other regional offices but similar results are expected, particularly in regions with high month-to-month leases. A scenario analysis performed by Industry Research has shown that a reduction in the average rentals yields a higher percentage of saving than a reduction in escalation rate.

Overcoming the over-reliance on Private Leases

The provision of accommodation for government departments is achieved through a hybrid model where DPWI uses State-Owned Property and Leasing-in from the private sector. Currently, there is an over-reliance on the private sector as the Department spends about R5bn per annum on Leasing-in from the private sector whilst receiving less than R100m in revenue from letting out its property. DPWI is facing the challenge to meet the growing demand for new and better infrastructure services however funding from traditional sources and the capacity to implement multiple projects at a time remains a challenge. In light of these challenges and to maximize the potential of the property portfolio, Public-Private Partnerships (PPPs) and other strategies have been considered (and some are already in use) as a way of building better and stronger infrastructure while creating much fiscal room for the Department to address other demands. Investments from these partnerships will not only contribute to higher long-term growth, address inequalities, and transformation but will also connect Department with new business partners such as Development finance institutions (IDC, DBSA, and NEF etc.) and banks.

The Department has now adopted a few strategies to balance out the anomaly of the use of private leases against the use of state-owned properties by implementing the strategies in the 2023/24 financial year:

- **Precinct Planning and Development**

The DPWI is making strides to plan and integrate accommodation requirements within government precincts, targeting both urban and rural areas. Because of population growth mainly in metros, there is a deliberate infrastructure planning interventions in the metro areas.

This is further supported by the Cab memo of 2001, where government departments must remain within the Inner City in support of inner regeneration and growth and development.

In this regard, most of the Government Head Offices are situated in Tshwane, which is a hybrid of state-owned and leased accommodations. In terms of state-owned 14, National Government Departments occupy 750 000m² of accommodation. The establishment of the Government Estate Development Framework will facilitate the development of a further 900 000m² of state-owned development across the following Precincts in Tshwane: Northern Gateway, Civic Precinct, Caledonian Precinct, Government Boulevard, and Ceremonial Boulevard Within the Northern Gateway precinct, Salvokop is a mixed-use precinct gazetted as Strategic Infrastructure Project. Salvokop is a state-owned mixed-use precinct located within the inner city of Tshwane. The development will focus on phase 1 to develop 360 000m² of Head Office Complex for four (4) National Government Departments. This flagship project is jointly executed by DPWI, the National Treasury, and the City of Tshwane.

- **Reduction of Costs Private Leases**

Adoption of the Rhode Report as an independent tool to guide the department of rental rates across the country, Capping of escalation rate at 6% for all lease renewals, Identifying Landlords with a National Footprint and negotiating such leases at a central point (Head Office) in order to increase bargaining power to reduce rental rates, In cases – where there are no immediate plans for alternative accommodation – client departments are encouraged to provide a longer-term mandate of between 5yrs and 9 years, and 11 months long-term mandate on the renewal of leases provides significant benefits to client departments and the State.

The Department saved over R273 million in 2021/22 financial year and anticipates a further saving of R100 million in 2022/23 and R50 million in 2023/24 financial year.

Transformation in the Property Sector

Achieving economic empowerment requires sound policy, a holistic approach, and long-term unwavering commitment from all sector players. DPWI recognizes that property is a powerful socio-economic lever to exert a visible impact in driving capital formation, investment growth, and social development and that closing the inequality gap in the property sector between established, large, predominantly white-owned operators and emerging black-owned enterprises alone could lift employment and growth of other connected sectors.

The department however notes with concern the slow pace of transformation in the property sector with very few black property owners and even few listed companies despite the department's efforts. DPWI has had a property empowerment policy since 2006/2007 which focused primarily on ownership of property by designated groups, arising from leasing opportunities. This enabled access to black-owned companies with some ending up having listed their companies in the JSE. The Policy created at least R10 billion opportunities in the property sector, however it disadvantaged other B-BBEE elements and failed to capture the full value arising from the property value chain. It further excluded other mandates of DPW and other organs of state.

This led to the development and approval of the new Property Empowerment Policy (PEP) in 2018 that applies to all DPWI with its mandate of responsibility of custodianship, ownership, administration, and/or management of government-owned and/or properties covering areas of responsibility including Acquisition and Disposals, Facilities Management, Leasehold/Leased Portfolio, Municipal Accounts Management, 3rd Party Contracts/Surplus, Portfolio / Asset Managers, and Estate Agents and other Property Professionals.

The new policy is aimed at the following:

- Improved strategic direction and coordination of the transformation initiatives by the department;
- Focus and deliberately identify, attract, retain and confirm qualifying black-owned enterprises to do business with the government;
- Direct the structural transformation of the property sector, in as far as doing business with the Department, in order
- Planned and direct interventions aimed at increasing participation and growing pool of Black-owned enterprises. from doing business and transacting with the Department

- To create an enabling, conducive and equitable environment for black-owned enterprises to economically thrive
- To achieve this by creating a lease tenure model that incentivizes black ownership by giving longer-term leases to qualifying companies.

Maintenance of Public Facilities

Current maintenance in the department is dominated by reactive maintenance, where calls logged for failed components or emergency situations are the main trigger of maintenance activities. Previous analysis performed have revealed that the unplanned component of maintenance can account for more than 80% of the total maintenance expenditure. This is a reversal of best-practice norms, where reactive maintenance amount to 20% of maintenance expenditure. Movement towards an 80/20 split between planned and unplanned maintenance requires the current facility condition and nature of components in asset to be known and recorded in a system. The ERP (Archibus and Sage) is supposed to be the data source from which the planning and execution of maintenance activities can be managed from. Componentisation is crucial to ensure that components' data is stored in the system, with details on maintenance frequency, tasks to be performed and OEM contacts. Condition assessment is also a key way of gathering updated asset information and maintenance requirements.

According to the Immovable Asset Register, the PMTE has 77 539 improvements/buildings in over 10 000 facilities. The target in the table above, which is based on current resources and systems only allows for 200 condition assessments in the 2022 financial year, growing at 10% per year for the MTEF. At this rate, it would take about 19 years before 10 000 facilities have been covered. According to GIAMA, each asset should have a condition assessment at least once every 5 years. For this target to be reached the number of facilities have to be divided by 5 for a target to be set; thus at least 2 000 condition assessments are required each year. This indicates that the department needs to increase resources available to the FM branch for performing this function. The same logic can be followed for the number of facilities maintained. In all instances, financial and human resources are critical.

In the efforts to ensuring that the immovable assets used by Government Departments and the public are optimally utilized and maintained in a safe, secure, healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation, the department will focus on implementing a mix of maintenance strategies with the aim of moving from Corrective Maintenance to Preventative Maintenance (70/30 ratio).

The Total Facilities Management (TFM), provides a comprehensive maintenance and operations solution through the integration, management and delivery of services for a facility. This is currently being rolled out in a Phased approach.

Facilities with Total Facilities Management contracts in place are Union Buildings, HQ of DPSA (Batho Pele House) HQ of DoH (Civitas Building and 1 Military Hospital. Government will be spending over R2 billion for the next three to five years for the maintenance of these facilities.

There is continuous poor performance of critical components related to service delivery to the User Departments and citizens (e.g. lifts, boilers, air conditioning, water systems, fire reticulation systems, security systems and generators). This has led to increasing breakdown incidents logged by clients due to poor condition of these critical components. In some cases this resulted in the closure of client facilities due to statutory contraventions (Department of Labour, Water Affairs and Municipalities).

The Department's implementation plan approach that encompasses utilisation of TFM, Term Contracts and the department workshop with emphasis on Preventative maintenance will improve the asset performance. Where major repair, refurbishment and replacement is required, capital projects will be undertaken to restore the asset for its original intended purpose.

Expansion of Term Contracts for maintenance will be targeting Black Owned SMMEs. This will target at least 50% BBB-EE entities to business in our portfolio and of those 2% people with disabilities, 25% women and 10% youth per annum.

The Department has now developed guidelines for condition assessments and maintenance planning. These will be rolled out to all User Departments to inform preventative maintenance strategies. The guidelines provide the methodology for condition assessment report, detailed componentised asset register which will inform a comprehensive maintenance plan for each facility. This will enable government implement National Infrastructure Maintenance Strategy (NIMS) and in so doing understand the full life cycle asset management.

The Department has commenced with the automation of business processes and currently the Day to Day Maintenance module is live. The Term Contract Work flow on the Preventative maintenance module has been developed and it is anticipated that migration will take place in 2023/2024 financial year. Modules relating to Condition Assessments are being finalised for automation.

The Department continues to create jobs for young professionals in the built environment disciplines to enhance capability and competency in the Maintenance arena. The Department ensures that it implements mandatory 30% sub-contracting on all Maintenance contracts over R30 million with focus on black owned companies owned by women, youth and people with disability. These Total Facilities Management and term contracts will be benefitting a number of SMMEs through the contracting arrangements. There is also a review of development of in-house technical capacity to move towards creation of job opportunities.

The Department will be focusing on asset management holistically with the development of integrated asset management plans. Asset management encompassing the maintenance plays a crucial part in services delivery. The department will continue with its main focus of infrastructure development and associated maintenance. The spin off shall be increase in job creation focusing on SMMEs, youth, women and people with disabilities.

It is important to maintain current infrastructure to ensure that service delivery is not compromised and there needs to be a balance that makes provision for both existing (to avoid neglect and to ensure effective maintenance) and new infrastructure. It is vital that the Department is aware of all their assets and the condition they are in and to plan for maintenance is paramount.

The plan is to perform facilities condition assessment on prioritised assets within the Department portfolio. The outcome will inform maintenance projects in repair and refurbishment domain and the scheduled maintenance activities that will be carried through various delivery mechanism such as Total Facilities Management and Term Contracts.

