



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

STRATEGIC PLAN

2025 - 2030

Turning South Africa Into
A Construction Site

#LetsBuildSA



Table of Contents

Minister's Foreword	2
Accounting Officer Statement	6
Official Sign-Off	11
Part A: Our Mandate	12
1. Constitutional Mandate.....	12
2. Relevant Legislative and Policy Mandates	13
3. Institutional Policies and Strategies and Government-Wide Alignment over the Five-Year Planning Period	23
4. Relevant Court Rulings.....	34
PART B: Our Strategic Focus	42
5. Strategic Overview	42
6. Situational Analysis.....	43
Part C: Measuring Our Performance	64
7. Institutional Performance Information.....	64
8. Key Risks and Mitigation from the SP.....	71
9. Public Entities.....	73
Part D: Technical Indicator Description	76

Minister's Foreword



South Africa's infrastructure is crucial for economic growth and social development. The Department will support South Africa's economic recovery and development agenda by strategically developing infrastructure and accommodation to stimulate economic growth, create jobs, and improve service delivery. A key focus is maximising the economic value of public assets and promoting the sustainable use of government properties. By investing in public infrastructure, we aim to drive socio-economic development, enhance skills, and support entrepreneurship, especially for historically disadvantaged groups.

As Minister, I expect the Department to operate as a proficient economic delivery unit, utilising public assets for the benefit of the public and promoting infrastructure development to unleash economic opportunities.

South Africa is currently undergoing a significant infrastructure transformation. We anticipate the sight of construction cranes altering city skylines and key projects driving economic growth nationwide in the near future. The Department of Public Works and Infrastructure (DPWI) is spearheading this ambitious strategy to boost economic activity, generate employment, and foster sustainable development. Despite economic challenges, our infrastructure investments extend beyond physical structures; they seek to create opportunities, empower communities, and lay the groundwork for a resilient and inclusive economy. We are dedicated to forming new partnerships with the private sector to execute office accommodation, energy, communication, water, and transportation projects, while also improving procurement processes for the benefit of the broader community and property asset management where such assets are used for the public good.

The Department should be recognised as the lead authority in providing government accommodation, with services tailored to meet the distinct needs of client departments, user clients, and recipient clients. By focusing on enhancing

accommodation for user clients, who directly deliver services to the public, the Department can improve the quality and efficiency of public service delivery.

In order to achieve these ambitious goals, we are enhancing financial governance, cost efficiency, and investment planning. Our strategy will optimise value for money by leveraging various funding sources, such as blended finance and partnerships with the private sector.

The Government of National Unity (GNU) has identified three main priorities that will guide our efforts in the Medium-Term: (i) Promoting inclusive growth and creating jobs, (ii) Addressing poverty and the high cost of living, and (iii) Developing a competent, ethical, and progressive state. In light of this, the Department has adjusted its strategic focus areas as follows:

- **Public Assets for Public Good:** The Department will prioritise managing public assets for the public good and supporting government departments at all levels. It will also improve the maintenance and use of state-owned properties to maximise their economic value. This will involve implementing a digital system to monitor the location, condition, value, and usage of all state-owned properties. This new focus is essential for the Department's future direction.
- **Infrastructure Investment and Delivery:** Infrastructure Investment and Delivery are essential for economic recovery, with key projects driving growth and job creation. Several mega projects will be financed through blended or Public-Private Partnership (PPP) financing, targeting at least 30 projects in the Medium-Term. Approximately R350 billion will be mobilized in public sector infrastructure investment over the next five years to spur development and economic transformation. Streamlined processes and innovation will be implemented to accelerate infrastructure delivery. Developing a skilled workforce in the South African built environment is crucial. Infrastructure planning and asset management should prioritize creating long-term public wealth to benefit future generations.
- **EPWP Reform:** The EPWP aims to shift from temporary relief to a sustainable job creation and skills development program, offering clear paths to economic participation. A key focus of the reform is to establish a comprehensive exit strategy that guides EPWP participants towards permanent employment, self-

employment, or further skills development. This will involve stronger partnerships with the private sector, technical training institutions, and government employment initiatives to create sustainable livelihood opportunities. Our goal over the Medium-Term is to create 5 million work opportunities, particularly targeting youth and women for increased economic access.

- **Creating a Culture of Excellence and Transparency:** The Department is dedicated to cultivating a high-performance environment focused on accountability, ethical leadership, and transparent governance. We will prioritise non-racialism and meritocracy in the public service by appointing competent and qualified individuals to promote efficiency and professionalism within the Department.

The Department will allocate R1 billion in project preparation funding over the Medium-Term to support initiatives. R200 million will be allocated each year to assist mega projects in progressing to bankability and implementation stages. Updates on these initiatives will be shared at events like the SIDS symposium and Infrastructure Investment Summit.

The Department has also prioritised urban regeneration and infrastructure development by:

- Reclaiming and repurposing hijacked buildings in city centres and ensuring state-owned properties are used for public benefit and urban renewal goals.
- Supporting infrastructure planning that enhances well-connected development corridors to integrate human settlements with economic hubs for sustainable and inclusive communities.
- Collaborating with stakeholders to ensure regulatory compliance in urban renewal projects aligned with national development priorities.
- Investing in research, technology, and innovation to enhance business systems and project management.

To ensure the success of all our strategic initiatives, effective risk management is crucial. The Department will implement strong oversight, follow regulations, and take proactive steps to mitigate project risks such as cost overruns, delays, poor management, safety violations, and corruption. By improving risk and project management in all infrastructure projects, we will protect public investments and

improve project delivery. A critical enabler of our strategic initiatives is the digital transformation of the Department's operations and management. The Departmental Digitisation Strategy will significantly enhance operational efficiency and revolutionise how we manage state immovable assets. This initiative is designed to improve productivity, streamline processes, and strengthen reporting capabilities to support evidence-based decision-making. It aims to position us as a benchmark for public sector immovable asset management. At the heart of this transformation is the development of a fully digitised, department-wide State Asset Information Management System (SAIMS). This system will be cloud-based and centred on the asset core, enabling real-time performance measurement, monitoring, and management to drive efficiency and value creation. The first step in this journey is the development of a blueprint design for the SAIMS, laying the foundation for a structured, digitised, and fully functional state immovable asset management system, which includes many core modules and apps for the numerous and various operations of the Department.

I have directed the Department to prioritise empowering women, youth, and persons with disabilities. Our infrastructure planning and implementation should integrate the government's transformation agenda into service delivery. Management should take decisive action through targeted procurement, economic opportunities, and capacity-building to enhance economic participation and inclusion for these groups. As we move forward, I will hold executives and management accountable for the delivery of these commitments.

It is important to acknowledge that the journey ahead will be challenging. I urge all stakeholders and management to fully commit to these initiatives and collaborate to ***turn South Africa into a construction site.***

I am pleased to present the Strategic Plan (2025-2030) of the Department of Public Works and Infrastructure. These plans are crucial guides for our efforts in economic recovery, job creation, and social transformation.



Mr. Dean Macpherson, MP

Minister of Public Works and Infrastructure

Accounting Officer Statement



The National Department of Public Works and Infrastructure (DPWI) Strategic Plan (2025–2030) and Annual Performance Plan (2025/26) are crucial for our nation's development. These plans focus on using infrastructure to drive economic growth, create jobs, and promote social equity. As the Accounting Officer, I am dedicated to ensuring their efficient, transparent, and impactful implementation

Infrastructure as an Engine of Economic Growth

South Africa's infrastructure network is vital for the economy, and the Department plays a key role in managing public assets and facilitating major infrastructure projects.

The Department is committed to advancing national objectives that promote economic resilience, social well-being, and institutional excellence in line with the Government of National Unity's priorities. The focus is on accelerating inclusive economic growth and job creation through infrastructure-led development. The Department aims to contribute to reducing poverty and addressing the high cost of living through the delivery of impactful public works programmes. By creating employment opportunities, building and maintaining essential infrastructure, and providing skills development, our programmes serve as a catalyst for improving the lives of the most vulnerable in our society.

Additionally, the Department is committed to strengthening governance, ethical leadership, and institutional operations to enhance the effective management of public works programmes and assets. By improving internal controls, project management practices, and operational efficiency, it aims to drive service delivery excellence. In doing so, the Department ensures that infrastructure delivery, property management, and facilities maintenance are conducted with transparency, accountability, and a commitment to public value.

Over the next five years, the Department plans to mobilise R350 billion for public sector infrastructure investments, focusing on urban renewal, transport networks, and critical energy, water, and digital infrastructure. Public-Private Partnerships (PPPs) and blended finance models will be used to ensure sustainable financing for infrastructure projects.

A key priority is to optimise under- and unutilised public assets, ensuring that state-owned properties contribute to economic activity. The Operation Bring Back (OBB) programme will recover and repurpose state properties. The Build, Operate and Transfer and the Refurbish, Operate, and Transfer programmes will be utilised to support economic development, vastly improve service delivery, and reduce the leased-in portfolio and bring about substantial savings for the state. These initiatives aim to generate revenue and promote sustainable urban growth.

Transforming Public Works for a Sustainable Future

The Expanded Public Works Programme (EPWP) will transition from a temporary relief initiative to a structured skills development and job creation model. The aim is to create 5 million work opportunities by 2030, focusing on youth, women, and persons with disabilities. Increased collaboration with the private sector and technical training programs will aid in this transition.

To enhance financial governance and procurement efficiency, the Department will eliminate wasteful spending, improve contract management, and strengthen procurement oversight. Emphasis will be placed on local supplier development and empowering enterprises to maximise the benefits of public infrastructure investments.

Establishment of the Engineering General South Africa (EGSA)

The establishment of the Engineering General South Africa (EGSA) Office represents a strategic intervention aimed at strengthening the engineering function within the national infrastructure ecosystem. EGSA will serve as a central authority to promote excellence, uniformity, and integrity in engineering practices across the country. The primary objective of EGSA is to create uniform norms and standards for engineers across all sectors in South Africa, ensuring a harmonised approach to infrastructure planning, delivery, and oversight. This will be underpinned by robust benchmarking against international good practices, peer learning through engineering

communities, and the institutionalisation of continuous professional development and research-informed practice.

EGSA will play a critical role in safeguarding the professional status of engineers, particularly in the context of large-scale infrastructure delivery, by preventing the encroachment of non-qualified actors and advocating for quality, safety, and constitutional compliance in all engineering-related undertakings. This mandate includes interpreting and applying engineering and infrastructure-related legislation in alignment with the Constitution of 1996 and DPWI's custodial responsibilities over public infrastructure. Furthermore, the office will develop short, medium, and long-term strategic goals to guide its full operationalisation. These goals include the facilitation of prerequisite standards for the recognition of engineering professionals, supporting optimal infrastructure project delivery, and overseeing a fair, less bureaucratic execution process underpinned by qualified engineering oversight.

Building Institutional Excellence and Accountability

Infrastructure development must be supported by robust institutions and ethical leadership. The Department is undergoing a transformation to become agile, professional, and high performing by:

- Strengthening governance, compliance, and risk management.
- Modernising business systems through digital transformation and automation.
- Enhancing workforce capacity and leadership development.
- Promoting ethical leadership and accountability with strict consequence management.

Strategic Outcomes and Implementation Focus

The Department has outlined five key outcomes to guide its efforts over the next five years. These outcomes focus on institutional resilience, sustainable infrastructure investment, economic inclusion, and professionalisation of the built environment. By prioritising these areas, the Department aims to enhance governance, improve service delivery, and contribute to South Africa's socio-economic transformation.

- **Resilient, Ethical, and Capable DPWI:**

The Department is dedicated to professionalising public administration through ethical leadership, governance and managerial best practices, and financial

sustainability. Strengthened internal controls and financial accountability will ensure effective investment and reduce inefficiencies.

- **Coherent Government and Employability:**

The Department will collaborate with government entities and industry stakeholders to align infrastructure projects with socio-economic priorities. Reforms to the Expanded Public Works Programme (EPWP) will promote long-term employment and enterprise development, creating pathways for self-sufficiency.

- **Sustainable Infrastructure Investment and Delivery:**

The Department aims to mobilise R350 billion in investments for priority projects such as urban regeneration, transport networks, and energy solutions. Improved project execution and innovative financing mechanisms will drive inclusive economic growth.

- **Asset Management Optimisation:**

Public assets will be leveraged for economic development through initiatives like the Operation Bring Back (OBB) programme, which aims to recover and repurpose underutilised properties. The Build, Operate and Transfer (BOT) and the Refurbish, Operate, and Transfer (ROT) models will deliver much needed infrastructure and accommodation, and will generate long-term financial returns and public benefit. These models grant the concession to finance, construct, and operate a project, with the primary goal of recouping the investment over time. Once the investment has been recovered, control of the project is transferred back to the public entity.

- **Transformed and Professionalised Built Environment:**

The Department will enhance skills development initiatives to encourage inclusive participation in infrastructure development. Enterprise development programs and industry partnerships will support historically disadvantaged groups, small businesses, and emerging contractors, boosting the sector's technical capacity and professionalism.

A Bold Commitment to Change

This Strategic Plan and Annual Performance Plan demonstrate our commitment to driving change, making an impact, and fostering sustainable development. Collaboration among government, the private sector, and communities is crucial for achieving tangible improvements in people's lives.

As the Accounting Officer, I am dedicated to ensuring that the Department executes this plan with discipline, integrity, and a focus on results. With a well-defined strategy, robust governance structure, and a dedication to excellence, the Department will fulfil its role in advancing South Africa's development.



Mr Sifiso Mdakane


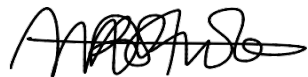



Director-General

National Department of Public Works and Infrastructure

Official Sign-Off

It is hereby certified that this Strategic Plan 2025-2030:

- Was developed by the management of the Department of Public Works and Infrastructure under the guidance of Honourable D Macpherson (MP), Minister of Public Works and Infrastructure.
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Public Works and Infrastructure is responsible.
- Accurately reflects the Impact and Outcomes which the Department of Public Works and Infrastructure will endeavour to achieve over the period 2025-2030.

Mr Lwazi Mahlangu Deputy Director-General: Governance, Risk and Compliance and ICT	
Mr Mandla Sithole Chief Financial Officer of Public Works and Infrastructure	
Mr Siza Sibande Head: Property Management Trading entity	
Ms Mameetse Masemola Head of Infrastructure South Africa (Acting)	
Mr Sifiso Mdakane Director-General of Public Works and Infrastructure	
Hon. Sihle Zikalala (MP) Deputy Minister of Public Works and Infrastructure	
Hon. Dean Macpherson (MP) Minister of Public Works and Infrastructure	

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.

1. Constitutional Mandate

The Constitution of the Republic of South Africa (1996) is the supreme law of the country and makes provision for other legislations regarding planning and performance monitoring across the three spheres of government. The constitutional mandate for the Department is provided in Schedule 4, Part A, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) ("The Constitution") which refers 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

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

Table A 2: Constitutional Imperative: Areas of Compliance¹

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

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

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

2. Relevant 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

DPWI Legislative Mandates	
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, it establishes 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.

DPWI Legislative Mandates	
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	Organises the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc.
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.

Table A4: Legislation of Relevance to DPWI

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)	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.

Legislation of Relevance to DPWI	
	<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)	<p>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.</p>
Public Finance Management Act (PFMA), 1999 (Act 1 of 1999) and Treasury Regulation 16 issued May 2002 in terms of the PFMA	<p>The PMFA regulates financial management in the national government and provincial governments; to 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>
National Heritage Resources Act, 1999 (Act 25 of 1999)	<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>
Integrated Coastal Management Act, 2008 (Act 24 of 2008)	<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>
Occupational Health and Safety Act, 1993 (Act 181 of 1993)	<p>Section 16 (1): Compels every employer to provide environment that is safe without harm.</p>

Legislation of Relevance to DPWI	
National Building Regulations and Building Standards Amended Act, 1989 (Act 62 of 1989)	Provides for new definitions and extending existing definitions.
National Forestry Act, 1998 (Act 30 of 1998)	Section 53: Regulates in respect of management of the protected natural state forest and obligations on the owner.
Water Services Act, 1997 (Act 108 of 1997)	Section 2: Provide for access to water and basic sanitation to ensure that the environment is not harmful to human health and well-being.
The Critical Infrastructure Protection Act, 2019 (Act 8 of 2019)	Ensures that National Key Points are safeguarded.
Electricity Regulation Act, No 4 of 2006	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.
Commonwealth War Graves Act, Act 8 of 1992	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.

Table A5: Administrative Compliance Legislative Framework

Administrative Compliance Legislative Framework	
The Public Finance Management Act, 1999 (Act 1 of 1999)	Promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources.

Administrative Compliance Legislative Framework	
	<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 National Treasury Regulations (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>
The Preferential Procurement Policy Framework Act, 2000	To develop and implement policies that advance preferential procurement for designated groups to advance economic transformation.
Public Service Act, 1994 as amended in 2007	Regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.
Promotion of Equality & Prevention of Unfair Discrimination Act, 2000 (No 4 of 2000)	Section 9 states that no person may unfairly discriminated against by any person on the ground of disability in the allocation, use, access to, or management of state-owned immovable assets.
Employment Equity Act, 1998 (Act 55 of 1998)	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, to ensure equitable representation in all occupational categories and levels in the workforce.

Administrative Compliance Legislative Framework	
Public Administration Management Act, 2014	<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.
Basic Conditions of Employment Act, 1997 (Act 75 of 1997)	<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>
The Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003)	<p>As these relate to the Property Sector 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>

Administrative Compliance Legislative Framework	
Skills Development Act, 1998 (Act 97 of 1998)	The Skills Development Act aims to expand the knowledge and competencies of the labour force to improve productivity and employment.
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.

Table A6: Policies and Strategies Supporting the Mandate

Policies and Strategies Supporting the Mandate	
National Infrastructure Plan 2050: Phase 1 and 2	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.

Policies and Strategies Supporting the Mandate	
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.
Construction Sector Transformation Charter, 2006 (Charter 2006)	<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.
Amended Property Sector Code of Good Practice on Broad-Based Black Economic Empowerment, Notice 464, GG 40926 of 9 June 2017	<p>The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) [BBBEE Act] as these relate to the Property Sector and, in particular but without limitation, <i>inter alia</i>, to:</p> <ul style="list-style-type: none"> • Promote economic transformation in the Property Sector to enable meaningful participation of black people and women; • Unlock obstacles to property ownership and

Policies and Strategies Supporting the Mandate	
	<p>participation in the property market by black</p> <ul style="list-style-type: none"> • Promote property development and investment in under-resourced areas which enhances basic infrastructure, encourages investment and supports micro and small enterprises; and • Facilitate the accessibility of finance for property ownership and property development.
Property Management Strategy on BBEE, Job Creation and Poverty Alleviation, 2007 (PMS B-BBEE 2007)	<p>The objective of the PMS BBEE 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.
Public Works Green Building Policy, 2018 <i>(the policy was launched at the annual Green Building Council South Africa (GBCSA) Convention in 2018)</i>	<p>The Public Works Green Building Policy focuses on sustainable practices in the building sector, including energy, water, and waste management, indoor environmental quality, and sustainable materials. It also addresses the Department's commitments to reducing global warming, climate change, and resource consumption in its owned, operated, and leased buildings.</p> <p>The integrated Renewable Energy and Resource Efficiency Programme (iREREP) was developed as a national initiative to promote resource efficiency and renewable energy in government facilities to meet sustainability goals for the government and South Africa as a whole.</p> <p>Implementing sustainability principles in property development involves the active participation of all stakeholders. The department has established energy and water savings contracts, renewable energy projects, green building standards with GBCSA, water and sanitation initiatives, and energy efficiency campaigns through the iREREP programme.</p>
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>

Policies and Strategies Supporting the Mandate	
The National Water Resource Strategy, 2013	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.
National Energy Efficiency Strategy, 2009	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.
National Waste Management Strategy, 2011	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.
The National Development Plan (NDP)	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.
Green Economy Accords	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.
Green Building National Framework	Implementing sustainability principles in property development involves the active participation of all stakeholders. The department has established energy and water savings contracts, renewable energy projects, green building standards with GBCSA, water and sanitation initiatives, and energy efficiency campaigns through the iREREP programme.
FM Policy, Strategy and Guidelines	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, 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.

Policies and Strategies Supporting the Mandate	
District Development Model	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.
Priority Housing and Human Settlement Development Areas	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 PHSHDAs on 23 February 2020.

3. Institutional Policies and Strategies and Government-Wide Alignment over the Five-Year Planning Period

3.1 Institutional Policies and Strategies

The policies and strategies listed in Table A7 are recognised as essential interventions that will support the Department in achieving the intended impact and outcomes over the five-year period.

Table A7: Institutional Policies and Strategies

Policies and Strategies	
DPWI Outcomes	Identified Institutional Policies and Strategies
A Resilient, Ethical and Capable DPWI	<ul style="list-style-type: none"> • Corruption and consequence management - 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. All DDGs will reflect their APP and Operational Plan areas in the performance agreements aligned to the Minister's priorities and Director-General's key result areas. • Skills audit is underway to identify strengths, weaknesses, and skill gaps, ultimately informing training needs and workforce planning

Policies and Strategies	
DPWI Outcomes	Identified Institutional Policies and Strategies
	<ul style="list-style-type: none"> • Departmental Digitisation Strategy – driven by business processes reengineering and focus on core business such as construction project management, Immovable asset management, facilities management and leasing management. This strategy involves the development of a fully digitised department-wide State Asset Information Management System (SAIMS) to provide end-to-end digitisation of the administration and operations of DPWI and PMTE to ensure that performance is measured, monitored and managed for efficiency and value generation. • Review of the organisational structure and ensure appropriate capacity and skills to drive the operations of the department. • Ethics management – A committee has been established to develop principles, guidelines, and models to guide ethical decision-making and actions within the department, assisting in navigating moral dilemmas and making well-informed choices.
Coherent Government and Employability	<ul style="list-style-type: none"> • Implementation of a sector-wide infrastructure plan focusing on the impact of the sector towards economic growth, job creation, work opportunities and infrastructure delivery • Develop and implement a Stakeholder Value Management Strategy • Continue the implementation of the precinct planning and support urban regeneration in support of the Integrated Urban Development Framework (IUDF) • EPWP Coordination Strategy to be developed to guide how DPWI monitors, evaluates and reports on EPWP performance by implementing bodies across the country. These issues are also being discussed at the EPWP National Coordinating Committee. • Coordinate the mainstreaming of the EPWP across the built environment sector, in all three spheres of government. • Put in place EPWP Exit Strategy Framework and Training plan in the 2025/26 financial year. • Expand EPWP massification and exit pathways. • Participation in the District Development Model (DDM) programmes
Sustainable Infrastructure Investment and Infrastructure Delivery	<ul style="list-style-type: none"> • Implementing the Infrastructure Delivery Management System (IDMS) for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure. • Application of the 5-Case Model by ISA in project preparation to ensure that projects are ready for implementation

Policies and Strategies	
DPWI Outcomes	Identified Institutional Policies and Strategies
	<ul style="list-style-type: none"> Develop an Infrastructure Investment Strategy based on research into international best practices and lessons learned. The Department is upgrading its project management systems to modernise the construction process from planning to completion as part of its digitisation strategy. The Welisizwe Rural Bridges Programme is being rolled out to help rural communities access schools, workplaces, and amenities safely and easily. The Department is collaborating with local municipalities and the Defence force to implement this initiative.
Asset Management Optimisation	<ul style="list-style-type: none"> 31 Department-owned properties are being put on the market as part of an optimisation strategy. These properties, located in key economic areas, will be revitalised to attract investment and create jobs through initiatives like Build-Operate and Repair (BOT), Repair-Operate and Transfer (ROT), and Lease-To-Own (LTO). Implementing the Public Works Green Building Policy addressing all sustainable practices in the building sector, including energy, water, and waste management, indoor environmental quality, and sustainable materials, and addressing the Department's commitments to reducing global warming, climate change, and resource consumption in its owned, operated, and leased buildings. This also includes the publication of an annual property performance report that measures the cost of occupation space utilisation and water and electricity consumption of portfolios of state occupied accommodation to compare efficiency and benchmark against applicable benchmarks. Asset Management Optimisation Strategy intended to optimise portfolio utilisation to improve productivity, save costs, improve efficiencies and freeing up for other use, including revenue generation. Continue implementing the Occupational Health and Safety (OHS) Management Strategy by conducting regular inspections of buildings and construction sites to maintain a safe work environment and enhance employee productivity, efficiency, and well-being. Releases of immovable assets including surplus state land (including for purposes of land reform and human settlement development), in support of government strategic key imperatives using the Disposal Strategy. 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 Return on Investment Optimisation Strategy to optimise

Policies and Strategies	
DPWI Outcomes	Identified Institutional Policies and Strategies
	<p>surplus immovable assets for utilisation and comprehensive revenue generation.</p> <ul style="list-style-type: none"> • Development and implementation of revised Resource Efficiency Interventions and Capacity Building Strategy • Acquisition Strategy - acquiring properties informed by thorough market research and legalities, prioritising accessibility, and assessing potential ROI, while also building relationships with various property experts. • Maintenance Strategy and Policy aim to enhance the portfolio's condition for improved service delivery. Infrastructure maintenance is crucial for reliability, efficiency, and longevity, reducing downtime and optimising operational performance of buildings.
Transformed and Professionalised Built Environment (part of professionalising the State)	<ul style="list-style-type: none"> • A joint working committee, including the Department and other relevant National, Provincial, and Local Departments responsible for Land Reform and Human Settlements, is addressing Spatial Transformation Agenda matters. This committee is focused on Land Release under the Department's custodianship. • Development of a Built Environment Professions Development Strategy (inclusive of detailed plans to realise the strategy) to address skills gaps identified through the Skills Gap report. This involves creating a multidisciplinary team within the Department's professional services branch to empower individuals throughout the value chain, from initial training to economic sustainability, and facilitating registration in the built environment profession. • Revise and implement transformative SCM Prescripts and Procurement Policy. • Review, implement and monitor the Contractor Development Programme, including ring-fenced projects, in partnership with the CIDB. • Aggressive implementation of Contractor Development/Incubator Programme in the procurement of construction related services (i.e. Capital Projects and Built Environment Professional Services at design stage and execution stage of construction/major maintenance projects in conjunction with 2017 Preferential Procurement Regulation, in partnership with the CIDB. • Aggressive Implementation of Property Management Empowerment Policy, 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.

3.2 Alignment to Statement of Intent of the GNU, NDP and MTDP

The Statement of Intent (SOI) of the Government of National Unity (GNU), and the Medium-Term Development Plan (MTDP) 2024-2029 serve as the strategic framework for guiding South Africa's 7th Administration. There are three priorities that define the country's roadmap for addressing its social, economic, and developmental challenges while striving towards the long-term goals set by the National Development Plan (NDP) 2030. The alignment of these key documents establishes a clear trajectory for the administration's efforts to foster inclusive growth, improve service delivery, and build a more capable and ethical state.

The Outcomes outlined by the Department of Public Works and Infrastructure (DPWI) in Section 3.1, together with the institutional policies, strategies, and priorities to be implemented over the next five years, are fundamentally aligned with the National Development Plan (NDP) and the three Priorities of the GNU. These alignments are clearly demonstrated in Table A8.

Table A8: Alignment of DPWI Outcomes to MTDP

DPWI Outcomes	MTDP Priority	MTDP Outcome	Interventions relevant DPWI
Coherent Government and Employability	Strategic Priority 1: Inclusive growth and job creation	Increased employment and work opportunities (Reduced unemployment and increase participation of designated groups)	Continue to implement and optimise public employment programmes (including the National Youth Service, Expanded Public Works) and prioritise work experience for young people.
Sustainable Infrastructure Investment and Infrastructure Delivery	Strategic Priority 1: Inclusive growth and job creation	Increased infrastructure investment and job creation	Invest in infrastructure development in key sectors of energy, communications, water and transport infrastructure, and focus on underserved areas.
Asset Management Optimisation	Strategic Priority 1: Inclusive growth and job creation	Increased infrastructure investment and job creation	Department-owned properties are being put on the market as part of a strategy to optimise, attract investment, and create jobs
Transformed and Professionalised	Strategic Priority 2: Reduce poverty and	Reduced poverty and	Prioritise the transfer of surplus state land

DPWI Outcomes	MTDP Priority	MTDP Outcome	Interventions relevant DPWI
Built Environment (part of professionalising the State)	tackle the high cost of living	improved livelihoods	to contribute to land reform and enhance post-settlement support in the built environment as part of the transformation agenda. Land reform initiatives will assist in addressing poverty and improve livelihoods.
Transformed and Professionalised Built Environment (part of professionalising the State)	Strategic Priority 2: Reduce poverty and tackle the high cost of living	Skills for the economy	Strengthen the partnership with the private sector to unlock the deployment of artisans and TVET graduates through workplace-based placements and work integrated learning opportunities.
A Resilient, Ethical and Capable DPWI	Strategic Priority 3: A capable, ethical and developmental state	An ethical, capable and professional public service	Improve efficiency and productivity of the public sector by mainstreaming red tape reduction across departments and entities.
A Resilient, Ethical and Capable DPWI	Strategic Priority 3: A capable, ethical and developmental state	An ethical, capable and professional public service	Conduct Institutional Reviews and Skills Audit to ensure that state institutions are execution driven in line with mandates and public value.
A Resilient, Ethical and Capable DPWI	Strategic Priority 3: A capable, ethical and developmental state	An ethical, capable and professional public service	Improve efficiency and productivity of the public sector by mainstreaming red tape reduction across departments and entities.