Expanded Public Works Programme (EPWP)

The EPWP is on track to achieve the Expanded Public Works Programme (EPWP) Phase IV, which is currently underway. From the start of Phase IV in 1 April 2019 to 31 December 2022, the EPWP has created 3 753 501 work opportunities translating equivalent to 75% achievement against the 5-year work opportunity target.

Not only has the programme created work opportunities, over R41, 395 billion was transferred as income support to 3 753 501 poor and unemployed people through the delivery of 51 078 projects whose average labour intensity was recorded at 54% for the period 1 April 2019 – 31 December 2022. Worth noting is that on average, a daily wage paid in the EPWP is R138.18 and this income goes a long to support families from wages earned by the participants of whom most are women. From the poverty analysis, undertaken of wages paid, it is evident that though EPWP offers short term employment, income support provided in terms of wages contributes towards reducing poverty levels. When participants are working in EPWP, their daily wages paid reduces the level of poverty for them and their households.

The work opportunities created through the EPWP is making a positive contribution towards poverty alleviation and the programme is on track to meet its Medium-Term Strategic Framework (MTSF) target of 5 million work opportunities.

The EPWP continues to change the lives of participants as with many providing testimonials on the impact the Programme is making in their lives. The EPWP is also providing valuable services in communities such as the appointment of EPWP participants in the Home Community Based Care Centres, Emergency Care Services and some placed at Communication Centres.

As at quarter 3 of 2022/23, a total of 37 143 EPWP work opportunities have been created in these 87 municipalities. These work opportunities have been created through 1 194 projects with a combined expenditure thus far of R836 million. Most of the projects are funded at the municipal and provincial sphere. The EPWP Infrastructure Sector, the Social Sector and the Environment and Culture Sectors dominate in this area. The average duration of the above work opportunities (in Quarter 1, Quarter 2 and Quarter 3 of 2022/23) has been 67 days. Furthermore, the 37 143 work opportunities have assisted with the income transfers of a total of R389 million to poor and vulnerable households in these 87 municipalities. Moreover, up to quarter of 2022/23, 17 participants from the Eastern Cape completed a National Certificate: Construction: Road Works and 18 participants from Mpumalanga completed a National Certificate: Landscaping (35 participants trained in total. 4 739 participants were capacitated on financial literacy & management through DPWI facilitated interventions on material from the Financial Sector Conduct Authority. 40 252 training opportunities were provided and funded by public bodies.

The Department of Public Works and Infrastructure (DPWI) has led the development of an overarching EPWP Policy to address the challenges experienced in the implementation of the programme and providing a strategic policy direction for all stakeholders involved in the EPWP. This policy was gazetted on 16 September 2022 with the public invited to provide comments in writing or participating in the public consultations held countrywide. An overwhelming response was received the department in a process of reviewing the policy to inform the development of a final EPWP Policy.

District Development Model

The department supports the Eastern Seaboard Development Project (ESDP) which is a Presidential Priority Pilot Project for the development of coastal cities along two Provinces of Kwazulu-Natal and Eastern Cape in four district municipalities with 17 local municipalities. The project is implemented through six (6) ESDP Work Streams and these work streams have different terms of reference, objectives and deliverables.

DPWI formally appointed representatives from different branches who are members of work streams according to branch alignment, responsibilities and expertise. The department participate in the bi-weekly ESDP National Steering Committee meetings for all work streams and also participates in the monthly Joint Accounting Officer's Forum. Progress on DPWI contribution is monitored through the District Development Model (DDM) and Social Facilitation (SF) Technical MinMEC sector work stream.

Operation Phakisa

The Department completed its Operation Phakisa: Oceans Economy: Small Harbours Development Lab in November 2018 where a total of 15 initiatives under 4 thematic work streams were developed. During the 2022/23 FY the stakeholder strategy initiative was completed which seeks to ensure that small harbours can serve as a catalyst for inclusive growth through a holistic and integrated approach and based on its various value chains, exploring opportunities to enhance local economies; address issues of job creation; skills development and development of Small Medium and Micro Enterprises (SMMEs). In line with the Operation Phakisa initiatives, the Small Harbours Unit in conjunction with the South African International Maritime Institute (SAIMI) conducted a skills audit report with respect to Small Harbours along the South African coastline.

In the 2023/24 FY the Department intends to finalise the Implementation Protocol with the Department of Forestry, Fisheries and the Environment (DFFE) which would be critical to establish the roles and responsibilities within the fishing harbours. In addition, the department will also develop Environmental Management Plans and Implementation Management Plans to ensure compliance with the applicable legislations in order to maximise environmental protection within the harbour precincts.

Strategic Integrated Plan 21m: Small Harbours Development

The Department conducted a refurbishment programme to the 13 proclaimed fishing harbours in the Western Cape to the value of over R500 million. The refurbishment programme in its entirety created a total of 925 jobs and empowered local SMMEs to the value of over R116 million. In light of the improvements, the South African Institution of Civil Engineering's (SAICE) 2022 Infrastructure Report Card rated the proclaimed fishing harbours infrastructure as "B" (fit for the future), up from a "C" (satisfactory for now) from the 2011 rating (**Source: (<https://saice.org.za/downloads/SAICE-2022-Infrastructure-Report-Card.pdf>)**).

The proclaimed fishing harbours further contributes to the oceans economy under a variety of economic activities including the following:

- Tourism (both onshore and offshore);
- Subsistence and Small Scale Fishing;
- Boat building and repairs; and
- Aquaculture.

The Department further intends on conducting preliminary feasibility studies for the development of new small harbours in the Northern Cape, Eastern Cape and KwaZulu Natal during the 2023/24 FY.

1. Strategic Integrated Plan 28:

IREREP (PV and Water Saving Programme on Government Buildings)

This High Priority Programme, that was gazetted in terms of the Infrastructure Development Act, No 23 of 2014, as amended, will continue to be rolled out in 2023/24 financial year and across the MTEF, including the adjudication and awarding of the Request for Proposals (RFP), signing of Memorandums of Agreements with User Departments and the gazetting of Programme-related Regulations, in terms of GIAMA.

2. Strategic Integrated Plan 36: Salvokop

The Bulk Civil and Internal Services project is at 35% completion at end January 2023. The remainder of the work will be completed by March 2024. The Bulk Electrical Service contractor was appointed in June 2022 and work commenced in November 2022. Completion of the work is expected to be end of March 2024.

Social Facilitators have been provided by Infrastructure South Africa (ISA) and their contracts were extended to 31 March 2023. A request was submitted to extend their contracts to completion of the bulk engineering services contract. This will allow for continuity with a community which have previously caused disruptions on the project.

3. Refurbishment Operate and Transfer Programme (ROTP)

The Department, together with Infrastructure South Africa (ISA) has developed the Refurbishment Operate and Transfer Programme (ROTP), which aims to attract capacity (capital and skills) from private sector to work in partnership with Government to improve the condition of specific facilities.

The Programme is planned to be rolled 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. The RFP for Phase 1 is to be issued and bid window closed before the end of Quarter 1 of the 2023/24 financial year

The ROTP is to be structured as a special purpose vehicle (SPV), established under the PPP Regulations to enable government to work in partnership with the private sector in the refurbishment and operations of identified government immovable assets, in a long-term term leasing mechanism.

The ROTP is an off-take of the already well-established infrastructure financing scheme called Build, Operate, and Transfer (BOT). The only difference is that the DPWI at this point is targeting already existing buildings that require funding to refurbish.

BOT is a scheme or private finance initiative (PFI) or alternative procurement method in which a government contractually grants to a private sector entity a concession requiring the entity to obtain financing for the design, build and operate a public facility or infrastructure for a fixed period, during which the private entity can recover its costs of construction, plus profit, by charging fees or tolls for its use and at the end of the concession period, transfer ownership and operation of the facility back to the government.

4. Project Preparation Funding

Infrastructure South Africa's mandate is anchored on being a catalyst to closing the infrastructure investment gap and meeting the infrastructure investment targets set out in the NIP 2050 and expediting bankable project in line with national objectives. ISA will be investing in project preparation to develop a credible and robust project pipeline. The pipeline of well-prepared projects is scarce, therefore limiting investment opportunities. The intended objective of the project preparation funding is to unleash significant quanta of private sector investment for catalytic public sector infrastructure projects; ensure viable, efficient and bankable project portfolio and enable economic and social development impact through projects that are brought to financial close

In this regard, the in-year funding for the 2022/23 financial year was identified as a trade-off in the DPWI Budget and R100 million was re-allocated to ISA to conduct project preparation. Furthermore, new funding allocation of R600 million was approved by the National Treasury for project preparation funding to DPWI over the MTEF, starting in the 2023/24 financial year. This funding will enable ISA to expedite the development of infrastructure projects and programmes for funding and financing, in priority sectors and low-investment areas.