DPWI Outcomes	MTDP Priority	MTDP Outcome	Interventions relevant DPWI
A Resilient, Ethical and Capable DPWI	Strategic Priority 3: A capable, ethical and developmental state	An ethical, capable and professional public service	Strengthen accountability and consequence management in the public service and conduct lifestyle audits for elected officials and senior public servants. Accountability will be ensured through signed performance agreements for all deliverables. Success depends on the dedication and accountability of every member of the department

3.3 Implementing the Ministerial Priorities

The Ministerial priorities have been integrated into the planning processes, with the corresponding interventions carefully considered. These priorities are reflected under table A9.

Table A9: Implementing the Ministerial Priorities

Priority Area	Ministerial Priorities Strategies/ Interventions to implement Ministerial Priorities
Priority 1: Public Assets for Public Good	<ol style="list-style-type: none"> 1. Digitised State Asset Information Management System: Develop a digital, risk focused asset information management system to track the location, condition, value, management and usage of all state-owned properties. 2. Modernise Asset Management: Use digital tools and geospatial technologies to ensure that assets are constantly updated in the asset register, performance is measured, monitored and managed for efficiency and value generation. 3. Establish New Governance and Legislative Mechanisms: Ensure there are up to date clear policies on asset utilisation, including review of GIAMA for disposal, leasing, and public-private collaboration. 4. Utilisation of state-owned buildings over private leases: Exploring ways to upgrade state properties for office use to reduce reliance on private leases
Priority 1: Public Assets for Public Good – Addressing Hijacked and Dilapidated Buildings	<ol style="list-style-type: none"> 1. The Operation Bring Back (OBB) program aims to identify, investigate, and recover state properties that have been unlawfully taken or to the detriment of the state. 2. The Department will utilise legal avenues to reclaim stolen and illegally occupied properties and land, as well as work with local government to reclaim hijacked and dilapidated buildings. 3. Once reclaimed, these buildings will be repurposed through partnerships with government spheres, departments or agencies, social housing, commercial use, or community services.
Priority 2: Infrastructure-Led Growth	<ol style="list-style-type: none"> 1. Position ISA as central point for infrastructure: ISA should and must become the central point of major infrastructure co-ordination. Currently, the infrastructure is too fragmented. 2. Local government infrastructure: LG is unable to

Priority Area	Ministerial Priorities Strategies/ Interventions to implement Ministerial Priorities
	<p>design, prepare and deliver bulk infrastructure on the scale that is needed. ISA can step in to assist.</p> <p>3. Social infrastructure backlog: The department has numerous failed or stalled projects due to poor project management. ISA, through patterns, we can work to deliver projects on time and on budget.</p>
Priority 2: Infrastructure-Led Growth – Catalytic Projects	<p>1. Fast-Track Implementation: Establish dedicated project teams to oversee the completion of these projects</p> <p>2. Funding Mechanisms: Leverage public-private partnerships, international financing, and development banks to secure additional funding.</p> <p>3. Regulatory Streamlining: Work with government entities to remove bureaucratic hurdles that slow down project approval and implementation.</p>
Priority 2: Infrastructure-Led Growth – Tackling the Construction Mafia	<p>1. Increased Security: Partner with law enforcement, and private security firms to safeguard project sites and ensure uninterrupted project execution.</p> <p>2. Community Engagement: Develop community outreach programmes to involve local communities in projects legally and productively, offering local contractor opportunities.</p> <p>3. Policy Enforcement: Enforce strict procurement policies to ensure fairness and transparency, with severe penalties for criminal interference.</p>
Priority 2: Infrastructure-Led Growth – Local Contractor Involvement	<p>1. Capacity Building: Develop training and mentorship programmes for local contractors to improve their capacity and compliance with project requirements.</p> <p>2. Procurement Reforms: Ensure transparent, fair procurement processes that allow smaller contractors to compete.</p> <p>3. Monitoring and Support: Provide ongoing monitoring, support, and capacity development to ensure that local contractors deliver quality work.</p>
Priority 3: Expanded Public Works Programme (EPWP)	<p>1. Partnerships with Training Institutions: Collaborate with vocational training centres, technical colleges, and private sector companies to offer skills-based training to EPWP participants.</p>

Priority Area	Ministerial Priorities Strategies/ Interventions to implement Ministerial Priorities
	<ol style="list-style-type: none"> Certification Programmes: Establish certification frameworks for EPWP graduates, ensuring their skills are recognised in the formal job market. Internship and Apprenticeship Models: Integrate on-the-job training, internships, and apprenticeships to enhance skills development, linking participants with formal employment opportunities. Reform EPWP to emphasise skills development, entrepreneurship, and long-term job opportunities in key economic sectors such as construction, agriculture, and services
Priority 4: Build a new culture based on excellence and transparency	<ol style="list-style-type: none"> Success depends on the dedication and accountability of every member of the department. Our collective goal is to create visible, tangible results that contribute to economic recovery, improve public trust, and uplift communities The department must build confidence in the industry to minimise disruptions, reduce project costs, and ensure the safety of contractors and workers

3.4 Direct Links to Sectoral, Provincial and Entity

The sector, including entities and provincial departments, was consulted during the strategic planning process to inform the plan for the upcoming medium-term. National priorities were presented to ensure appropriate alignment by the provinces and entities. This process will also incorporate standard performance indicators, including the MTDP indicators relevant to the sector.

3.5 Direct Links to Other Plans

In development of its strategic plan, the DPWI also took the following National plans into consideration as per Table A 10.

Table A 10: 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	Support by the Department's programmes and projects of the job creation initiatives of government.

Direct Links to any other plan (Relevant to the mandate)	
Relevant initiatives to the mandate	Priority/ Strategic Linkage
Gender-Based Violence and Femicide	Support by the Department's programmes and projects of the fight against Gender-Based Violence and Femicide.
Accelerated Public Infrastructure Investment	Effective government-wide socio-economic infrastructure investment coordination in partnership with the private sector to facilitate spatial integration and economic regeneration.
Economic Recovery and Reconstruction Plan (ERRP)	Support by the Department's programmes and projects of the Economic Recovery and Reconstruction Plan (ERRP) initiatives of government.

4. Relevant Court Rulings

The following court rulings remain relevant

Table A 11. Relevant Court Rulings

Case Number:	84/2022
Applicant:	NMPS Construction cc and others
Respondent:	Minister of Public Works and Infrastructure and others
Mini Summary:	<p>This case outlines a legal motion filed by applicants who are trainee contractors involved in the Expanded Public Works Programme (EPWP) in the Eastern Cape, South Africa. They sought several court orders regarding the implementation of Phase 3 of a school building learnership program aimed at enabling them to achieve National Qualifications Framework (NQF) Level 2 accreditation.</p> <p>The EPWP was launched in 2004 to equip unemployed individuals with skills while they work, addressing social infrastructure needs. The applicants were recruited for contractor training but claim that the program was halted abruptly, causing them significant harm.</p> <p>The issues to be determined by the court was whether the applicants are entitled to the implementation of phase 3 learnership programme, in particular whether they are entitled to be awarded a third construction contract in terms of the learnership program on the basis of a contract or legitimate expectation.</p> <p>Key Points:</p> <ol style="list-style-type: none"> 1. Request for Implementation: The applicants demand that the respondents (including government officials and the Coega Development Corporation) be ordered to implement Phase 3 of the EPWP within 30 days of the court's decision. 2. Reporting Requirement: The respondents must submit monthly progress reports to the court until the applicants are satisfied that the order has been fully complied with. 3. Costs: The applicants seek costs to be paid by the respondents on a specific scale, with the first three respondents held jointly responsible. 4. Parties Involved: The first respondent is the Minister of Public Works, the second is the MEC for Public Works in Eastern Cape, the third is the MEC for Education, and the fourth is Coega Development Corporation, which is implicated as the implementing agent.

	<p>The applicants argued that their training has been unjustly interrupted, and they seek judicial intervention to compel the respondents to fulfil their obligations under the EPWP. They emphasise the need for timely implementation and transparency through regular reporting to ensure accountability.</p> <p>The court has found that the applicants are entitled to the implementation of phase 3 learnership programme and that they are entitled to be awarded a third construction contract in terms of the learnership program on the basis of a contract or legitimate expectation.</p> <p>The court has also found that it was within the powers of the state respondents to design a plan for the third phase in a manner that will be compliant with the applicable legal prescripts and that the Department would not have approved and envisaged a programme without having considered and allocated a budget for it to commence.</p>
Judgment:	<p>The First, Second and Third respondents were directed to take the necessary step to implement Phase 3 of the Eastern Cape School Building Expanded Public Works Programme, which is the final phase of the programme, which will enable the Construction Sector Education and Training Authority (CETA) to award the NQF Level 2 to the applicants.</p> <p>2. The First, Second and Third respondents were directed to file reports, within (30) THIRTY days hereof, on affidavit, setting out how they plan to implement phase 3, taking into account relevant factors.</p>
Remedial Action (policy/strategy) to reduce or avoid recurrence):	There needs to be proper planning, budgeting and monitoring in respect of all the projects that are undertaken by the Department and government must always speak in one voice in everything that it do.
Case Number:	48624/2020
Applicant:	Pieter Andries Venter obo Plaintiff David William Napier Davel
Respondent:	Minister of Public Works and Infrastructure and others
Mini summary:	This case concerns a claim for delictual damages suffered by Mr David Davel, a 62-year-old businessman and Information Technology Technician. Mr Davel was injured when he unknowingly stepped onto a part of a roof made of fibreglass, then covered with a thick crust of dust, leaves and other debris in a building occupied or operated by the third defendant in Thaba-Tshwane. He had mounted the roof to carry out work requested by a senior member of staff of the third defendant. The

	<p>fibreglass gave way under his weight plunging Davel to a concrete floor four metres below the roof. He was critically injured and rushed to a nearby hospital. The plaintiff, Adv Pieter Andries Venter, the curator who represents Davel, says the defendants were negligent in failing to warn Davel about the parts of the roof made of fibreglass. They knew or ought reasonably to have known of the hazard to persons lawfully on the roof. He wants them held liable for the plaintiff's damages following his life altering injuries.</p> <p>The defendants, whilst accepting that they bear the legal duty to prevent harm to persons who are lawfully present at their premises, disavow any liability for Davel's injuries. They say that (i) Davel was negligent; (ii) he had no authority to mount the roof; Davel ignored warnings by senior management of the third defendant that he should not mount the roof, which he mounted anyway; (iii) finally, the defendants say they are not liable for contractors. Davel, as an independent contractor, was responsible for his own safety. At the start of the hearing, the parties took a consensual order separating the question of liability from quantum.</p> <p>The court found that the facts of this case establish on a preponderance of probabilities that Davel's injuries were caused by the defendants' wrongful and negligent conduct. Davel did not wake up one morning and decided to venture onto the third defendant's roof. He had been asked to go there and remove a booster or an antenna by a senior member of staff. No warning had been sounded to him and no steps were taken by the defendants to prevent harm. The defendants caused Davel's damages and they must be held liable.</p> <p>Conclusion: The defendants were found to have acted both wrongfully and negligently, and they are held liable for the injuries sustained by the plaintiff due to their failure to take reasonable steps to prevent harm.</p>
Judgement:	<p>The plaintiff's case succeeds.</p> <ol style="list-style-type: none"> 1. The Defendants are found jointly and severally liable, one paying the other to be absolved, for the plaintiff's proven or agreed damages; 2. The issue of quantum is separated from liability in terms of Rule 33 (4) and is postponed <i>sine die</i>; 3. The defendants must pay the plaintiff's taxed or agreed costs on the High Court scale, including the costs of counsel and the curator <i>ad litem</i>.
Remedial Action (policy/strategy) to	<p>There needs to be some signage placed on DPWI's premises warning any person of any danger.</p>

reduce or avoid recurrence):	Client departments must be advised to avoid issuing additional instructions to contractors without DPWI's consent and approval.
Case Number:	CA213/2021
Applicant:	NDC General Building Construction Services cc and Others
Respondent:	The Minister of Public Works and Infrastructure
Mini summary:	<p>The appellant was appealing a decision made on November 10, 2020, by the court regarding a judicial review under the Promotion of Administrative Justice Act (PAJA). The court's orders included:</p> <p>The review and annulment of certain decisions related to a public tender.</p> <p>The remittance of the tender back to the department for reconsideration.</p> <p>An order for the appellant to cover the legal costs of the applicant.</p> <p>The tender in question was for maintenance services at the Kwazakhele SAPS in Port Elizabeth, and it involved evaluating bids based on an 80/20 preference points system and specific pre-qualification criteria, including B-BBEE status and subcontracting requirements.</p> <p>After a site meeting and submission of bids, the appellant (the employer) declared the first respondent's bid ineligible and awarded the tender to the second respondent. The first respondent was informed it had failed a risk assessment related to quality and contractual compliance.</p> <p>Key tender conditions were derived from the Standard Conditions of Tender, which mandated that evaluations would prioritise functionality, price, and preference. The court found that the decisions made during the tender evaluation were flawed and warranted judicial review, leading to the current appeal.</p> <p>The court a quo had ordered as follows:</p> <p>The concerned orders read as follows:</p> <ol style="list-style-type: none"> 1. The impugned decisions are reviewed and set aside. 2. The tender is remitted back to the department for reconsideration in terms of the provisions of section 8 (1)(c)(i) of PAJA. 3. That the first respondent (appellant) shall pay the applicant's (first respondent on appeal) taxed or agreed party and party costs in this application, as well as the applicant's (first respondent on appeal) taxed or agreed party and party costs under case number 661 / 2020 in the Eastern Cape High Court, Grahamstown." <p>Issues to be decided by court:</p>

	<p>To determine whether the court <i>a quo</i> had reached the proper outcome in the circumstances by setting aside each of the impugned decisions under scrutiny before it.</p> <p>Whether the court <i>a quo</i> was correct to have granted the remedy it did, assuming that its primary findings in respect of each of the impugned decisions were correct.</p> <p>Whether the second and third respondent's bids complied with the specifications of the tender.</p>
Judgement:	<p>1. Appeal Dismissed: The appeal has been dismissed, meaning the previous ruling stands, and the appellant must cover the associated costs.</p> <p>2. Reconsideration Basis:</p> <ul style="list-style-type: none"> Non-Responsiveness: The bids from the second and third respondents are ruled as administratively non-responsive. This means these bids did not meet the required administrative criteria to proceed further. Remaining Tenderer: The first respondent is now the only remaining tenderer eligible for consideration in the evaluation stage. <p>Implications:</p> <ul style="list-style-type: none"> The dismissal of the appeal affirms the lower court's decision and its interpretation of the tendering process. The determination of non-responsiveness for the second and third respondents simplifies the evaluation process for the first respondent, potentially expediting the awarding of the contract.
Remedial Action (policy/strategy) to reduce or avoid recurrence):	DPWI to ensure that the BEC and BAC ensure that the bids received meet the criteria set in the bid documents and should not overlook non-compliance issues relating to any bidder.
Case Number:	2501/23 & 2502/23
Applicant:	Prosec Guards CC
Respondent:	Minister of Public Works & Infrastructure and Others
Mini Summary:	<p>The applicant is a security services provider. It seeks to review and set aside decisions which were taken by bid evaluation and adjudication committees of the Department of Public Works and Infrastructure, whereby it was disqualified as a bidder from tenders which were advertised for the provision of safeguarding and protection services (tender CPT 9/22) and tactical services (tender CPT 10/22), to State properties in the Western Cape.</p> <p>In tender CPT 9/22, which was advertised on 24 October 2022, the applicant was disqualified on 16 November 2022 on the basis that it had scored less than the requisite 50% minimum required for 'functionality'. In tender CPT 10/22, which was advertised on 11 November 2022, the applicant was disqualified on 12 November 2022 on the basis that its bid was non-responsive as it had failed to submit a copy of</p>

a valid registration certificate issued by the National Bargaining Council for the Private Security Sector ('the NBC'), together with its bid.

The matters before Court are two of six applications which were launched by unsuccessful bidders to challenge the award of the 2 tenders, which were set down to be heard on the same day. Four of these matters were removed shortly before they were to be heard, on the basis that they had either settled or were to be postponed. In the two matters for adjudication the 1st to 3rd respondents are the relevant State functionaries who were responsible for the tenders, and the remaining respondents are the bidders to whom the tenders were awarded. None of these bidders sought to participate in the proceedings. In the circumstances where reference is made to 'the respondents' it is to be understood as a reference to the 1st to 3rd respondents.

Tender Documentation

1. Structure: The tender documents consist of a Notice and Invitation to Bid (Part A) and the applicable terms and conditions (Part B), including special conditions and required forms.
2. Responsiveness Criteria: Bidders must comply with specific criteria outlined in the tender documentation, including submitting compulsory documents, valid registration certificates, and compliance with pre-qualification criteria related to B-BBEE and functionality.
3. Functionality Scoring: Functionality is scored out of 100 points, requiring at least 50 points to qualify:
 - Experience: 60 points for prior security project experience (minimum values specified).
 - Office Requirements: 20 points for having an administrative office in South Africa.
 - Response Vehicles: 20 points for proof of two available response vehicles.
4. Detailed Requirements:
 - Experience must be documented with appointment letters, reference letters, and contract details.
 - Proof of an office could be a lease or ownership documentation.
 - Vehicles must be supported by e-NATIS reports, lease agreements, or letters of intent.

Bidders' Submissions

1. Tender 09/22: The applicant listed six completed projects but faced issues with documentation:
 - It provided some letters and purchase orders but lacked complete reference letters for all projects.
 - For the administrative office, the applicant submitted an expired lease agreement.

	<ul style="list-style-type: none"> • Proof of vehicles was provided through registration certificates rather than e-NATIS reports. <p>2. Tender 10/22: The applicant was disqualified for failing to provide a valid NBC registration certificate, despite submitting letters indicating good standing.</p> <p>The applicant argued procedural unfairness, claiming its bid was not evaluated properly and that it should have received points for functionality.</p> <p>The applicant contested its zero score on functionality, arguing it had submitted sufficient proof for experience and requested clarification regarding documentation issues.</p> <p>The respondents emphasized that compliance with mandatory criteria was essential for responsiveness and pointed out the applicant's failure to meet these requirements, resulting in disqualification without consideration of merit.</p> <p>The court found that the respondent was correct to disqualify bidders in terms of the minimum requirements.</p>
Judgment:	<p>The applications were dismissed with costs, including the costs of two counsels where applicable.</p> <p>The court emphasised that compliance with mandatory criteria was essential for responsiveness</p>
Remedial Action policy/strategy) to reduce or avoid recurrence):	No action needed.

PART B

OUR STRATEGIC FOCUS

PART B: Our Strategic Focus

5. Strategic Overview

5.1 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”

5.2 Mission

“To drive economic growth by constructing infrastructure, delivering quality services, and offering solutions that protect the environment while supporting communities in achieving sustainable development.”

5.3 Values

The following core values form the foundation of the DPWI's operations, shaping a culture dedicated to responsible governance and impactful Department:

- **Efficiency:** Emphasising optimal use of resources to deliver services promptly and minimize waste, ensuring maximum value for public funds.
- **Effectiveness:** Focusing on achieving measurable and impactful results that align with departmental goals, making a tangible difference in service deliver.
- **Excellence:** Striving for high standards and continuous improvement in all activities, aiming to exceed basic expectations and deliver quality outcomes.
- **Trustworthy:** Upholding integrity, honesty, and reliability, fostering confidence among internal and external stakeholders and the public.
- **Transparency:** Ensuring openness and accountability in all processes, making information accessible and decision-making clear to the public.

6. Situational Analysis

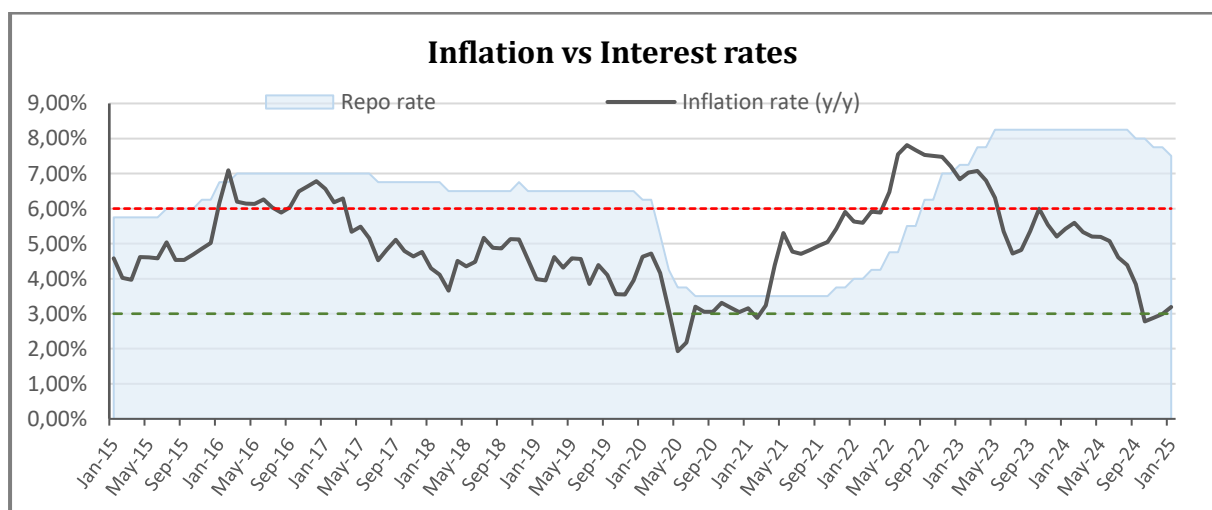
6.1 External Environment Analysis

Global Economic outlook

According to the International Monetary Fund (IMF), the world economy is predicted to have grown by 3.2% in 2024, which is lower than the growth of 3.3% realised in 2023. Although global prices seem to have stabilised, growth in Developed countries remained subdued, as well as in some emerging markets. The global economy is predicted to grow at 3.3% for both 2025 and 2026. Global consumer prices are expected to increase at a lower rate than has been the case in the past 2 years. This is also backed by a predicted decrease in oil of about 11.7% in 2025 and 2.6% in 2026. Despite a positive outlook for global trade volumes, there are still some geopolitical trade tensions which have resulted in a slight downward revision of trade volumes growth, which will have a negative impact on the projected growth path.

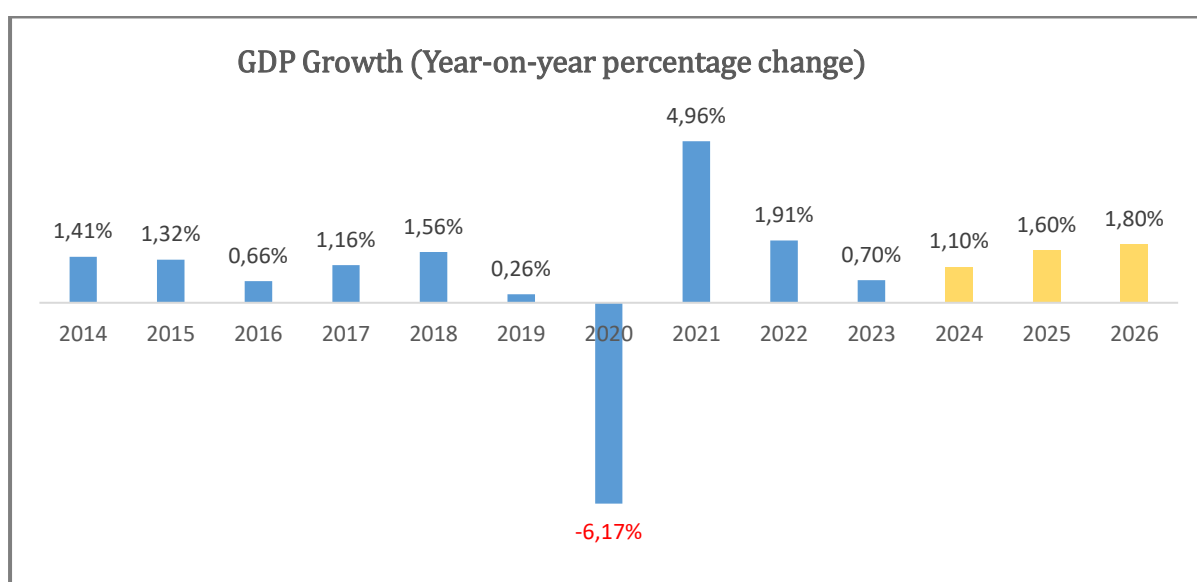
Local Economy

South Africa's macroeconomic policy is pinned on inflation targeting, where the reserve bank adjusts the interest rates (repurchase (repo) and prime lending rates) in reaction to both domestic and foreign economic changes in order to keep inflation within the target band of 3%-6%. The graph below shows the repo rate and inflation rate since 2015. In reaction to global price pressures, particularly in the energy and fuel sector, inflation was above the target range since May 2022; which prompted the Reserve Bank's Monetary Policy Committee (MPC) to respond by raising interest rates to levels even higher than pre-Covid19 rates. The September 2024 reduction in the repo rate by 25 basis points was the first rate drop since 2020. The reduction came after inflation was contained within the target band over a prolonged period. Since then, the reserve bank has reduced interest rates by 25 basis points in each of the last 3 meetings.



Source: StatsSA, SARB

All things equal, reduced interest rates imply an increase in investment spending by corporations and consumption by households. The increase in expenditure for households is due to higher disposable income as the cost of debt generally reduces with lower debt costs (interest). New debt is also accessible for households, which increases the money available for spending. For businesses, lower interests reduce the cost of borrowing as well as the opportunity cost of money, which should increase investment spending (or capital formation). The chart below shows GDP growth for South Africa since 2014, and it can be seen that growth has been very low over this period. The SARB's January 2025 MPC statement forecasts growth for South Africa to be 0.7% for 2024, 1.8% for 2025 and 1.8% for 2026. The International Monetary Fund's (IMF) January world economic outlook update forecasts growth to be 0.8% for 2024 and 1.5% and 1.6% respectively for 2025 and 2026. Both predictions are still below what the economy needs to move in a better trajectory. The hope for South Africa is for global trade tensions to ease and for central banks around the world to continue being accommodative which would be favourable. Political changes in the US and recent pronouncement by the new administration may exert a downward pressure on the South African economy.

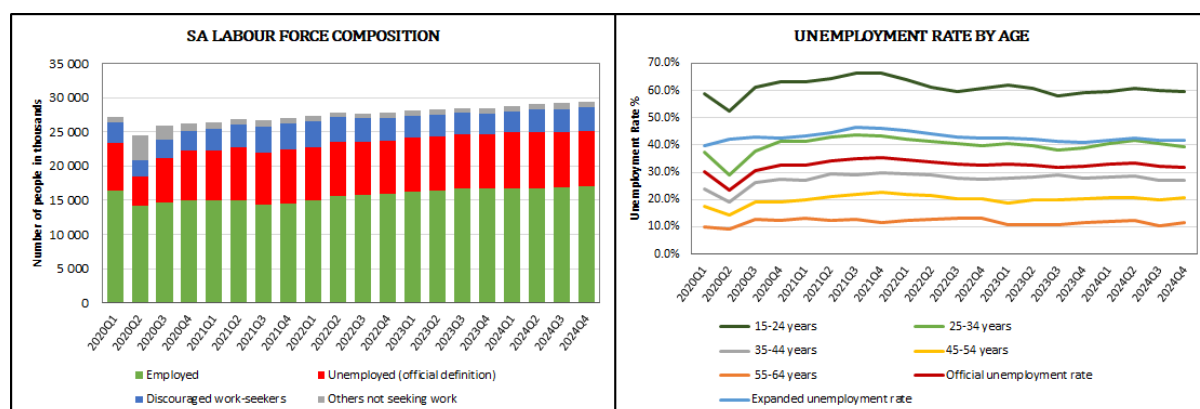


Source: StatsSA, SARB

The Department of Public Works and Infrastructure (DPWI) is responding by enhancing Gross Fixed Capital Formation (GFCF) as a percentage of GDP, aiming to increase infrastructure investment through reforms aligned with the 8 Pillars of Reform. To address funding constraints, DPWI is advancing mega projects using Public-Private Partnerships (PPPs) and blended financing models in collaboration with National Treasury. Large-scale infrastructure investments, such as the Adopt-a-Municipality program, are expected to improve municipal infrastructure resilience, while R200 million is allocated annually for project preparation and funding. Additionally, EPWP aims to create 5 million work opportunities over the medium term, contributing to addressing unemployment and economic recovery.

Employment

As reported by Statistics South Africa through the Quarterly Labour Force Survey (QLFS), the official unemployment rate in the third and fourth quarter of 2024 was estimated at 32.1% and 31.9% respectively; this represents a decrease of 0.2 percentage points quarter on quarter. Put in context, this means that just over a third of the economically active people are without a job. As shown in the chart below, the expanded unemployment rate, which reflects more accurately the level of unemployment as it includes discouraged job seekers and those who did not actively search for employment, decreased from 42.6% in the second quarter of 2024 to 41.9% in the third and fourth quarter; this is the same as it was in quarter 1 of 2024.