4. Part C: Measuring Our Performance

Institutional Programme Performance Information

Programme: DPWI Administration

| | |
|--------------------|--|
| Purpose | Provide strategic leadership management and support services to the Department. |
| Description | 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:

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

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 C1: Programme (DPWI Administration) – Outcomes, Outputs, Performance Indicators and Targets.

| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGETS | | | | | | |
|---------------------------------------|-------------------------------|--|----------------------------|---|----------------|-----------------------|-------------|---------|---------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| A Resilient, Ethical and Capable DPWI | Good Governance | 1.1 Ethics and Fraud Perception rating ⁶ | New indicator | 17,8% Good progress, 67,8 in progress and 14,2% interventions required | 35,4% | (41-60%) | (20-40%) | (0-20%) | (0-20%) |
| | Good Governance | 1.2 Compliance Rate (Basket of key compliance matters) | New indicator | No compliance rate to be determined, Compliance Policy drafted (version 2) Compliance Universe Development in progress. | 92% | 100% | 100% | 100% | 100% |
| | Performance Measurement | 1.3 Percentage Performance Information Level | 62% | 55% | 60% (27 of 45) | 81-100% | 81-100% | 81-100% | 81-100% |
| | Spend of the allocated budget | 1.4 Percentage Financial Performance Level | 99.5% | 97.5% | 97% | 100% | 100% | 100% | 100% |
| | Vacancy Rate | 1.5 Percentage Vacancy Rate | 10.8% | 10% as at end of 31 March 2021 against the DPSA norm of 10% and DPWI target of 2% | 11% | 11% | 10% | 10% | 10% |

⁶ The intention of this KPI is to determine level of perception with regards to ethical conduct and fraud. The response will be used to determine the extent of ethics and fraud categorised into various classes. The least category (0-20%) is ideal as this may reflect improvements in ethical conduct and perceptions around fraud is to seek the least level of perception – the targets were revised from highest level (80%-100%) to the lowest (0%-20%) over the period.

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| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGETS | | | | | | |
|---------|---|--|----------------------------|---|-----------------------|-----------------------|--------------------|-------------------|------------------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | Designated groups Empowerment and opportunity | 1.6 Percentage of Designated groups in SMS level in the Department (Women and PWD) | New indicator | Women: 38.46% (towards 50% PWD: 2% | Women: 40% PWD: 1,18% | Women:40% PWD: 2% | Women: 45% PWD: 2% | Women 48% PWD: 2% | Women 50% PWD:2% |
| | ICT architecture to enable modernisation of systems | 1.7 Percentage Business Processes Automated | New indicator | 100% Business Processes Automated. ⁷ | 10% | 30% | 50% | 80% | 100% |
| | ICT architecture to enable modernization of systems | 1.8 Percentage of business solutions for digitisation | New indicator | No digital enterprise Architecture. | 42% | 30% | 50% | 70% | 100% |

⁷ The target was measuring only the 1 module for digitisation planned for that financial year. The target has since been reviewed to cumulatively address all the planned modules to be automated in the term which will be anticipated that will all be addressed and achieve a 100% automation by 2025/26 financial year.

Output indicators: annual and quarterly targets

Table C2: Programme (DPWI Administration) - Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| 1.1 Ethics and Fraud Perception rating | (20-40%) | - | - | - | (20-40%) |
| 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 | 10% | 10% | 10% | 10% | 10% |
| 1.6 Percentage of Designated groups in SMS level in the Department (Women and PWD) | Women:45% PWD: 2% | Women:43% PWD: 2% | Women: 45% PWD: 2% | Women: 45% PWD: 2% | Women: 45% PWD: 2% |
| 1.7 Percentage Business Processes Automated | 50% | - | - | - | 50% |
| 1.8 Percentage of business solutions for digitisation | 50% | - | - | - | 50% |

Programme 2: Intergovernmental Coordination

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

SUB-PROGRAMMES:

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

| | |
|--|--|
| 2.1 Intergovernmental Relations and Co-ordination Public Entities | <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 and Infrastructure 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> |
| 2.2 Professional Services | <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 the 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 the wide range of skills required within the built environment.

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Outcomes, outputs, performance indicators and targets

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

| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGET | | | | | | |
|---------------------------------------|--------------------------------------|---|---|---|---|------------------------------|-------------------------------------|------------------------------|------------------------------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Integrated Planning and Co-ordination | Sector Performance | 2.1 Approved Sector Plan | New indicator | New indicator | 5 year Sector Plan approved | - | Revised 5 year sector plan approved | - | - |
| | | 2.2 Number of Sector performance reports | 2 performance review report for the sector Programme of Action presented to Technical MinMec. | No performance review done during the period under review | 3 governance cluster reports tabled to Technical MinMEC | 2 Sector Performance reports | 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 | 1 212 | 1 009 | 2 008 | 1 100 | 1 200 | 1 200 | 1 300 |

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 |
|---|-------------------------------------|----|-----------------------------|----|-------------------------------------|
| 2.1 Approved Sector plan | Revised 5 year sector plan approved | - | - | - | Revised 5 Year Sector Plan approved |
| 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 | 1 200 | - | - | - | 1 200 |

Programme 3: Expanded Public Works Programme

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

SUB-PROGRAMMES:

This Programme is constituted by the following Sub-programmes:

| | |
|---|--|
| 3.1 Monitoring and Evaluation | To monitor, evaluate and report on the implementation of the Expanded Public Works Programme (EPWP). |
| 3.2 Operations | To support sector lead departments in the coordination of EPWP for successful implementation in the Infrastructure, Social and Environment and Culture Sectors. Mainstream implementation of EPWP in the Non-State sector through the Non-Profit Organisations programme. |
| 3.3 Partnership Support | Managing stakeholder relations, coordinating economic development through enterprise development and training initiatives. |
| 3.4 Infrastructure | 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: <ul style="list-style-type: none"> • using labour-intensive construction methods to provide work opportunities to local unemployed people; • providing training and skills development to the locally unemployed people; and • building cost effective and quality assets. <p>Technical support in this regard is provided to implementing public bodies.</p> |
| 3.5 Sustainable Livelihoods Convergence and compliance | <ul style="list-style-type: none"> • Develop the EPWP Frameworks (i.e. Policies, Guidelines, and SOPs) and manage the convergence of other sectors in relation to the EPWP. • Manage the analysis of EPWP programme reports Quarterly reports to DPWI M&E, Ministry, DG, MINTOP (consolidated), MINMEC, NEDLAC, PEP-IMC, Outcomes 4, Cabinet Clusters, Parliamentary Committees. • Execute all secretariat functions of the PEP-IMC. • Coordinate audit processes for the EPWP, development of the branch Strategic Plans, APPs and quarterly reporting thereof to various stakeholders such as NEDLAC and DPW M&E. • Manage Knowledge Management in the EPWP Branch. |

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 Work Opportunities 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 contributes towards the outcome of "Optimised Job Opportunities".

Outcomes, Outputs, Performance Indicators and Targets

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

| Outcome | Outputs | Output Indicator | Annual Target | | | | | | |
|--------------------------------------|-----------------------------|--|----------------------------|---------------|---------------|--|---|---|---|
| | | | Audited/Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Integrated Planning and Coordination | Work Opportunities reported | 3.1 Number of progress reports on EPWP-RS validated work opportunities reported by public bodies | New indicator | New indicator | New indicator | 4 Progress reports on EPWP-RS validated work opportunities reported by public bodies | 4 Progress reports on EPWP-RS validated work opportunities reported by public bodies. | 4 Progress reports on EPWP-RS validated work opportunities reported by public bodies. | 4 Progress reports on EPWP-RS validated work opportunities reported by public bodies. |

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 on EPWP-RS validated work opportunities reported by public bodies | 4 Progress reports on EPWP-RS validated work opportunities reported by public bodies | 1 Progress report on EPWP-RS validated work opportunities reported by public bodies | 1 Progress report on EPWP-RS validated work opportunities reported by public bodies | 1 Progress report on EPWP-RS validated work opportunities reported by public bodies | 1 Progress report on EPWP-RS validated work opportunities reported by public bodies |

Programme 4: Property and Construction Industry Policy and Research

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

SUB-PROGRAMMES:

This Programme is constituted by the following Sub-programmes:

| | |
|--|--|
| 4.1 Construction Policy Development Programme | Regulates the construction sector and related professions; Monitors the impact of policies and legislation giving effect to the regulation and transformation of the construction sector; Promotes skills development in the construction sector; and provides proactive policy responses to Government's national objectives. |
| 4.2 Property Policy Development Programme | Regulates the property sector and related professions; Monitors the impact of policies and legislation giving effect to the regulation and transformation of the property sector; Promotes skills development in the property sectors; Develops and promotes best practice and uniformity in the management of State immovable assets throughout their lifecycle; and Provides proactive policy responses to Government's national objectives. |

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 (Built Environment Professions)

Spatial Justice

- Finalise Expropriation Bill
- Finalise the Public Works Bill for consultation, take the Bill through the consultation process and make amendments in accordance with the comments received.
- Development of the Public Works General Laws and Repeal Bill and present it to Cabinet for consultation.⁸
- Construction Industry Development Board Act, 2000 (Act 38 of 2000) Amendment Bill taken through the consultation process, comments incorporated and presented to Parliament.

⁸ The Intention of the Bill is to repeal outdated, redundant and obsolete pieces of legislation relevant to the Public Works and Infrastructure mandate

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Outcomes, Outputs, Performance Indicators and Targets⁹

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 | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Transformed Built Environment | Infrastructure Legislative Programme | 4.1 Expropriation Bill introduced in Parliament ¹⁰ | 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. | New indicator | New indicator | Draft Public Works Bill was not gazetted | Public Works Bill gazetted | Public Works Bill revised | Public Works Bill submitted to Minister towards introduction to Cabinet | - |
| | | 4.3 Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000) | New indicator | New indicator | New indicator | CIDB Amendment Bill submitted to Minister | CIDB Amendment Bill submitted to Minister towards introduction to Cabinet | - | - |

⁹ Where a target is not included in the indicator, the Parliamentary process will take place whereby the branch supports the process through oral and written responses.

¹⁰ 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.

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| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGET | | | | | | |
|--------------------------------------|---------|--|----------------------------|---------------|---------------|--|--|--|---|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Integrated Planning and Coordination | | 4.4 Infrastructure Development Act Regulations gazetted | New indicator | New indicator | New indicator | Infrastructure Development Act Regulations gazetted | - | - | - |
| | | 4.5 Infrastructure Development Act amendments submitted to Cabinet | New indicator | New indicator | New indicator | Infrastructure Development Act amendments submitted. | Infrastructure Development Act Amendment Bill submitted to Minister for introduction to Cabinet for public consultations | Infrastructure Development Act amendment Bill introduced to Parliament by the Minister | Implementation of the Infrastructure Development Act & monitoring |
| | | 4.6 Number of implementation reports on the status of Strategic Integrated Projects (SIPs) submitted | New indicator | New indicator | New indicator | 4 | 4 | 4 | 4 |
| | | 4.7 NIP 2050 Phase 2: Social and Distributed Infrastructure submitted to Cabinet | New indicator | New indicator | New indicator | 1 | - | - | - |

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| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGET | | | | | | |
|---------|---------|--|----------------------------|---------------|---------------|-----------------------|--|---|-------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| | | 4.8 Development of the Public Works General Laws and Repeal Bill | New indicator | New indicator | New indicator | New indicator | Draft Public Works General Laws Amendment and Repeal Bill submitted to Minister for approval to submit to Cabinet. | Public Works General Laws Amendment and Repeal Bill submitted to Parliament | - |

Indicators, Annual and Quarterly Targets

Table C8: Programme (Property and Construction Industry Policy and Research) Indicators, Annual and Quarterly Targets

| Output Indicator | Annual Target | Q1 | Q2 | Q3 | Q4 |
|--|--|--|---|--|--|
| 4.2 Public Works Bill submitted to Minister to introduce to Parliament | Public Works Bill revised | Draft Public Works Bill developed | Draft Public Works Bill gazette for public comments | - | Public Works Bill revised |
| 4.3 Amendment of the Construction Industry Development Board Act, 2000 (Act 38 of 2000) | CIDB Amendment Bill submitted to Minister towards introduction to Cabinet | - | Stakeholder consultations undertaken | CIDB Amendment Bill revised | CIDB Amendment Bill submitted to Minister towards introduction to Cabinet |
| 4.5 Infrastructure Development Act amendments submitted to Cabinet | Infrastructure Development Act amendment Bill submitted to Minister for introduction to Cabinet for public consultations | Business Case for the establishment of ISA submitted to the Ministers of Finance and Public Service and Administration | Draft Infrastructure Development Amendment Act Bill developed | Draft Infrastructure Development Amendment Act Bill pre-certified by the OSCLA | Infrastructure Development Act amendment Bill submitted to Minister for introduction to Cabinet for public consultations |
| 4.6 Number of implementation reports on the status of Strategic Integrated Projects (SIPs) | 4 | 1 | 1 | 1 | 1 |
| 4.8 Development of the Public Works General Laws and Repeal Bill | Draft Public Works General Laws Amendment and Repeal Bill submitted to Minister for approval to submit to Cabinet. | - | - | - | Draft Public Works General Laws Amendment and Repeal Bill submitted to Minister for approval to submit to Cabinet. |

Programme 5: Prestige Policy

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

SUB-PROGRAMMES:

This programme is constituted by the following sub-programmes:

| | |
|---|---|
| 5.1 Prestige accommodation and State functions | To manage the delivery of services to prestige clients in accordance with approved prestige policy frameworks. The frameworks 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. |
| 5.2 Parliamentary Villages Management Board | To oversee the Parliamentary Villages with respect to general oversight, client relationship management and providing service excellence with respect to identified services to Prestige Clients |

FUNCTIONS AND OUTCOME RELATION

This programme has synergies with one **Strategic Outcome namely, Dignified Client Experience and its respective Sub Outcomes**. The Prestige Policy Programme is responsible for the development of policy, norms and standards for strategic institutions used by Prestige clients which includes the National Parliament and the Union Buildings as well as the development of policy and norms and standards for the provision of accommodation for Prestige clients. The Programme is also responsible for the provision and maintenance of movable assets (office and residential) and movable structures for State events.

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

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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 | | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 | |
| Dignified Client Experience | Infrastructure Delivery | 5.1 Number of 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 | 5 Planned State events supported With movable structures | 5 Planned State events supported With movable structures | 5 Planned State events supported With movable structures | 5 Planned State events supported With movable structures | |
| | | 5.2 Percentage of movable assets provided within 120 working days after approval by Prestige clients ¹¹ | 50% movable Assets requests provided within 60 working days After approval by prestige client | 83.3% movable assets requests provided within 60 working days after approval by prestige client | 100% | 100% movable assets requests provided within 120 working days after approval by prestige client | 100% movable assets requests provided within 60 working days after approval by prestige client | 100% movable assets requests provided within 60 working days after approval by prestige client | 100% movable assets requests provided within 60 working days after approval by prestige client | |
| | | 5.3 Percentage of provision of moveable assets from a condition assessment register of moveable assets ¹² | New indicator | New indicator | New indicator | 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 | 80% of provision of moveable assets from a condition assessment register of moveable assets | |

¹¹ Reactive KPI

¹² 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 | 2 | 2 | - | 1 |
| 5.2 Percentage of movable assets provided within 120 working days after approval by Prestige clients | 100% movable Assets requests Provided within 60 working days after approval by prestige client | 100% | 100% | 100% | 100% |
| 5.3 Percentage 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 | 20% of provision of moveable assets from a condition assessment register of moveable assets | 20% of provision of moveable assets from a condition assessment register of moveable assets | 20% of provision of moveable assets from a condition assessment register of moveable assets | 20% of provision of moveable assets from a condition assessment register of moveable assets |

Programme 6: PMTE Administration

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

SUB-PROGRAMMES:

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

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

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with the Strategic Outcome namely, **A Resilient, Ethical and Capable DPWI and its respective Sub Outcomes**. The key role of the Programme is aligning people to processes and systems to drive organisational performance and therefore create an inculcated culture conducive to an effective and efficient working environment which delivers ethically in a developmental state.

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

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

- **Effective Governance:** This will be realised through continual monitoring of the fraud risk index.
- **Empowered Human Capital:** The programme will concentrate efforts with respect to increasing staff motivation and empowering capabilities, increasing staff performance through the roll-out of the employee performance management and reward system, up-skilling and reskilling to make DPWI not only resilient, but employer of choice.
- **Accountable Performance:** Performance based budgeting and accountability towards the achievement of departmental outcomes, in compliance with applicable prescripts, will result in sound financial performance.

Outcomes, Outputs, Performance Indicators and Targets

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

| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGETS | | | | | | |
|---------------------------------------|-------------------------------|--|----------------------------|-------|-------|-----------------------|-------------|-------|-------|
| | | | Audited/Actual Performance | | | Estimated Performance | MTEF Period | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 22/24 | 24/25 | 25/26 |
| A Resilient, Ethical and Capable DPWI | Spend of the allocated budget | 6.1 Percentage Financial Performance Level | 93% | 84% | 87% | 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% | 24% | 49% | 75% | 100% |

Programme 7: Real Estate Investment Services

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

SUB-PROGRAMMES

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

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

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with all **seven Outcomes namely, Productive Assets, Sustainable Infrastructure Investment, Integrated Planning and Co-ordination, Dignified Client Experience, Optimised Job Opportunities, A Resilient, 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.

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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 | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Integrated Planning and Co-ordination | CAMP approved | 7.1 Number of approved CAMP submitted to NT | 1 CAMP submitted to National Treasury | 1 CAMP submitted to National Treasury | 1 CAMP submitted to National Treasury | 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 | New indicator | New indicator | 1 Government Precinct Development Plan completed for Salvokop | 1 Government Precinct Development Plan completed for Polokwane Precinct | 1 Government Precinct Development Plan completed for Kunye precinct in Johannesburg | 1 Government Precinct Development Plan completed for Tshwane Northern Gateway | 1 Government Precinct Development Plan completed for Mpumalanga Carolina Precinct |

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 Government Precinct Development Plan completed for Kunye precinct in Johannesburg | - | - | - | 1 Government Precinct Development Plan completed for Kunye precinct in Johannesburg |

Programme 8: Construction Project Management (CPM)

| | |
|--------------------|--|
| Purpose | To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction. |
| Description | To provide project and programme management through project implementation planning and design development for the department by delivering the construction of projects for the user departments. |

SUB-PROGRAMMES

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

| | |
|--|---|
| 8.1 Construction Project Planning | To plan for project delivery through project implementation planning, procurement of professionals, design development and appointment of contractors based on the needs of user departments. |
| 8.2 Construction Project Management | To programme and project manage the delivery of construction projects within the parameters of time, cost and quality as per the requirements of user department. |

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with **three Outcomes namely, Productive Assets, Sustainable Infrastructure Investment, Integrated Planning and Co-ordination and their respective Sub Outcomes**. The key role the Programme plays in terms of Integrated Planning and Coordination is through developing accommodation solution in line with the municipal development plans, for example IDP and SDF's, development of the implementation plans that will influence the delivery of accommodation and ultimately contribute to the GDP of the Country.

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

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

Secondary functions include the reduction of service delivery backlogs, inclusive of refurbishment and the optimum utilisation of state Assets to create rand value share of state property and income generated through state owned properties. Please note, that with respect to the Output Indicators various measurements are incorporated in the operational plans of this and other Programmes.