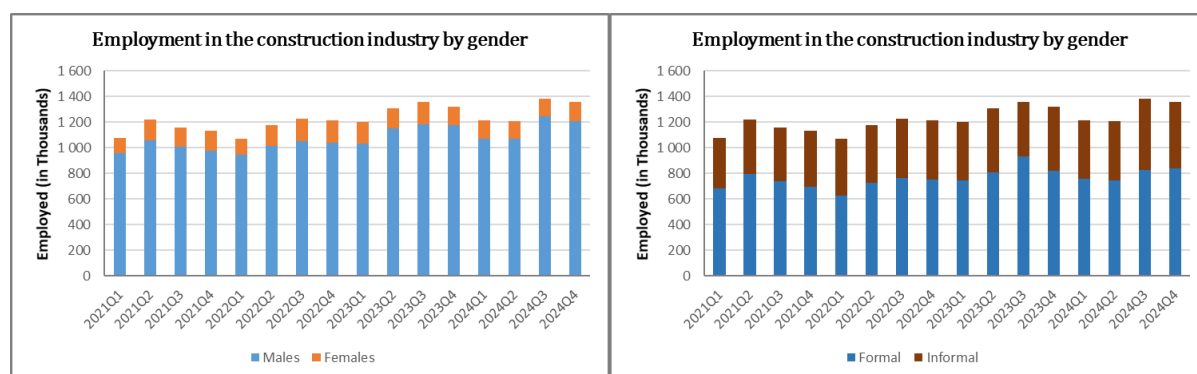
Source: STATS SA

Youth unemployment continues to be a key socioeconomic challenge in South Africa. The right-hand side chart above shows that about 60% of youth aged between 15 and 24 years were unemployed during the fourth quarter of 2024, whilst about 40% of those aged between 25 and 34 years were unemployed. Although not sufficient, both public and private sectors have accelerated efforts to reduce unemployment, through interventions that will lead to the workforce being upskilled. The Expanded Public Works Programme continues to be such a programme that has successfully created mass employment since 2004, creating over 8 million opportunities since its inception. It is now in its fifth phase from which it will address the three main priorities of the Government of National Unity (GNU) which are to drive inclusive growth and job creation; to reduce poverty and tackle the high cost of living; and build a capable, ethical and developmental state. The beneficiaries will continue to acquire various skills and training interventions from EPWP and stand a better chance of entering the formal job market. As reported in the 2025 State of the Nation Address, the Employment Stimulus is another programme that has created almost 2.2 million work opportunities. In addition to creating entrepreneurial activities for 12 000 participants, the Social Employment Fund has also created over 80 000 jobs this year.

Amidst the given interventions, the figures highlight that 33.9% of women between the ages of 15-64 years are unemployed compared to 30.1% of men in the fourth quarter of 2024. While delivering the State of the Nation Address for the sixth administration, the President highlighted that the government is determined to take immediate action against the rate of unemployment particularly the rate of youth unemployment. There are complementary reforms underway with the National

Treasury, DPWI and Infrastructure South Africa to strengthen the eco-system of infrastructure delivery. The National Skills Development Plan (“NSDP”) is still in place and is aimed at ensuring that the private and public sector provide workplace training. Considering this, the Skills Development Act requires businesses to invest in employee training, funded by the Skills Development Levy.

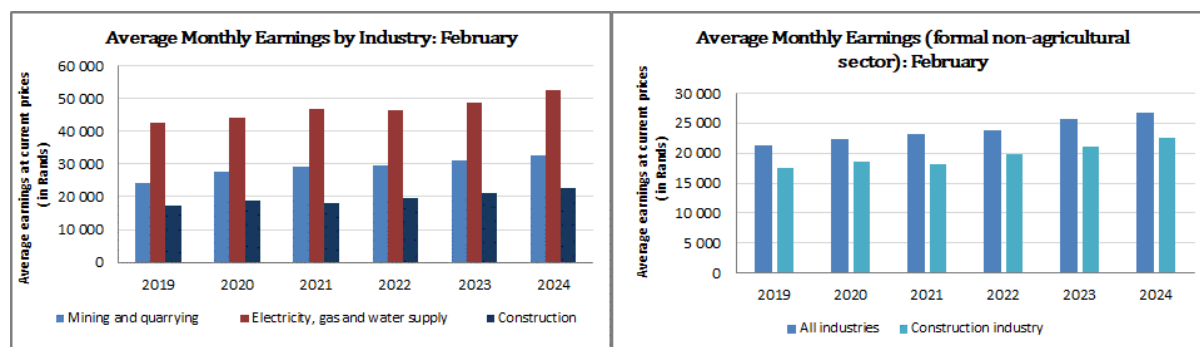
The chart below shows the number of employees in the construction industry by gender and by sector (formal and informal). According to the QLFS data released by Statistics South Africa, the number of females employed in the construction sector in the third quarter amounted to 138 000, compared to 152 000 employed in the fourth quarter of 2024. This is also an improvement year on year. At the same time, the sector employed 1 207 000 males in the fourth quarter of 2024 a decrease of 36 000 males' quarter on quarter. The formal construction sector accounts for 62% of employment in the industry with about 841 000 employees in the fourth quarter of 2024 compared to 829 000 in the third quarter. The informal sector on the other hand gained 91 000 employees in the third quarter of 2024 but subsequently lost 34 000 jobs in the fourth quarter of 2024 to end up with 518 000 jobs.



Source: Stats SA

The chart below shows that basic salary/wages paid to employees in the construction; electricity, gas and water supply increased by 7% between February of 2023 and 2024. According to StatsSA's Quarterly Employment Statistics (QES), the average monthly earnings for construction stood at R22 601 in February 2024 which is about R4 000 less than all industry average earnings, whilst the electricity, gas and water supply industry average stood at R52 432. With the high unemployment rate, prospects of increasing wages are lower given the large “reserve workforce” which makes it easier for employers to replace workers, particularly unskilled or semi-skilled labourers. On the other hand, high inflation makes it difficult for most industries to attract and retain skilled staff given high wages demand.

The increase in wages in construction and the electricity, gas, and water supply sectors presents challenges for the Department of Public Works and Infrastructure (DPWI). With high unemployment, employers face less pressure to raise wages due to a large pool of available workers. However, inflation and high wage demands make it difficult to attract and retain skilled workers. For the DPWI, this means balancing wage pressures with project costs and ensuring skilled labour is retained while managing budget constraints.



Source: Stats SA

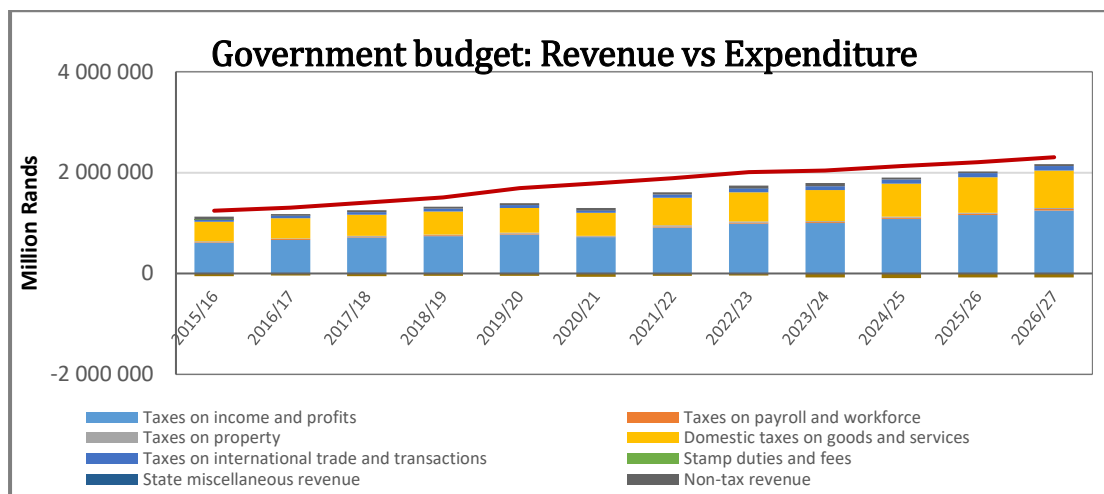
Public Finances

Low economic growth translates to lower production as well as income within a country. All things, equal, lower income implies low taxation for the government. The chart below shows the components of government revenue as well as expenditure (red line). It can be seen that taxes on income and profits contribute the highest share of government revenue; followed by domestic taxes on goods and services, which include Value-Added Tax (VAT) as well as the fuel levy. Expenses exceed government revenue substantially. Revenue is expected to reach the R2 trillion mark in 2025/26, should the government succeed in its plans as outlined in the 2024 budget speech. The plan would see the government deficit reduced, which will result in the state needing less additional debt to finance its expenditure. Sentiment surrounding the postponed 2025 Budget Speech is that taxes are likely to be increased to increase revenue and allow the government to spend on its priorities without having to increase borrowing. This is crucial as the cost of government debt has soared and now takes a substantial portion of government expenditure.

The sentiment surrounding the postponed 2025 Budget Speech, with its focus on tax increases and fiscal discipline, will likely impact the Department of Public Works and Infrastructure (DPWI) by increasing scrutiny on its spending and project delivery. The department will face pressure to prioritise essential infrastructure projects, ensure cost-efficiency, and avoid wasteful expenditure, as any delays or overruns could be seen as a failure to maintain financial discipline. Budget constraints may lead to tighter allocations, potentially delaying or scaling back certain initiatives. Additionally, the DPWI will need to demonstrate greater accountability in its spending and possibly explore alternative funding models, all while balancing the need to create jobs through infrastructure development in a challenging financial environment.

The Department of Public Works and Infrastructure (DPWI) will implement several interventions to address key challenges. These include prioritising high-impact infrastructure projects that promote economic growth and job creation, while focusing on cost-effective project management by tightening cost controls, improving efficiency, and ensuring projects are completed on time and within budget. The DPWI will also explore public-private partnerships (PPPs) to share financial risks, attract private sector investment, and reduce the strain on government spending. Additionally, the department will optimize existing infrastructure by focusing

on maintenance and upgrades, rather than large-scale new projects, to better meet current needs and maximise the value of underutilised assets.

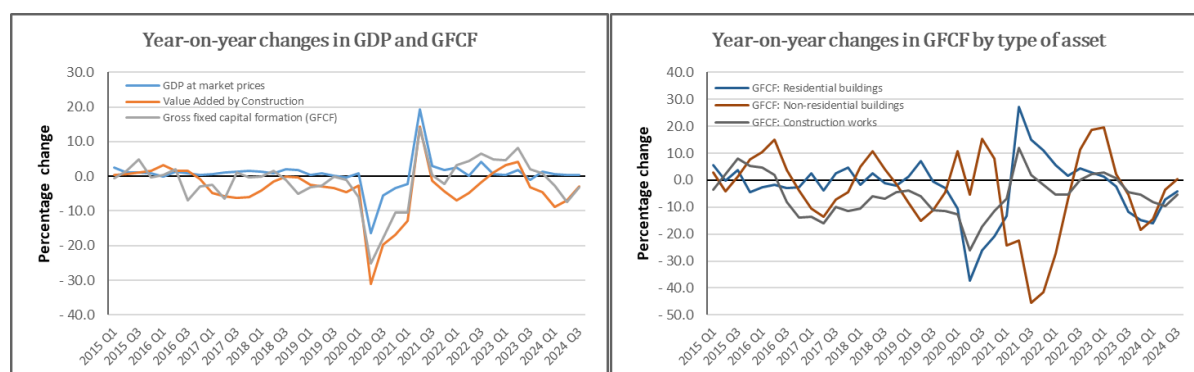


Source: National Treasury

Infrastructure Investment

Gross Fixed Capital Formation

Gross fixed capital formation (GFCF), also known as fixed investment spending is a critical component of gross domestic product (GDP). It is also very closely linked with the built environment sector as most of the fixed investment is through the sector. The charts below show year-on-year percentage changes in GDP and GFCF (Left-hand-side) and GFCF by type of asset (right-hand-side). GDP, GFCF and construction industry have moved in roughly the same direction over the period. Per asset type, non-residential buildings seem to have the biggest swings over the period. The main concern for the department is the fact that GFCF and construction industry growth has been negative recently.



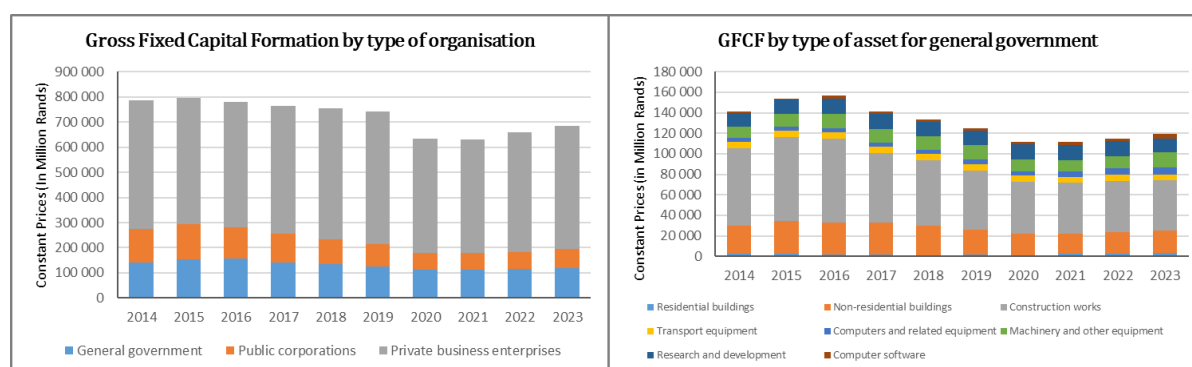
Source: StatsSA

The negative growth in Gross Fixed Capital Formation (GFCF) and the construction industry is a concern for the Department of Public Works and Infrastructure (DPWI) because it signals a decline in critical investments that drive economic growth and infrastructure development. As GFCF and the construction sector are key contributors to economic activity, a downturn in these areas can lead to reduced job creation,

slower progress on essential infrastructure projects, and limited capacity for economic recovery. This stagnation can also hinder the government's ability to attract private investment, further straining public finances and delaying long-term developmental goals.

To address the negative growth in GFCF and the construction industry, the DPWI will implement several key interventions. First, stimulating investment through Public-Private Partnerships (PPPs) will attract private sector funding, reducing the financial burden on the government and accelerating infrastructure development. Second, prioritising high-impact infrastructure projects that create jobs and stimulate economic growth will ensure resources are efficiently used. Third, improving procurement processes and adopting cost-effective project management practices will help ensure projects are completed on time and within budget. Finally, optimizing existing infrastructure by focusing on maintenance and refurbishment, rather than starting large new projects, will maximise the value of current assets.

The charts below show GFCF by type of organisation over the last 10 years as well as capital formation by type of asset for government. Private corporations account for the majority of investment expenditure in South Africa, this shows that government's role of relieving hurdles for private investment is critical to ensure maximum impact on the economy. Focus cannot just be on government projects.



Source: StatsSA

The chart on the right hand-side above shows that construction works account for the majority of GFCF by the government; followed by non-residential buildings. Another notable investment by government is in machinery and equipment as well as research and development. There has been a significant decline in GFCF by government since 2016. The DPWI's 7th administration vision "to make South Africa a construction site" is clearly needed and should be supported.