Outcomes, Outputs, Performance Indicators and Targets

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

| OUTCOME | OUTPUTS | OUTPUT INDICATOR | ANNUAL TARGET | | | | | | |
|---------------------------------------|-------------------------|--|----------------------------|-----------------|-------|-----------------------|-------------|-------|-------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Integrated Planning and Co-ordination | Accessible Buildings | 8.1 Number of design solutions completed for identified user departments | - | 1 ¹³ | 2 | 85 | 154 | 155 | 155 |
| | | 8.2 Number of Projects completed within agreed construction period | 78 | 56 | 76 | 75 | 99 | 100 | 100 |
| | Completed Project Spend | 8.3 Number of infrastructure projects completed within approved budget | 125 | 78 | 129 | 125 | 106 | 107 | 107 |
| | | 8.4 Number of infrastructure sites handed over for construction | 116 | 88 | 112 | 90 | 168 | 170 | 170 |
| Sustainable Infrastructure Investment | Completed Project | 8.5 Number of infrastructure projects completed | 145 | 103 | 128 | 125 | 109 | 110 | 110 |

¹³ The targets were previously measuring the number of prototypes to standardise the designs. The current targets reflect all the designs that are identified to reflect the amount of work and effort performed by the branch.

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 | 154 | 35 | 30 | 36 | 53 |
| 8.2 Number of Projects completed within agreed construction period | 99 | 12 | 28 | 60 | 99 |
| 8.3 Number of infrastructure projects completed within approved budget | 106 | 13 | 36 | 70 | 106 |
| 8.4 Number of infrastructure sites handed over for construction | 168 | 35 | 45 | 37 | 51 |
| 8.5 Number of infrastructure projects completed | 109 | 13 | 35 | 68 | 109 |

Programme 9: Real Estate Management Services

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

SUB-PROGRAMMES

This Programme is constituted by the following Sub-programmes:

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

FUNCTIONS AND OUTCOME RELATION

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

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

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

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Outcomes, Outputs, Performance Indicators and Targets

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

| OUTCOME | OUTPUT | OUTPUT INDICATORS | AUDITED/ ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE 22/23 | MEDIUM-TERM TARGETS | | |
|-------------------------------|--|---|---|---|---|---|--|--|--|
| | | | 19/20 | 20/21 | 21/22 | | 23/24 | 24/25 | 25/26 |
| 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 privateleases reduced within the security cluster | 3 privateleases | 3 private leases reduced within the security cluster | 8 private leases reduced within the security cluster | 10 private leases reduced within the security cluster | 10 private leases reduced within the security cluster |
| | Rand Value savings on identified portfolio of Assets | 9.2 Savings realised on identified private leases | New indicator | R1 595 025,94 | R273 220 668.65 | R100 Mil Savings realised on identified private leases | R200 Mil Savings realised on identified private leases | R100 Mil Savings realised on identified private leases | R100 Mil Savings realised on identified private leases |
| | Rand Value Revenue Generated | 9.3 Percentage increase in revenue generation through letting of State-owned properties | 0% increase in revenue generation through letting of state-owned properties | 0% increase in revenue generation through letting of state-owned properties | 2,8% (R11 590 727.03) | 8% increase in revenue generation through letting of state-owned properties | 20% increase in revenue generation through letting of state-owned properties | 20% increase in revenue generation through letting of state-owned properties | 20% 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 unutilisedvacant state owned properties let out | New indicator | 63 unutilised vacant state owned properties let out | 37 unutilised vacant state owned properties let out | 100 unutilised vacant state owned properties letout | 134 unutilised vacant state owned properties letout | 150 unutilised vacant state owned properties letout | 200 unutilized vacant state owned properties let out |

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| OUTCOME | OUTPUT | OUTPUT INDICATORS | AUDITED/ ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE 22/23 | MEDIUM-TERM TARGETS | | |
|--------------------------------------|---|---|-----------------------------|-----------------------------|---|-----------------------------|-------------------------------|-----------------|----------------|
| | | | 19/20 | 20/21 | 21/22 | | 23/24 | 24/25 | 25/26 |
| Dignified Client Experience | | 9.5 Number of unutilised vacant state owned properties let out for GBV-F purposes | New indicator | New indicator | New indicator | 10 | 10 | 5 | 5 |
| | Empowered designated groups (Woman, youth, people with disabilities) | 9.6 Percentage leases awarded to category A, B and D Companies of the approved Property Management Empowerment Policy | New indicator | New indicator | 55% | 35% | 55% | 60% | 65% |
| | | 9.7 Percentage leases let out to companies with BBBEE of level 4 and above | New indicator | New indicator | 0.028% | 50% | 10% | 10% | 10% |
| | Customer centric organisation | 9.8 Percentage of new private leases signed with a maintenance plan | New indicator | New indicator | 100% (46 leases signed with maintenance plan) | 100% | 100% | 100% | 100% |
| Integrated Planning and Coordination | Ha released from DPWI portfolio for infrastructure development programs ¹⁴ | 9.9 Ha released from the DPWI portfolio for development of Infrastructure programs and socio-economic objectives | New indicator | 32 143, 8356 hectares (92%) | 20 102,3419 hectares | 161 913 hectares | 10 126 ¹⁵ hectares | 12 959 hectares | 8 868 hectares |

¹⁴ This KPI has been moved from the REIS Programme to the REMS Programme in 2022/23 financial year.

¹⁵ The targets are based on land that is available for release.

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 | 8 | - | - | - | 8 |
| 9.2 Savings realised on identified private leases | R200 million | - | - | - | R200 million |
| 9.3 Percentage increase in revenue generation through letting of State-owned properties | 20% | - | 5% | 5% | 10% |
| 9.4 Number of unutilised vacant state owned properties let out | 134 | 35 | 35 | 35 | 29 |
| 9.5 Number of unutilised vacant state owned properties let out for GBV-F purposes | 10 | 3 | 2 | 1 | 4 |
| 9.6 Percentage leases awarded to category A, B and D Companies of the approved Property Management Empowerment Policy | 55% | 15% | 10% | 15% | 15% |
| 9.7 Percentage leases let out to companies with BBBEE of 4 and above | 10% | 3% | 3% | 1% | 3% |
| 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 | 10 126 hectares | 2 531 ha | 2 532 ha | 2 531 ha | 2 532 ha |

Programme 10: Real Estate Information and Registry

| | |
|--------------------|---|
| Purpose | 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. |
| Description | 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:

| | |
|--|---|
| 10.1 Asset Registry Services | 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. |
| 10.2 State Land Management and IAR Concurrent Mandate | 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, Provincial and Local Government and State Owned Entities (SOEs)) in the execution of DPWI mandate. 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.

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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 | | | | | | |
|-------------------|-------------------------|--|----------------------------|--------|--------|-----------------------|-------------|--------|--------|
| | | | AUDITED/ACTUAL PERFORMANCE | | | ESTIMATED PERFORMANCE | MTEF PERIOD | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Productive Assets | Compliance Verification | 10.1 Number of National and Provincial Immovable Asset Registers assessed for compliance | 9 | 9 | 9 | 9 | 12 | 12 | 12 |
| | | 10.2 Number of immovable assets physically verified to validate existence and assess condition | 21 401 | 12 035 | 18 692 | 23 860 | 22 273 | 22 273 | 21 244 |

*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 | 12 | 3 | 3 | 3 | 3 |
| 10.2 Number of immovable assets physically verified to validate existence and assess condition | 22 273 | 5 568 | 5 568 | 5 568 | 5 569 |

Programme 11: Facilities Management

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

SUB-PROGRAMMES

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

| | |
|--|--|
| 11.1 Scheduled Maintenance | To provide planned maintenance (preventive maintenance and refurbishment) on state buildings to extend their useful life based on user department's basic facilities management needs in a manner consistent with regulatory and other policy imperatives at an acceptable life cycle cost. |
| 11.2 Safety, Health, Environment, Risk & Quality (SHERQ) Management | To ensure compliance with SHERQ regulatory framework, by conducting proactive and re-active inspections at workplaces. |
| 11.3 Unscheduled Maintenance Management | To provide unscheduled maintenance (corrective, day-to-Day emergency maintenance). To ensure appropriate response times to user departments unscheduled maintenance needs without service delivery interruptions and to promote technical and professional skills development through Service Centers. |

FUNCTIONS AND OUTCOME RELATION

This Programme has synergies with **three Outcome namely, Productive Assets, Sustainable Infrastructure Investment, Dignified Client Experience and their respective Sub Outcomes**. Government is the largest estate holder in the country. However, the condition of buildings is very poor and in most cases does not enable user departments to fulfil their service delivery mandate. Several buildings are an eye-sore while others are vacant and become nests for vagrants, a haven for criminals and a health hazard. If these buildings and equipment are not maintained, it could endanger public safety.

High level condition assessments reveal a very daunting scenario indicating that the suitability, performance and functionality of these buildings is very poor and therefore requires millions of financial injection to restore them to habitable and reliable condition.

Research has proven that it is more cost effective to provide planned maintenance for an asset rather than wait for deterioration of the building and or equipment. Additionally, properties which do not comply with legislation or regulations may result in government being faced with litigation by communities due to accidents, hazardous substances or security breaches. In 2006, the Department developed the National Infrastructure Management and Maintenance Strategy (NIMMS) which recognises major backlogs in relation to the maintenance of public infrastructure to ensure that efforts are harnessed to resuscitate immovable assets from further extinction.

Facilities management becomes a quick fix activity which is not planned or budgeted for. Legislation governing protection, safety and health is minimally applied thus posing negative exposure to both user departments and visitors of government facilities. A review of NIMS is underway to ensure that implementation occurs.

Facilities Management offers an opportunity for government to salvage further deterioration of immovable assets and loss of value. Currently, facilities management is applied in a fragmented approach and in some cases not in line with Supply Chain Management processes¹⁶.