Public Sector Infrastructure

The table below shows major infrastructure projects by PMTE or which may have an impact on the entity as described in the last column. There are other government projects not listed here which may have an impact on human settlement and economic activity. Such projects, even when not within the department's control, are crucial as land located close to these areas may be required for the projects or for future expansion. Development, particularly one with human settlement potential, is critical as it may require new national government accommodation services such as

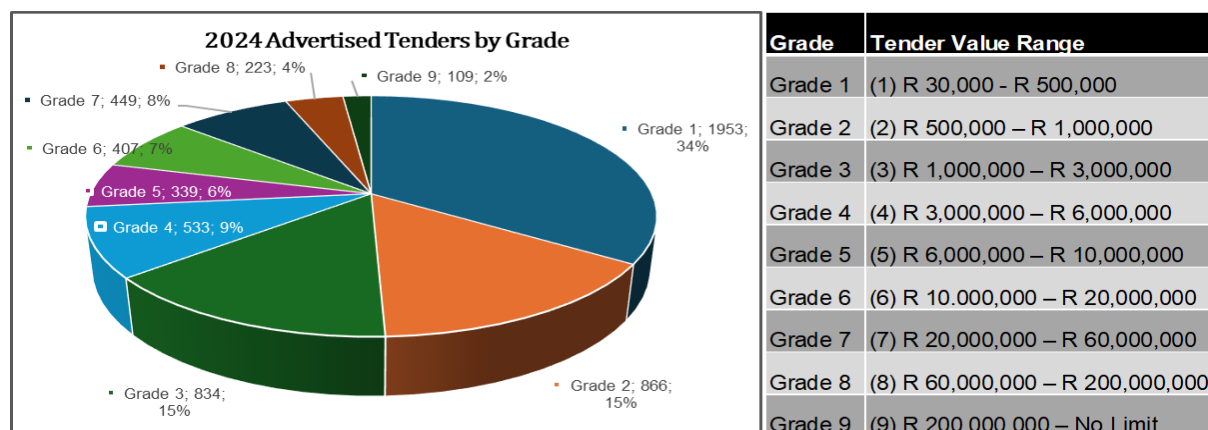
police stations, magistrates' courts, labour centres, Home Affairs and SASSA offices, as well as provincial infrastructure such as clinics and schools.

Project name	Project stage	Project description	Estimated project cost	Impact on PMTE/DPWI
Salvakop Precinct PPP Project	Feasibility	Collaborative project between the three spheres of government to build four government headquarters, commercial buildings and a shelter for the vulnerable	R18 billion	Project is being planned by PMTE
Student housing Infrastructure Programme (Cluster 1 and 3)	Finalising feasibility study	The programme seeks to ensure that student housing is developed into an attractive and reliable asset class for potential investors and to attract greater sources of financing into this market	R5.2 billion	PMTE in engagements with DHET concerning use of vacant land and unutilised buildings strategically located for student accommodation
Small Harbours Development Programme	Implementation	Upgrading and refurbishment of 12 proclaimed fishing harbours in the Western Cape, and nodal-based refurbishment and development of new harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal	R7.1 billion	Existing leases in small harbours. Impact of project and PMTE's role to be clear as custodian of land
First Land Mixed Use and Agri-hub	Finalising feasibility study	The project is a mixed-use development by Atterbury, which aims to develop a state-of-the-art fresh produce hub and agri-hub for Gauteng	R10.8 billion	Assess state land in these hubs or current services and implication on PMTE accommodation services post-development

Source: National Treasury

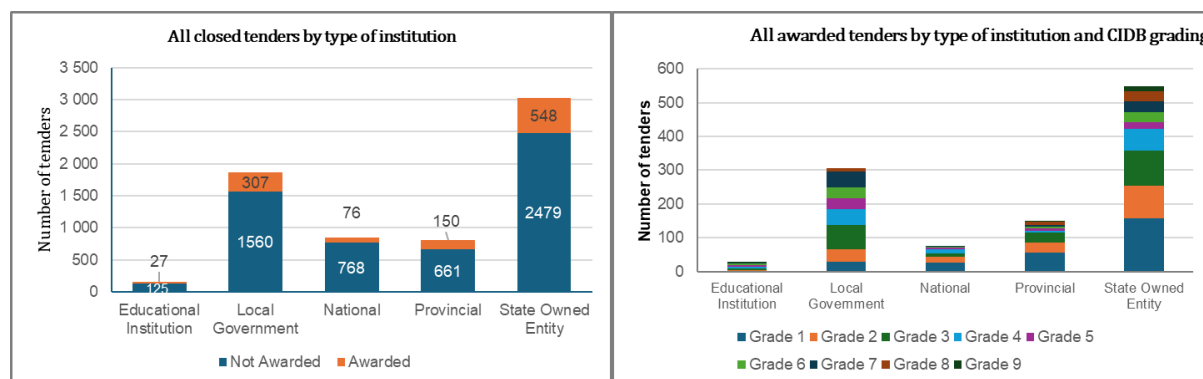
Public Tenders

The Construction Industry Development Board (CIDB) keeps a register of all tenders advertised by government – national and provincial departments, municipalities and public entities. In 2024, a total of 6 821 tenders for built-environment related work were advertised and recorded in the CIDB register. The pie chart below shows the distribution of all tenders advertised by grade.



Source: CIDB

As at the end of December 2024, only 1 108 of the tenders were awarded; this was despite 6 701 of the tenders having been closed. This says that only 16.5% of the closed tenders were awarded by the time the year ended. National government had the lowest percentage of closed tenders awarded (9%). This can be seen as a low percentage of tenders awarded across all spheres; this can be a sign that there are issues with the current infrastructure procurement method. Either the procurement process takes too long, or the bidders are not responsive, which means some reforms that need to be made either at the advertiser's side or through educating the bidders.



Source: CIDB

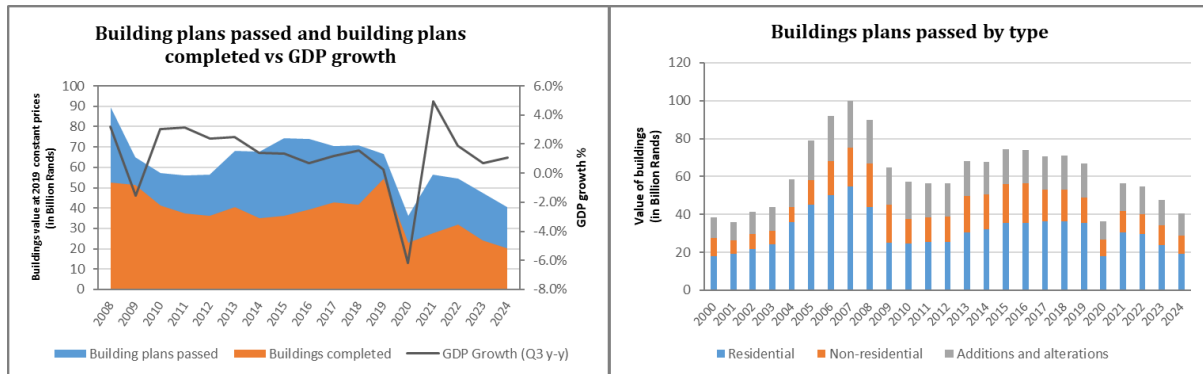
Building Activity

The charts below show the number of building plans submitted to local authorities as well as buildings reported as completed by private organisations. The chart shows the numbers from January to December of each year from 2008 until 2024 at constant prices for ease of comparison. Building plans indicate a portion of future gross capital formation in the country. Building plans passed in 2024 decreased by 7.1% from R77.57 billion in 2023 to R72.07 billion in 2024. Since the biggest drop during Covid19, building activity has not risen beyond the 2019 levels in the past 5 years. Buildings reported as completed decreased by 14.2% from R44.36 billion in 2023 to R38.06 billion in 2024. Residential buildings had the biggest drop with respect to planned building activities, 10.6% in 2024 and 23.1% in 2023. The value of residential buildings reported as completed also had the highest decrease in 2024 (19.2%). This decrease in the value of building plans and completed values shows the poor performance of the construction sector. High interest rates experienced since 2022 are likely the major reason for the constrained residential building activity. Low economic growth, low demand as well as the high interest rates are amongst the factors responsible for low activity in the non-residential sector.

For the DPWI, this means challenges in meeting infrastructure and housing goals, especially in a low-growth economic environment, requiring potential adjustments in strategies to overcome these constraints.

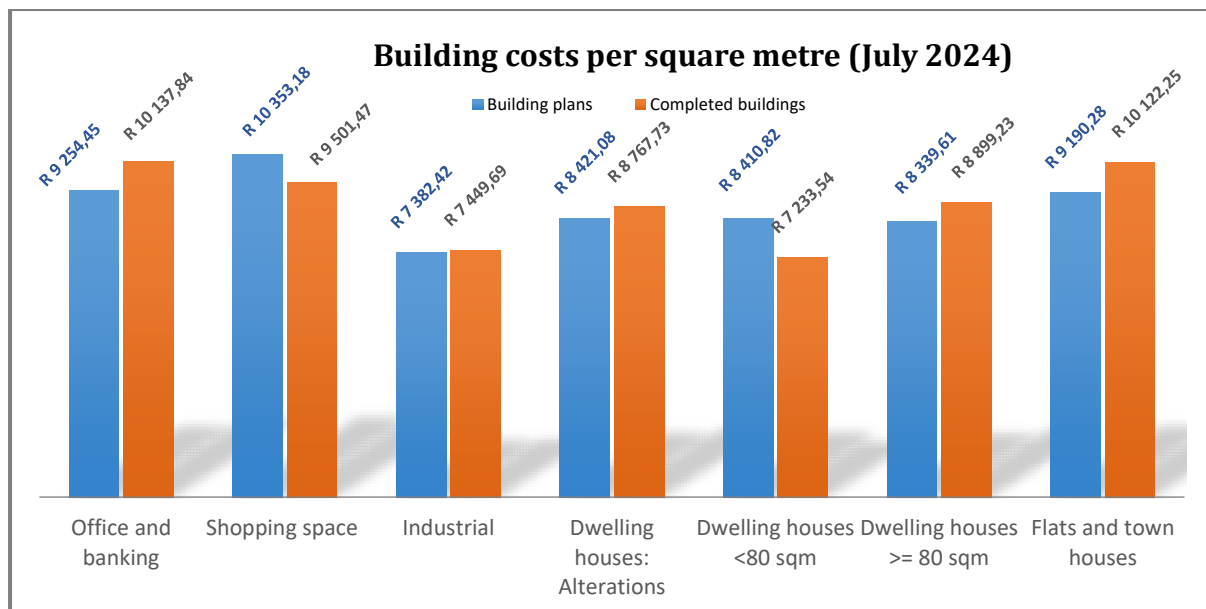
To address the construction sector slowdown, DPWI will adopt several strategies, including exploring Public-Private Partnerships (PPPs). The department will be looking at alternative financing models such as affordable housing through direct government-led projects. Streamlining the permitting and approval processes will also

help reduce delays, while government-led construction programs could support key infrastructure development. Additionally, investing in infrastructure maintenance and prioritizing regional and local development initiatives in high-growth areas would help make the most of existing resources and ensure broader economic benefits. These strategies will assist in mitigating the impact of high interest rates and low demand on the sector.



Source: Stats SA

The chart below shows the average building cost per square metre based on the value of plans and buildings reported as complete in July 2024. The highest average building cost for the submitted plans was for shopping space, which averaged R10 353.18 per square metre (/m²). Based on completed buildings, office and banking space was the most expensive at R10 137.84/m² followed closely by flat and townhouses at R10 122.25/m².



Source: Stats SA

The data on building costs impacts the DPWI by influencing several key areas. It affects budget planning by requiring adjustments to funding for government construction projects due to rising costs. In the tendering process, this data helps the department fairly evaluate contractor bids and ensure competitiveness. The scope of projects may need to be rethought, especially for office or shopping spaces, to align

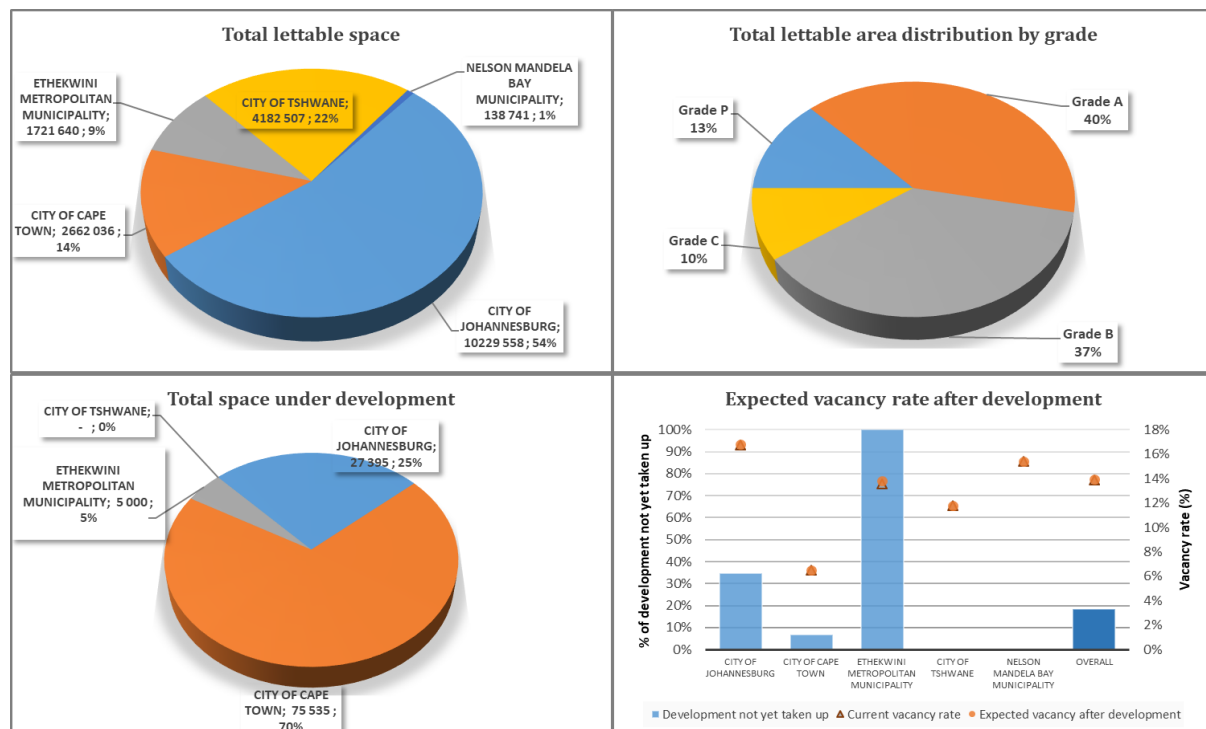
with these increased costs. Additionally, DPWI will likely refine its procurement strategies to implement cost-control measures and ensure more efficient spending.