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 | | |
| | | | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | 24/25 | 25/26 |
| Productive Assets | Conditions of buildings and critical components | 11.1 Number of condition assessments conducted on identified/ prioritised properties | New indicator | 118 | 236 | 220 | 242 | 266 | 275 |
| | | 11.2 Number of critical components assessed to determine the conditions of components (lifts, boilers, HVAC and Gensets and Water systems) | New indicator | 209 | 300 | 440 | 484 | 532 | 540 |
| Dignified Client Experience | Maintained facilities | 11.3 Number of preventative maintenance contracts to reduce reactive maintenance | New indicator | New indicator | 238 | 180 | 200 | 220 | 225 |

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 | 242 | 35 | 60 | 70 | 77 |
| 11.2 Number of critical components assessed to determine the conditions of components (lifts, boilers, HVAC and Gensets and Water systems) | 484 | 100 | 120 | 120 | 144 |
| 11.3 Number of preventative maintenance contracts to reduce reactive maintenance | 200 | 20 | 55 | 65 | 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. |
| Ethics and Fraud Perception Rating | The indicator seeks to measure the perception levels amongst DPWI staff and external stakeholders with respect to levels of ethical conduct and the prevalence of fraud within the Department | N/A |
| Compliance Rate (Basket of key compliance matters) | To measure the level of compliance measured against criteria set of identified compliance matters. | N/A |
| Percentage Performance Information Level | To achieve in institutional operational performance level of ultimately 100% as measured against predetermined objectives. The move towards a higher level of performance should be understood as a maturing organisation. Differences in the level of performance over time must be read in conjunction with both internal and external factors that hindered the desired level of performance. | N/A |
| Percentage Financial Performance | The Department aims to improve the spending trend on the allocated budget to 100%. | N/A |
| Percentage Vacancy Rate | The Departments aims to maintain the 10% vacancy rate through the filling of positions | Cognisance will be taken to address the previous inequalities experienced by Previously Disadvantaged Persons |

| | | |
|--|---|--|
| Designated groups in SMS level in the Department | The Department aims at improving gender representation at SMS level from current levels and persons with Disabilities to the national targets | Will address the previous inequalities experienced by previously disadvantaged Persons |
| Percentage Business Process Automation | Implementation of an ICT enterprise architecture will enable modernisation of systems and automation of business processes. | N/A |
| Percentage of business solutions for digitisation | Will measure the Implementation of the business solutions developed to support digitalisation of the enterprise data. | N/A |

Programme 2: Intergovernmental Coordination

| | | |
|--|--|--|
| SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH | | |
| SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION | | |
| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities |
| Sector Performance Reports | 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 |
| SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH | | |
| SP OUTCOME: TRANSFORMED BUILT ENVIRONMENT | | |
| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities. |
| Number of Beneficiaries Participating in the DPWI's skills Pipeline Intervention Programmes Schools Programme | 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

| SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: OPTIMISED JOB OPPORTUNITIES | | |
|---|--|---|
| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities. |
| 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 are based on baseline funding received by public bodies from 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. | N/A |

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 120 working days after approval by prestige clients | To improve client experience and provide the movable assets within 120 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

| SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: INTEGRATED PLANNING AND COORDINATION | | |
|---|--|---|
| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities. |
| Approved CAMP submitted to NT | The C-AMP is produced annually in line with the requirements of GIAMA that contains the development of an infrastructure plan indicating how the custodian intends to meet the accommodation requirements of the User Departments. | 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. |
| Number of completed projects on time and within budget | Asset Portfolio size and value. To improve client experience. | Addressing priorities in relation to women, youth and people 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 size availed for socio and economic purposes (GBV-F purposes) | To contribute to socio-economic initiatives. Empowerment of designated groups | Addressing priorities in relation to women, youth and people with disabilities. |
| Number of unutilised vacant state owned properties let out | The indicator measures the percentage of vacant, unutilised surplus (non-strategic) State owned properties let out within the financial year from the identified list of properties. | N/A |
| Lease Portfolio size | Leverage on the size of the portfolio | N/A |
| Rand Value Savings on identified Portfolio of Assets | The indicator is measuring the savings that the user departments will realise from the enhancement of lease management through (a) the renegotiation of lease terms and/or payable rates and/or escalations for identified leases/landlords (b) application of the revised space and cost norms for new leases The intervention(s) will be applied to the identified private leases in a specific financial year and the savings will be reported for that financial year | N/A |
| Ha released from the DPWI portfolio for development of Infrastructure programs and socio economic | This indicator seeks to measure the extent of State land availed in the financial year. | N/A |
| Rand Value Revenue generated through letting of state owned properties | Contribute to the constrained fiscus | N/A |
| SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH SP OUTCOME: DIGNIFIED CLIENT EXPERIENCE | | |

| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities. |
|---|------------------------------|---|
| Percentage of new private leases procured with a maintenance plan | To improve client experience | N/A |

Programme 10: Real Estate Information and Registry

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH
 SP OUTCOME: INTEGRATED PLANNING AND CO-ORDINATION

| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities |
|---|--|--|
| 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 |

SP IMPACT: INFRASTRUCTURE-LED ECONOMIC GROWTH
 SP OUTCOME: PRODUCTIVE ASSET

| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities |
|---|--|--|
| Number of immovable assets physically verified to validate existence and assess condition | Updated Immovable Asset Register. To improve client experience and longevity of the assets. | N/A |

Programme 11: Facilities Management

SP IMPACT: I INFRASTRUCTURE-LED ECONOMIC GROWTH
 SP OUTCOME: PRODUCTIVE ASSETS

| Outputs | Contribution | Disaggregating priorities in relation to women, youth and people with disabilities |
|-----------------------------------|---|---|
| Portfolio Assets Condition Rating | To apprise the level of properties in the State Asset portfolio to inform investment priorities | Will take cognisance and prioritise previously disadvantaged persons, specifically youth in the allocation of maintenance contacts. |

Programme: Resource Considerations**Main Vote**

| Programmes | Audited outcome | | | Adjusted appropriation | Medium-term expenditure estimate | | |
|--|------------------|------------------|------------------|------------------------|----------------------------------|------------------|------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/2023 | 2023/2024 | 2024/2025 | 2025/2026 |
| | (R'000) | (R'000) | (R'000) | (R'000) | (R'000) | (R'000) | (R'000) |
| Administration | 460,670 | 384 339 | 416 494 | 555 008 | 554 813 | 568 789 | 595 093 |
| Intergovernmental Coordination | 52 448 | 42 296 | 44 202 | 62 205 | 59 787 | 63 167 | 65 501 |
| Expanded Public Works Programme | 2 638 163 | 2 412 105 | 2 811 509 | 3 035 948 | 3 077 951 | 3 226 633 | 3 368 960 |
| Property and Construction Industry Policy and Research | 4 583 839 | 4 643 784 | 4 583 839 | 4 427 739 | 5 028 151 | 5 242 216 | 5 469 476 |
| Prestige | 85 094 | 48 510 | 52 796 | 71 828 | 61 403 | 66 810 | 69 977 |
| Total | 7 820 214 | 7 531 034 | 8 082 194 | 8 152 729 | 8 782 105 | 9 167 615 | 9 569 007 |

Expenditure overview (Summary budget)

Over the medium term, the department will continue to focus on creating work opportunities and facilitating skills development in the construction and built environment sectors. An estimated 85.6 per cent (R23.5 billion) of the department's total budget over the medium term period 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. Compensation of employees accounts for an estimated 6.9 per cent (R1.9 billion), and goods and services accounts for an estimated 7.4 per cent (R2.1 billion) of the department's budget over the MTEF period.

The department will continue to lead and coordinate the expanded public works programme which aims to create work opportunities, using labour-intensive methods across the 3 spheres of government. An estimated R8.5 billion for transfers and subsidies, mainly to provinces, municipalities and non-profit organisations to create further employment opportunities.

The department plans to monitor and evaluate the implementation of the programme over the medium term by ensuring that 200 public bodies are provided with technical support at an estimated R1.2 billion in the Expanded Public Works Programme. The Expanded Public Works Programme has a total budget of R9.7 billion, increasing at an average annual rate of 3.6 per cent, from R3.0 billion in 2022/23 to R3.4 billion in 2025/26. Of this amount, R610.6 million is allocated over the medium term for compensation of employees in the programme, and R605.8 million for goods and services.

The Department leads and coordinates policies and legislative frameworks that guide the implementation of the public works function at provincial and municipal levels through regular meetings sector governance structures (e.g. MinMec, Technical MinMec and their expert advisory clusters) over the medium term. The IGR developed the sector plan, which is implemented and monitored through sector structures over the medium term.

IGR further provides coordination support for joint programmes between spheres of government and intervention support services, particularly in the operationalization of the District Development Model (DDM) for service delivery (e.g. Welisizwe bridge programme and relevant public participation and social facilitation initiatives). IGR meetings, including to address disputes/ differences that may impact on service delivery are convened either virtually or physically. For the Department to carry out this oversight role, R98 million over the medium-term period is allocated to the Intergovernmental Relations and Coordination sub-programme in the Intergovernmental Coordination programme. For the Department to carry out this oversight role, R98 million over the medium-term period is allocated to the Intergovernmental Relations and Coordination sub-programme in the Intergovernmental Coordination programme.

Building state capacity in the built environment and property management sectors is central to the department's work. Activities within the Intergovernmental Coordination programme aim to restore the skills pipeline in the built environment and meet the country's longer-term infrastructure delivery objectives. This entails either restoring or replacing the skills pipeline, through which a variety of skills required within the built environment sector emerge. The department seeks to increase the number of beneficiaries participating in skills pipeline intervention programmes from 1 100 in 2022/23 to 1 300 in 2025/26. For activities related to skills development, R90.0 million is allocated over the medium term in the Professional Services subprogramme in the Intergovernmental Coordination programme.

Infrastructure South Africa (ISA), as a single point of entry for national priority infrastructure projects, has identified the need to provide direct support to sponsors of priority public infrastructure projects with the allocation of project preparation resources in order to expedite investor friendly projects and programmes. It is widely acknowledged that a lack of financing and funding is not the challenge but rather the availability of robust, credible and bankable project pipelines. A significant amount of planning following project conceptualisation and inception is required for large-scale infrastructure projects, including but not limited to a plethora of studies that address the financial, legal, technical, social, economic and environmental considerations of an infrastructure project. These studies, when conducted rigorously, have the potential to enable both public and private players to mitigate and also, price newly identified risks thereby revealing deep and unanticipated insights. Through high quality and well-thought-out project preparation, the infrastructure finance and funding gap can be mitigated.

Over the medium term ISA has been allocated R600 million to facilitate this key intervention in the attainment of bankable and feasible projects. The project development and preparation support will include the development and quality assurance of South Africa's infrastructure projects through its Infrastructure Pipeline Delivery and Management programme as well as its Infrastructure Finance Programme, the latter of which will be responsible for making determinations and proposals concerning the project allocation of these resources based on a clearly defined prioritisation methodology. ISA will be supporting sponsors with business planning packaging, prefeasibility, feasibility studies, technical designs, legal and regulatory approvals in alignment with the Infrastructure Development Act 23 of 2014 (as amended).

Legal, Technical and Transactional Advisory firms have been appointed over a 5-year period following prescripts of public procurement as outlined in the PFMA. ISA has developed engagement models that allow scope development and appointment of firms in the panel within the required turnaround time at an accelerated pace. This will ensure the accelerated deployment of resources to support all 3 spheres of government in project preparation contributing towards the development of robust, credible and investable project pipeline.

Property Management Trading Entity (PMTE)

| Programmes | Adjusted Outcome | | | Approved Budget | Medium Term Expenditure Estimates | | |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------------|-------------------|-------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 778 042 | 1 015 645 | 861 722 | 848 818 | 882 981 | 925 499 | 941 075 |
| Real Estate Investment Services | 183 195 | 177 800 | 171 358 | 233 409 | 211 383 | 203 778 | 207 378 |
| Construction Management Services | 4 189 212 | 3 030 737 | 3 476 790 | 4 038 190 | 4 574 773 | 4 765 877 | 5 266 953 |
| Real Estate Management Services | 11 713 984 | 11 365 606 | 11 547 487 | 12 751 757 | 13 899 951 | 15 004 297 | 9 387 385 |
| Real Estate Registry Services | 62 995 | 59 856 | 57 006 | 104 656 | 86 260 | 68 689 | 69 937 |
| Facilities Management | 4 050 667 | 2 912 215 | 3 629 905 | 4 412 596 | 4 193 598 | 4 344 846 | 3 834 509 |
| Total | 20 978 095 | 18 561 859 | 19 744 268 | 22 389 426 | 23 848 945 | 25 312 986 | 19 707 236 |

Expenditure Overview (Summary Budget)

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 and refurbishing and maintaining government buildings in its portfolio. These areas support the realisation of outcome Priority 5 (Spatial Integration, Human Settlements and Local Government) and Priority 2: (Economic Transformation and Job Creation) of government's 2019-2024 medium-term strategic framework.

To achieve these objectives, the entity plans to spend R68.8 billion over the medium term. The funding will be sourced from the revenue generated mainly through charging client Departments for accommodation and through the Augmentation from the National Treasury. An estimated 61.7 percent (R 42.4 billion) of the PMTE's total budget will be spend on goods and services – mainly for repairs and maintenance of state-owned buildings, and lease payments. An estimated 7.3 percent (R4.9 billion) of the PMTE's budget is earmarked for Compensation of employees.

Infrastructure Programme

The infrastructure programmes will deliver sustainable infrastructure and accommodation to User Departments while supporting economic growth and socio-economic transformation. Infrastructure projects include the upgrading and construction of departmental offices; the development of national Government precincts; the refurbishment of infrastructure related to land ports of entry, correctional centers, and police stations; and the maintenance of existing facilities.

Over the medium term, the PMTE plans to spend R11.6 billion on this programme, of this amount an estimated 4.1 percent (R3.1 billion) is allocated for the implementation of the Infrastructure projects executed on behalf of the department (Prestige, Ports of Entry and Dolomite Risk Management, etc.). An estimated 12.3 percent (R8.5 billion) will be spend on the Repair and Refurbishment of correctional centres, police stations, courts and state owned office buildings.

Maintenance Programme

The entity will over the MTEF period continue to focus on the maintenance of existing immovable assets in pursuit of optimising the cost of service delivery and ensuring a dignified client experience is central to the effective and efficient execution of maintenance.

As part of the sustainability of the PMTE, the focus on maintenance during the MTEF cycle will be on clients paying the user accommodation charges aligned to maintenance plans prioritising the risk of the asset and affordability. In line with the National Immovable Asset Maintenance Management Framework, maintenance will be prioritised first, with the implementation of preventative and condition-based maintenance for highly critical components with priority condition rating, proceeding to moderately and less critical components. The Maintenance Strategy of the DPWI will 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. An estimated amount of R4.5 billion of the PMTE's total budget will be spend on this programme over the medium term.

Precinct Development

The programme will focus on planning for accommodation provision and for ensuring sound investment decisions across the life cycle value chain and developing a substantive project pipeline in support of construction of integrated Government precincts that create efficiencies for the State. The programme also seeks to reduce lease costs and ensures inputs into Government's efforts to coordinate Investments.

The location of government services in the urban and rural context is not only critical to ensure access to service delivery to all, but has the potential to play a role in addressing the spatial imbalance through transformation and serving as a catalyst for investment in targeted areas. In this regard the programme has prioritized 20 precincts over the next 10 years. An estimated amount of R80 million will be spend on this programme over the medium term and the other portion of the budget will be sourced from four client departments namely Department of Higher Education and Training (DHET), Department of Social Development (DSD), Department of Home Affairs (DHA) an Department of Correctional Services (DCS) in the form of site contributions.

5 Part D: Links to Other Plans

Key Risks per Outcome

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.

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

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

Public Entities

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

| Name of Public Entity | Mandate | Outcomes | 2023/24 Budget (R '000) |
|---|--|--|-------------------------|
| Construction Industry Development Board (CIDB) | The CIDB was established in terms of the Construction Industry Development Board Act 38 of 2000. | <ul style="list-style-type: none"> • Increased black-ownership and participation. • Increased woman-ownership and participation. • Contractor Development. • Performance driven clients. • Reduced non-compliance and fraud. • Ethical and Performance driven CIDB. | R80 320 000 |
| Council for the Built Environment (CBE) | CBE was established in terms of the Council for the Built Environment Act 43 of 2000. | <ul style="list-style-type: none"> • Optimum Functioning CBE • Transformed Built Environment • Skilled Built Environment Professionals • Informed decision making that impacts the current and future operational requirements of the industry. • Promote and protect public interest in the Built Environment. | R54 704 000 |

| Name of Public Entity | Mandate | Outcomes | 2023/24 Budget (R '000) |
|--|---|--|-------------------------|
| Agrément South Africa (ASA) | ASA was established in terms of the Agrément South Africa Act 11 of 2015. | <ul style="list-style-type: none"> • A capable, ethical and developmental entity. • Optimised use of Non-Standardised construction related products and systems. • Quality manufactured Non Standardised products and systems • Broadened geographic footprint of Non-standardised products and systems. | R34 082 000 |
| Independent Development Trust (IDT) | 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"> • Increased access to quality social infrastructure • A transformed built environment • Decent employment through public (infrastructure) programmes • A financially sustainable and compliant entity | N/A ¹⁷ |

¹⁷ IDT does not get an allocation prior to the start of the Financial Year, because it is a Schedule 2 public entity, which means it is running as a company and 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 will be updated in the final draft APP to allow for budget processes to unfold. The top 13 capital projects are outlined below:

| No. | Project Name and Description | Type | WCS Number | Output | Start date | Completion date | Total Estimated Cost | Current Expenditure |
|------------|--|------------------------|-------------------|---------------------------------------|-------------------|------------------------|-----------------------------|----------------------------|
| 1 | PORT SHEPSTONE MAGISTRATE COURT | Capital | 045757 | Sustainable Infrastructure Investment | 17/09/2021 | 05/09/2023 | R112 675 400 | R57 649 952 |
| 2 | DURBAN PRISON REPLACEMENT OF BOILER AT DURBAN WESTVILLE | Capital | 053594 | Sustainable Infrastructure Investment | 26/09/2019 | 24/07/2023 | R70 007 964 | R49 452 629 |
| 3 | PRETORIA: MAINTENANCE, MODERNISATION & REPAIR OF LIFTS IN PRETORIA (VARIOUS BUILDINGS) | Repairs& Refurbishment | 054611 | Sustainable Infrastructure Investment | 2019/10/25 | 2023/10/23 | R54 636 701,00 | R9 929 951,00 |
| 4 | PRETORIA: CENTRAL: MAINTENANCE OF LIFTS AT VARIOUS BUILDINGS IN PRETORIA & SURROUNDING AREAS | Repairs& Refurbishment | 055191 | Sustainable Infrastructure Investment | 2019/10/25 | 2023/10/23 | R74 909 401,00 | R12 113 560, |
| 5 | SAPS: CLEVELAND POLICE STATION: REPAIRS AND RENOVATIONS | PLANNED MAINTENANCE | 050184 | Sustainable Infrastructure Investment | 2020/06/08 | 2023/04/17 | 116 192 738 | 15 632 635 |
| 6 | VEREENIGING POLICE STATION REPAIR AND RENOVATIONS AND PROVISION OF ALTERNATIVE ACCOMMODATION FOR THE DURATION OF THE PROJECT | PLANNED MAINTENANCE | 11158 | Sustainable Infrastructure Investment | 2020/07/23 | 2023/06/07 | 125 811 362 | 11 575 821 |
| 7 | GROOTE SCHURR: HERITAGE - UPGRADING OF CIVIL INFRASTRUCTURE | Capital | 047402 | Sustainable Infrastructure Investment | 2020/07/01 | 2023/09/09 | 163 975 000.00 | 110 145 500.28 |
| 8 | PAROW: FORENSIC LABORATORY: INTERGRATED FACILITIES MANAGEMENT | PLANNED MAINTENANCE | 050776 | Sustainable Infrastructure Investment | 2018/02/07 | 2023-06-19 | 52 275 323.00 | 53 936 479.82 |
| 9 | BISHOP LAVIS: R&R TO DISA COURT | PLANNED MAINTENANCE | 050483 | Sustainable Infrastructure Investment | 2021/10/25 | 2023/05/28 | 72 600 786.00 | 54 395 226.84 |