Property Sector

Office Market

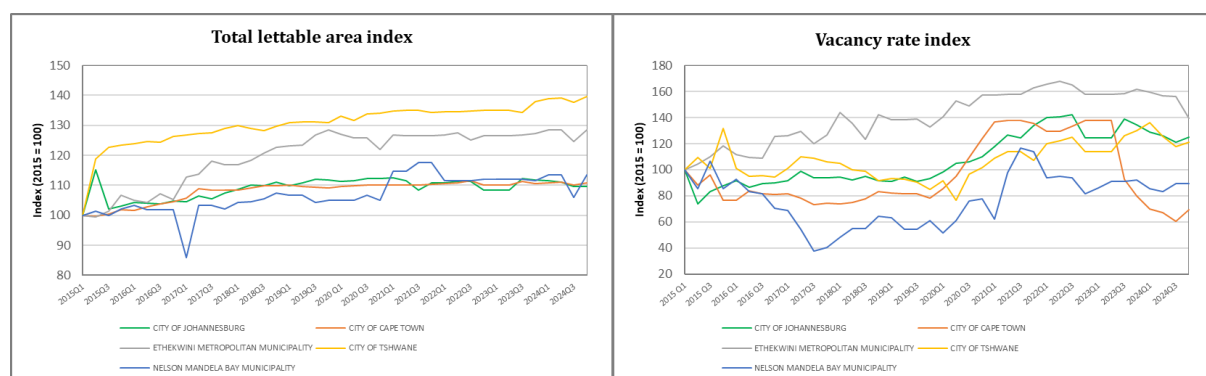
The South African Property Owners Association (SAPOA) monitors total available office space and vacancy in metropolitans through its Office Vacancy Survey. The charts below show total available space by metro and grade as well as vacancy rates in each metropolitan as at the fourth quarter of 2024. City of Johannesburg accounts for 54% of the total (18 934 482m²) available office space, followed by City of Tshwane with 22% and then City of Cape Town with 14%. By class, 40% (7.6 million square metres) of space is rated as grade-A; this is followed by grade-B with 37% (6.99 million m²). 107 930 square metres of space is being developed in the 5 metros, this amounts to 0.6% of total available space.

It is not surprising that development activity is very slow given that the total vacancy rate for the metros measured 13.9% in the fourth quarter of 2024. The bottom right chart shows the percentage of space being developed and not yet taken up in each metro as well as vacancy rates. The grey triangle shows the current vacancy rate whilst the orange dot shows expected vacancy rate once development is complete, assuming current take-up of space. The City of Johannesburg had the highest vacancy rate at 16.7%, followed by Nelson Mandela Bay with 15.4%. Given that 100% of the space being developed in eThekweni is not yet taken up, the vacancy rate in the metro would increase from 13.6% to 13.8% once the developments are concluded. The high vacancy rate postulates that the much-needed infrastructure investment may be slow to come from the offices sector; as such it may be beneficial for development focus to be on the other property classes. The high vacancy and low development activity in the office market could have been worsened by hybrid working models and space sharing (co-working) innovations which have increased since Covid19; aided by advancing communication technologies.



Source: SAPOA

The indices below, constructed using data from SAPOA, track changes in available office space and vacancy since 2015. Only the City of Tshwane and eThekwini have grown by more than 20% over the period. Whilst available space have increased substantially in eThekwini, office vacancy has also increased by more than 40% over this period. The massive increase in office vacancy in eThekwini is mostly due to Durban CBD and Ballito where vacancy rates measured 22.2% and 19% respectively in the fourth quarter of 2024. Vacancy rate for the first quarter of 2015 was 12.6% in in Durban CBD and 8.8% in Ballito; this can indicate businesses moving away from these nodes towards newer prime spaces away from the CBD. City of Cape Town and Nelson Mandela Bay are the only metropolises to attain vacancy rates below 2015 levels in 2024.



Source: SAPOA

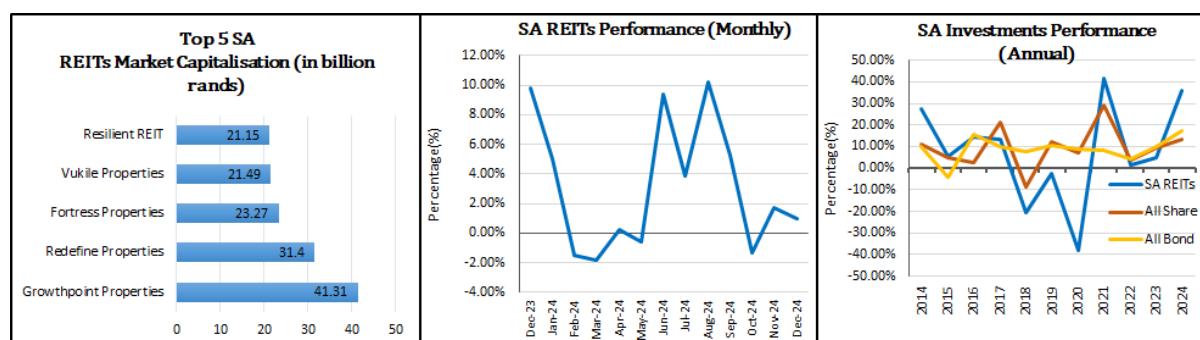
For PMTE, this may present opportunities for low cost leasing, outright purchase of existing office buildings, and for innovative acquisition models such as lease-to-own (LTO). Vacancy rates in CBD's may indicate the need for intervention by government (at all spheres) to ensure that vacant office buildings are being used for other uses

such as housing, student accommodation, retail and even government services. It is crucial for government to prevent formation of “zones of decay” in the major cities’ CBD’s.

The Department of Public Works and Infrastructure (DPWI) is prioritising the optimisation of underutilised public assets to enhance their value and functionality. Repurposing or disposing of unproductive properties aligns with efforts to address growing vacancy rates in urban areas such as Durban CBD and Ballito. This approach aims to prevent the emergence of “zones of decay” by transforming vacant office buildings into alternative uses such as housing, student accommodation, or government services—contributing to economic development and social upliftment. Unlocking value through leasing, public-private partnerships (PPPs), or strategic sales could help alleviate the financial burden of maintaining these vacant properties while enabling private sector participation in their revitalisation. Transferring assets to competent spheres of government for better management could also ensure their effective utilisation. To support these priorities, DPWI will focus on Build-Operate-Transfer (BOT) and Refurbish-Operate-Transfer (ROT) programmes. Additionally, prioritising PPPs during the upcoming planning period will be instrumental in advancing this mandate.

Real Estate Investment Trusts

The domestic Real Estate Investment Trusts’ (REITs) performance improved considerably in 2024 increasing to 35.8% from a return of 4.7% in 2023. Overall REITs delivered high returns (income and capital growth) in 2024, outshining all shares (13.4%) and bonds equities (17.2%). This is evidence that the trusts have weathered a sluggish economy as well as survived rising interest rates which have hammered the property market since 2022. Further interest rate cuts, a stronger rand and positive sentiments from the GNU provide a favourable outlook for South African REITS. The middle and right-hand side graphs below depict the performance of SA REITs on a monthly and annual basis.



Data Source: SA REITS, JSE

REITs are characterised by their potential to provide higher total returns and lower overall risk. Despite its volatility of late, the historic positive performance has gained SA REITS traction in the minds and portfolios of investors. In terms of diversification and performance, the top 5 companies with respect to market capitalisation are currently sought after. The left-hand side chart above depicts the market capitalisation for the top 5 REIT companies. Growthpoint has the largest market capitalisation of R41.31 billion in December 2024 and had a year-to-date performance of 19.8%. Vukile

properties, which has a strong footprint in the rural and township retail sector, is fourth in terms of market capitalisation and they performed at 37.4%. Resilient Reit's has market capital of R21.2 billion, its core competency is development of new shopping centres and reconfiguration of existing shopping centres. With the general public leaning towards investing in property, REITs continue to provide an alternative asset class and an opportunity to invest in property without directly owning or managing the property. The top 2 REITs (Growthpoint and Redefine Properties) are amongst the PMTE's top 10 landlords for its leased-in portfolio; this indicates that the entity has vested interest in the performance of these REITs.

Sustainability

The sustainability of the built environment and its adaptation to climate change has compelled industry to think differently and apply environmentally friendly practices to reduce environmental risks and ecological scarcities. Globally, the built environment contributes significantly to effects of climate change and sustainability of the environment. The Department of Public Works and Infrastructure has set policy to address "greening" of its own portfolio. The concept of green buildings is very broad, the Green Building Council of South Africa (GBCSA) has a mandate to rate the sustainability of buildings and precincts by providing Green Star, Net Zero and Edge certifications. The GBCSA defines green buildings as buildings that incorporate design, construction and operational practices that significantly reduce or eliminate the negative impact of development on the environment and people. Green buildings are energy efficient, resource efficient and environmentally responsible. Majority of DPWI's building stock is resource inefficient, requiring a retrofit to enhance energy and water efficiency. The Department is formulating programmes to overcome the factors contributing to the slow adoption or transformation, which include the costs associated with green technologies and materials; the lack of incentives that will drive the industry towards green building practices; and the lack of knowledge and benefits associated with going green. The private sector is gradually improving and adopting green practices, and the Department is moving to improve substantially.

The Department must play a critical role in showing leadership in the development, transformation and operation of green buildings. The Public Works Green Building Policy serves as a key instrument for the Public Works family to drive the adoption of sustainable building practices in its portfolios. It is essential for the government to lead by example, showcase best practices, and share knowledge to encourage broader uptake across other sectors. The Green Building directorate of the PMTE is instrumental in leading the programmes and projects that demonstrate this leadership, and achieving the objectives of the policy across the Department will require a firm commitment from management across all branches and components to integrate sustainability initiatives into all programmes and projects.

The Department, with support from GTAC, has launched the iREREP - a program to implement energy-efficient initiatives, renewable energy, water efficiency, and alternative waste management. A feasibility study has been completed, and the program is now known as Strategic Integrated Project 28 (SIP28) – Photovoltaic (PV) and Water Savings on Government Buildings, as designated by the Presidential Infrastructure Coordinating Commission. The iREREP Regulations aim to bring about

transformative changes by establishing regulatory frameworks and institutionalising the iREREP Program from design to implementation. The regulations also aim to streamline financing and financial management mechanisms for projects under the program, define the roles of National Treasury and other government departments, and promote cooperation among government structures at all levels.

6.1 Internal Environment Analysis

The Department identified ten principles to improve its organisational performance and efficiency in delivering on its mandate. These interventions seek to address the underlying causes of deficiencies in DPWI's operations. These are key areas of the balance score card focused on people, processes and systems needed to achieve the outcome of a resilient, ethical and capable DPWI.



Figure 1:10 Principles

Change Management Programme

A Change management programme intended to bring about a Capable and Ethical DPWI has been developed. The Department will be looking at implementing strategies and programmes that enable the organisation to fulfil its culture-building responsibilities, advance employee engagement and develop systems that reward and nurture the desired culture.

Service Delivery Improvement Plan (SDIP)

DPWI is faced with challenges, particularly in government accommodation provision, facilities management, lease management, measurement of key building performance metrics and infrastructure project execution. A key issue is the poor service satisfaction from user departments, with many reporting long turnaround times, weak project oversight, and a lack of strategic asset management.

Facility and lease management inefficiencies remain critical challenges, with outdated maintenance tracking systems, unresolved backlogs, and non-compliance with safety regulations. Many government buildings, including police stations and courts, suffer from delayed repairs, poor maintenance planning, and safety hazards such as expired fire extinguishers and deteriorating infrastructure. Furthermore, lease management failures, including delays in renewals and high reliance on private sector leases, result in significant financial losses and legal disputes with landlords. The absence of a digital lease tracking system and poor contract oversight have led to excessive expenditure on leasing private properties, instead of optimising state-owned buildings for office space.

To address these challenges, DPWI is prioritising four key functional areas: Real Estate Management Services, Construction Project Management, Facilities Management, and ICT. Planned interventions include business process mapping, development of Standard Operating Procedures (SOPs), improved stakeholder coordination, and enhanced infrastructure maintenance policies. Rollout of the Departmental Digitisation Strategy will also further enhance service delivery in these functional areas. During the year, the Department will also commence work on a programme for property performance and efficiency reporting, commencing with an office portfolio and reporting on cost of occupation, space utilisation, occupancy efficiency, and water and energy efficiency.

The Department will also introduce a delivery monitoring unit within PMTE to ensure delivery of projects on time, within budget and costs. This approach seeks to improve service delivery.

Business Process Management Programme

IDMS is a government management system for planning, budgeting, procurement, delivery, maintenance, operation, monitoring and evaluation of infrastructure and not necessarily a business process. Coega has been appointed to assist in the development of business processes for PMTE. It encompasses project planning, resource management, budgeting, risk management, compliance, and communication among stakeholders. IDMS helps ensure that infrastructure projects are delivered on time, within budget, and to specification by streamlining project execution and providing real-time data insights for monitoring and reporting. The implementation of this system will ensure that the Department has a systematic approach to processes that enable its operations and delivery.

Information and Communication Technology (ICT)

The Department, through the ICT division, is dedicated to digital transformation and fundamentally improving operational efficiencies and our information management systems. The Departmental Digitisation Strategy aims to boost productivity, efficiency, and reporting capabilities to support evidence-based decision-making and world class public sector immovable asset management performance. The strategy involves programmes and plans to develop a fully digitised department-wide State Asset Information Management System (SAIMS). This will be a risk focused system to track

and manage the location, condition, value, management, operation and usage of all state-owned properties. This end-to-end digitisation of the administration and operations of DPWI and PMTE will be centred on the asset core, and will modernise immovable asset management through the use of digital tools and geospatial technologies to ensure that assets are constantly updated in the asset register, and that performance is measured, monitored and managed for efficiency and value generation.

The first step is the development of a blueprint design for the SAIMS to have a properly structured, digitised and fully functioning state immovable asset manager and entity. The SAIMS will be cloud based and have the asset core at the centre of it, and will include at least the following modules:

- Project Control System
- Acquisition and disposal management and control
- Works Inspector app
- Facility Condition Assessment app and reporting and measurement system
- Digital asset register - including leased assets, with multilayer asset information with audit trails, user control, management reporting, portfolio review and management, capital and maintenance financial updates
- Time of use consumption metering module
- Solar PV utilisation and performance module
- Maintenance planning, reporting and control - including a maintenance helpdesk app
- Leasing in and leasing out management and control modules
- Property payments module for rental payments, property rates, and utilities
- U-Amp and C-Amp development and compilation

The Digitisation Strategy will focus on people, processes, and technology for Asset Lifecycle Management and be based on the following principles:

1. Information is Valued
2. Information is managed Digitally
3. Information is open by default and closed by exception
4. Information, systems, and processes are interoperable
5. Information is secure and accessible

ICT is committed to implementing solutions that meet the needs of clients and communities through integrated Asset Lifecycle Management (specific modules) to enhance service delivery efficiency. Improved planning and strategy implementation are recognised as essential to building capacity to respond to economic factors affecting project delivery and service delivery to clients and communities.