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| No. | Project Name and Description | Type | WCS Number | Output | Start date | Completion date | Total Estimated Cost | Current Expenditure |
|------------|---|---------------------|-------------------|---------------------------------------|-------------------|------------------------|-----------------------------|----------------------------|
| 10 | CONTRACT A, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE | PLANNED MAINTENANCE | 052134 | Sustainable Infrastructure Investment | 2016/01/29 | 2023/05/28 | 60 231 678.83 | 70 516 959.22 |
| 11 | CONTRACT B, MODERNIZATION, REPAIRS AND MAINTENANCE OF LIFTS IN THE WESTERN CAPE | PLANNED MAINTENANCE | 052156 | Sustainable Infrastructure Investment | 2015/12/01 | 2023/05/19 | 62 266 725.00 | 73 580 026.67 |
| 12 | 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 | Planned Maintenance | 056173 | Sustainable Infrastructure Investment | 01/06/2023 | 01/02/2024 | 69 366 660,00 | 0,00 |
| 13 | SOSHANGUVE MAGISTRATE'S OFFICE ADDITIONAL ACCOMMODATION AND REPAIR THE PARKING AND STORM WATER | CAPITAL | 043872 | Sustainable Infrastructure Investment | 03/12/2019 | 18/05/2023 | 457 894 478,00 | 211 303 997 |

6 Part E: Technical Indicator Descriptions

Please note that the technical Indicator Descriptions will be published on the DPWI website (www.publicworks.gov.za) upon approval of the APP.

7 Part F: Annexures to the Annual Performance Plan

Annexure A (Amendments to the Strategic Plan)

There are no amendments made to the Strategic Plan

Annexure B (Conditional Grants)

| Name of grant | Purpose | Outputs | Current annual budget (R thousands) 2023/24 | Period of grant |
|--|---|---|---|------------------------|
| EPWP Integrated Grant for Municipalities | <p>To incentivize 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"> • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • basic services infrastructure, including water and sanitation reticulation (excluding bulk infrastructure) • other economic and social infrastructure • tourism and cultural industries | <ul style="list-style-type: none"> • Number of Full-Time Equivalents (FTEs) to be created through the grant • Number of people employed and receiving income through the EPWP • Number of days worked per work opportunity created | R781 000 | 2023/24 financial year |

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2023/24

| Name of grant | Purpose | Outputs | Current annual budget (R thousands) 2023/24 | Period of grant |
|-------------------------------------|---|---|---|------------------------|
| | <ul style="list-style-type: none"> • waste management • parks and beautification • sustainable land-based livelihoods • social services programmes • community safety programmes | | | |
| EPWP Integrated Grant for Provinces | <p>To incentivize 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"> • road maintenance and the maintenance of buildings • low traffic volume roads and rural roads • other economic and social infrastructure • tourism and cultural industries • sustainable land based livelihoods • waste management | <ul style="list-style-type: none"> • Number of people employed and receiving income through the EPWP • Number of days worked per work opportunity created • Number of full-time equivalents (FTEs) to be created through the grant | R435 000 | 2023/24 financial year |

DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ANNUAL PERFORMANCE PLAN 2023/24

| Name of grant | Purpose | Outputs | Current annual budget (R thousands) 2023/24 | Period of grant |
|--|--|---|---|------------------------|
| Social Sector EPWP Incentive Grant for Provinces | 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 | <ul style="list-style-type: none"> • Number of full-time equivalents (FTEs) funded through the grant • Number of people employed and receiving income through the EPWP grant • Average duration of person days for work opportunities created • Number of beneficiaries provided with social services | R426 000 | 2023/24 financial year |

Annexure C (Consolidated Indicators)

The department does not have consolidated indicators for 2023/24 financial year.

Annexure D (District Development Model (DDM))

The department support the DDM through various structures and has outlined this in the internal environment. The infrastructure projects in part D of the APP are also implemented in the various district municipalities.

List of Acronyms

| Acronym | Full Description |
|---------|--|
| AO | Accounting Officer |
| ASA | Agrément South Africa |
| B-BBEE | Broad Based Black Economic Empowerment |
| BOT | Build-Operate-Transfer |
| CBE | Council for the Built Environment |
| CDC | Coega Development Corporation |
| CIDB | Construction Industry Development Board |
| CMS | Change Management Strategy |
| CPM | Construction Project Management Branch |
| DALRRD | Department of Agriculture, Land Reform and Rural Development |
| DBSA | Development Bank of South Africa |
| DCS | Department of Correctional Services |
| DDG | Deputy Director General |
| DDM | District Delivery Model |
| DFFE | Department of Forestry, Fisheries and the Environment |
| DG | Director General |
| DHA | Department of Home Affairs |
| DHET | Department of Higher Education and Training |
| DOH | Department of Health |
| DPSA | Department of Public Service and Administration |
| DPWI | Department of Public Works and Infrastructure |
| DSD | Department of Social Development |
| ERRP | Economic Recovery and Reconstruction Programme |
| EA | Expropriation Act |
| EPWP | Expanded Public Works Programme |
| EPWP-RS | Expanded Public Works Programme Registration System |
| ERP | Enterprise Resource Planning |

| Acronym | Full Description |
|---------|---|
| EXCO | Executive Management Committee |
| FM | Facilities Management Branch |
| FTE | Full Time Equivalent |
| FY | Financial Year |
| GBV-F | Gender Based Violence and Femicide |
| GIAMA | Government Immovable Asset Management Act 19 of 2007 |
| GRC | Governance, Risk and Compliance Branch |
| HQ | Head Quarters |
| HVAC | Heating, Ventilation and Air Conditioning |
| IAR | Immoveable Asset Register |
| IBACF | Infrastructure Built Anti-Corruption Forum |
| ICT | Information and Communication Technology |
| IDA | Infrastructure Development Act, No 23 of 2014, as amended |
| IDMS | Infrastructure Delivery Management System |
| IDT | Independent Development Trust |
| IGR | Intergovernmental Relations Branch |
| IOT | Internet of Things |
| ISA | Infrastructure South Africa |
| IMF | International Monetary Fund |
| iREREP | Integrated Renewable Energy and Resource Efficiency Programme |
| IUDF | Integrated Urban Development Framework |
| M&E | Monitoring and Evaluation |
| MINMEC | Minister and Members of the Executive Council |
| MINTOP | Minister and Top Management |
| MPSA | Minister of Public Service and Administration |
| MoF | Minister of Finance |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| NACS | National Anti-Corruption strategy |
| NASP | National Annual Strategic Plan |
| NDP | National Development Plan 2030 |
| NEDLAC | National Economic Development and Labour Council |
| NIMMS | National Infrastructure Management and Maintenance Strategy |
| NIP2050 | National Infrastructure Plan 2050 |
| NPOs | Non-profit Organisations |
| NSDF | National Spatial Development Framework |
| NT | National Treasury |
| NWMS | National Waste Management Strategy |
| OHSA | Occupation Health and Safety Act |
| PAIA | The Promotion of Access to Information Act |
| PEP-IMC | Public Employment Programmes Inter-Ministerial Committee |

| Acronym | Full Description |
|----------------|--|
| PMEP | Property Management Empowerment Policy, 2018 |
| PICC | Presidential Infrastructure Coordinating Committee |
| PFI | Private Finance Initiative |
| PFMA | Public Finance Management Finance Act 1 of 1999 |
| PMDS | Performance Management and Development System |
| PMO | Programme Management Office |
| PMTE | Property Management Trading Entity |
| PSB | Professional Services Branch |
| PV | Photovoltaic |
| PWD | Persons with disabilities |
| QLFS | Quarterly Labour Force Survey |
| REIS | Real Estate Investment Services Branch |
| REIRS | Real Estate Information and Registry Services Unit |
| REMS | Real Estate Management Services Branch |
| REITs | Real Estate Investment Trusts |
| RFP | Request for Proposals |
| RFI | Request for Information |
| ROTP | Refurbish, Operate Transfer Programme |
| SAIMI | South African International Maritime Institute |
| SAPOA | South African Property Owners Association |
| SAPS | South African Police Service |
| SCM | Supply Chain Management |
| SHERQ-M | Safety, Health, Environment, Risk and Quality Management |
| SIPs | Strategic Integrated Projects |
| SOP | Standard Operating Procedures |
| SPV | Special Purpose Vehicle |
| SLA | Service Level Agreement |
| SMMEs | Small, Medium and Micro-sized Enterprises |
| SMS | Senior Management Services |
| SOE | State-Owned Entity |
| SONA | State of the Nation Address |
| SP | Strategic Plan |
| TFM | Total Facilities Management |
| U-AMP | User Asset Management Plan |
| UDM | Urban Development Management Unit |
| WCS | Works Control System |

The 2023/24 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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The 2023/24 Annual Performance Plan is also available on www.publicworks.gov.za