Macro Business and Delivery Model for DPWI

The Department is reviewing its business and delivery model, which includes restructuring the department's structure, regional and head office models, and governance and accountability arrangements. The governance reporting lines between head office and regional offices have been revised. The regional matrix was approved on 8 April 2022 and is currently being reviewed to streamline the regional office structure, clarify roles and responsibilities of regional managers and heads of branches at the head office, and shape a macro business model for the Department.

Ethics and Compliance, Infrastructure and Management

The Ethics and Compliance framework within the Department is crucial for maintaining high ethical standards and ensuring operations comply with legal and regulatory requirements. The Directorate for Governance and Compliance is responsible for establishing and managing systems that promote ethical behaviour, fostering a culture that aligns with the department's values and expectations. The frameworks developed include the Ethics Framework, Governance Framework, and Compliance Framework, each designed to guide ethical conduct, enhance decision-making processes, and ensure compliance with obligations. To date, an ethics officer has been appointed and is will during the year establish firm strategies and system to embed an ethical culture in the Department's operations.

Contract Management and Monitoring Capability

A contract management and monitoring capability and strategy to mitigate contract delivery risk throughout the Department was created in 2022. Notwithstanding the establishment of this new contract management unit in the head office structure, the posts remain vacant thus impacting the implementation of a contract management and monitoring strategy. This is part of the current review of the organisational structure to build capacity.

The Department has an established contract management policy and strategy that outlines the roles and responsibilities of stakeholders. Collaboration between contract users and Supply Chain Management (SCM) is essential for managing supplier performance and mitigating contract delivery risk.

The SCM unit maintains a contract register since 2016 and is exploring the implementation of an electronic system for contract and expenditure management as part of the Department's digital transformation.

Organisation-Wide Skills Assessment

An Organisation Wide Skills Assessment is used to determine the current skills mix and the interventions, including an expedited capacitation drive, required to optimise service delivery.

The Department has embarked on a skills audit within its Middle and Senior Management Services to ensure that managers have the necessary capacity to deliver on their responsibilities as public officials and provide the best possible services

to the South African citizens. The Department is championing this initiative with the support of the National School of Government (NSG) and the Human Science Research Council (HSRC) has been appointed to undertake the survey work.

The skills audit for Infrastructure and front-line service delivery departments is underpinned by the Presidential pronouncement during the 2023 State of Nation Address (SONA) pertaining to the professionalisation of the public service.

The first phase of the project (desktop analysis) has been concluded, and the resultant Situational Analysis Report has been finalised, and which will determine the short-term skills development initiatives required. The audit will determine whether critical skills exist to effectively deliver economic infrastructure and essential social services. It will also recommend skills development interventions to address the identified skills gaps in both the short- and long-term.

The Skills Audit project was successfully launched on the 17th of February 2025. The distribution of survey instruments was shared with SMS and MMS echelons of the department, and the collection of skills audit data is complete. The entire project will be finalised by July 2025 and the project report on the findings and recommendations on the interventions will then be implemented. On completion of the first cohort (MMS and SMS), the skills audit will thereafter be cascaded to other levels of employees within the Department.

Organisation-Wide Maturity in Strategic Management

The GRC branch, through the Risk Management Unit, conducted a strategic risk review and assessment for the 2025/26 financial year to support the achievement of five key outcomes. This process led to the identification of 12 institutional (strategic) risks, along with operational risks for the financial year. The enhanced risk management approach has facilitated the development of a risk tolerance and appetite statement, which will be used to track risk movements as part of the reporting process. Additionally, the strategic and operational risks for the 2024/25 financial year were reviewed in consultation with various branches.

The Risk Management Unit has also initiated the integration of risk indicators into the departmental risk register. Efforts to enhance the risk registers are ongoing, incorporating inputs from governance structures to strengthen the department's risk management framework.

The department is aligning its Business Continuity Plan (BCP) with the Disaster Recovery Plan (DRP). A site has been established and is being developed into a data centre.

The Department has implemented a 4-level risk maturity model: Naïve (unaware of risk management needs), Novice (culture does not recognise risk management), Normalised (formalised risk processes integrated into routine practices), and Natural (proactive risk management culture with widespread staff application of risk processes).

Clean Audit

The Department's Main Account maintained the unqualified audit opinion in the 2023/24 financial year. Performance information, which is audited in the Main Account for all departmental (Main Account and the PMTE) programmes, continues to be the Achilles Heel for the Main Account to obtain a clean audit. Focus will continue to be put on addressing the audit issues identified that caused qualification on performance information.

The PMTE audit in 2023/24 financial year was only concluded on 31 October 2024 due to delays experienced before and during the audit process. The PMTE maintained the qualified audit opinion with a reduced number of qualification matters compared to the previous year. Since the conclusion of the audit, the following activities will be driven to address the audit issues identified:

- Develop a long-term audit action plan to address the findings from the 2023/24 financial year regulatory audit.
- Continue to manage and track the audit action plan in the Audit Steering Committee on a weekly basis.

The Department will maintain processes on the following line items:

- PMTE will focus on and submit workbooks to AGSA on qualified matters, instead of a full set of interim financial statements (IFS). The workbook (limited IFS) will address deficiencies and differences in qualification matters.
- Internal Audit to perform quality assurance on the revised populations before submission to AGSA.
- Audit action plans submitted to Internal Audit to assess their adequacy and effectiveness.
- Audit war room meetings are held to monitor progress at regional offices and head offices.

PART C

MEASURING OUR PERFORMANCE

Part C: Measuring Our Performance

7. Institutional Performance Information

The Department's planning approach is grounded in a results-based methodology, guided by the Department of Monitoring and Evaluation. Planning for the 7th Administration commenced in August 2024, with the Department of Public Works and Infrastructure (DPWI) actively engaging in internal discussions to align its objectives with the priorities outlined by the Government of National Unity (GNU) in its Statement of Intent. These priorities were articulated through the Medium-Term Development Plan (MTDP), which provided a detailed framework. The DPWI utilised the draft MTDP to ensure it was closely aligned with the GNU's priorities, creating a cohesive and targeted approach to achieving national development goals.

The DPWI conducted a comprehensive review of the seven outcomes established during the 6th Administration to assess the relevance and effectiveness of the performance indicators. This review involved a thorough analysis of output indicators in relation to each outcome, ensuring that these indicators directly contributed to achieving the intended results. The goal was to refine and validate the performance measures to ensure alignment of the output's performance indicators to the outcome and impact statement thereof.

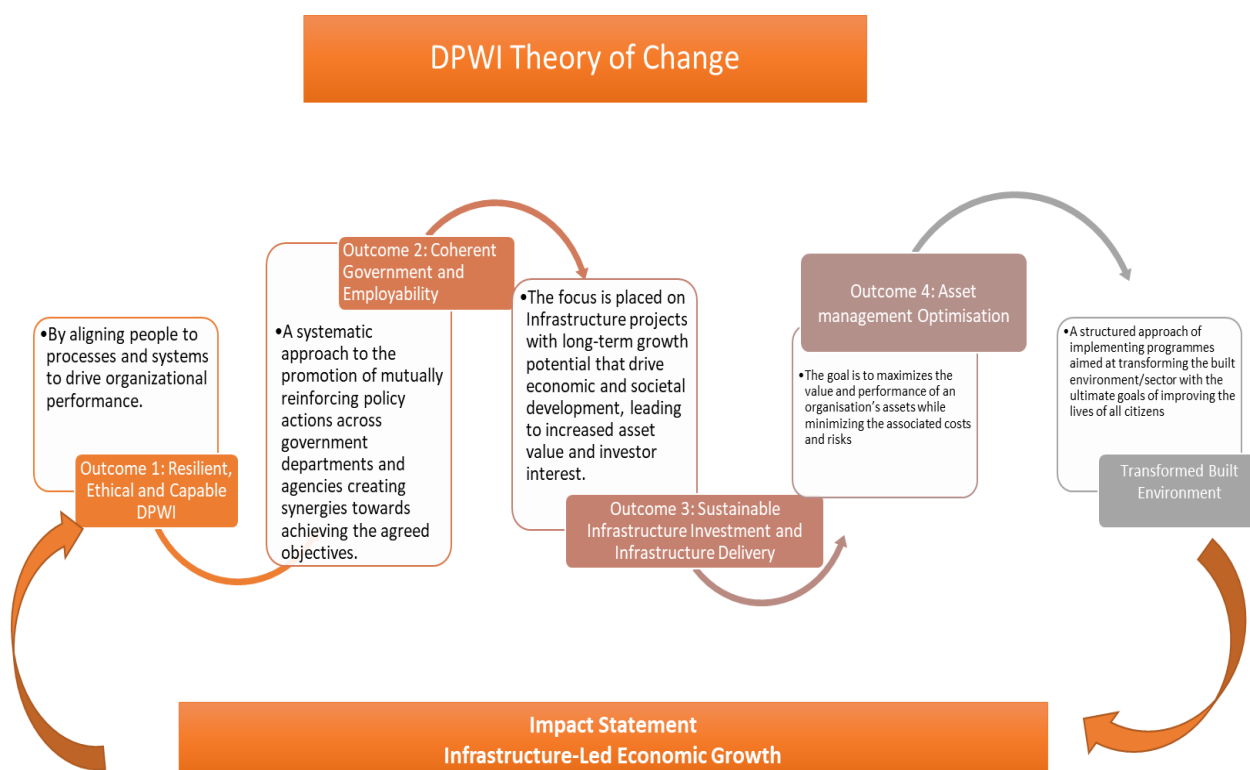
The high-level findings from the outcome assessment highlighted the need to review, consolidate, or discontinue certain outcomes. Notably, the outcome "Dignified Client Experience," was discontinued in the 7th Administration, with findings indicating that successful delivery and effective implementation of other outcomes would contribute to achieving this particular outcome. The assessment also uncovered dependencies among various outcomes, leading to some duplication in performance measures. Additionally, it was found that "Dignified Client Experience" aligns closely with the Department's Service Delivery Improvement Programme, where its performance measures are represented as service delivery initiatives. The remaining outcomes were refined, rephrased, and consolidated, ensuring they remain integral to the Strategic Plan and form the core strategic focus for the medium-term period in the 7th Administration.

The DPWI's planning focus is captured in five key outcomes designed to drive impactful results by the end of the term. These five outcomes are aligned with government priorities, as illustrated in the **Table A:8**

7.1 The DPWI Theory Change

The five outcomes were crafted as being reflective of the strategic approach the DPWI towards the development of the 2025/2030 Strategic Plan aligned to the seven priorities identified by the sixth Administration. The theory of change depicts the expected change through the implementation of the five outcomes. DPWI High-level Theory of change, Figure C 1:

Figure C 1: DPWI Theory of Change



7.2 Impact Statement

Impact	Infrastructure-Led Economic Growth
Impact Statement	The Department has a key role in supporting economic recovery through infrastructure development, optimising public assets, and expanding employment opportunities

Problem Statement: The country faces a challenging economic landscape characterised by slow economic growth, high unemployment, poverty, inequality, and underdevelopment. The current growth rate has been insufficient to generate the jobs necessary for meaningful economic progress. To achieve national development priorities and significantly increase employment, a growth rate of at least 5.4% is required.

Impact Statement on Infrastructure-Led Economic Growth: Infrastructure-led economic growth is pivotal to addressing these challenges and fostering a resilient and inclusive economy. By investing in essential infrastructure sectors - such as energy, communications, water, and transportation - with a focus on underserved areas, the government aims to establish a robust foundation for sustainable economic growth. Simplifying public-private partnership regulations will encourage greater investment, accelerating both social and economic infrastructure development. Additionally, a commitment to maintaining public infrastructure through targeted programs will ensure ongoing functionality and longevity. The National Infrastructure Plan 2050 not only aims to stimulate job creation but also seeks to reduce inequalities, uplift communities, and promote long-term economic stability to achieve the country's development goals.

7.3 Measuring Our Outcomes²

7.3.1 Outcome: Resilient, Ethical and Capable DPWI

MTDP Priority: Strategic Priority 3: A capable, ethical and developmental state			
Outcome	Outcome Indicators	Baseline	Five-Year Target
Resilient, Ethical and Capable DPWI	Balanced Scorecard	44%	80% - 100%
	Digital transformation maturity ³	Level 1 Mostly Traditional Processes	Level 3 Enterprise-wide Digital Adoption
	Ethical culture and leadership ⁴	0 - 50 (Poor) ⁵	51-70 (Fair)
	0 - 50 (Poor) 51-70 (Fair) 71-100 (Good)		

Explanation of planned performance over the five-year planning period

A capable and ethical Department of Public Works and Infrastructure (DPWI) is grounded in the effective implementation of controls that ensure transparency, responsiveness, and accountability, aligning with the department's commitment to deliver value for money to taxpayers. Ensuring accountable performance—encompassing both financial and non-financial metrics.

To build resilience and strengthen DPWI's capabilities, a focus on developing an agile Information and Communication Technology (ICT) architecture is key. This includes the modernisation of systems, automation of business processes, and digitalisation of enterprise data to facilitate swift, robust, and scalable change. The planned enterprise architecture will integrate necessary internal controls to ensure compliance with the Public Finance Management Act (PFMA) and Government Information Technology Officer (GITO) requirements, contributing to ethical governance. Technology will enhance DPWI's service delivery efficiency and effectiveness, with new business processes allowing for ongoing strategic monitoring and accountability.

A dynamic Human Resource (HR) Plan will play a critical role in fostering a resilient and ethical DPWI. This plan will address all facets of human resources, aiming to create a

² The planning process for the Department is still underway, and the Theory of Change, which will guide the development of output and outcome indicators, has not yet been finalised. Consequently, no targets for outcome indicators have been set at this stage.

³ The ability of the Department to leverage technology to improve your business. The maturity model will focus on the 4 key components. Levels - 1) Mostly Traditional Processes, 2) Modernised Core Functions, 3) Enterprise-wide Digital Adoption, 4) Leading Adoption and Adaptation

⁴ Ethics focuses on rules, regulations, code of conduct and integrity focuses on the individual's choice whether to uphold the ethics of an organisation.

⁵ This is a new approach and does not have sufficient data to determine the baseline. Therefore, it assumes a baseline of poor. Focus will be on the following areas ethical matters. legal and departmental practices, moral/immoral and unethical behaviour and adherence to rules and regulations.

highly motivated and empowered workforce. By establishing DPWI as an employer of choice, the HR Plan will support the department's strategic objectives and enable a productive, responsive public sector workforce that can effectively deliver on its developmental mandate.

Together, these strategic initiatives position DPWI as a capable, ethical, and developmental institution, committed to excellence in governance, service delivery, and public accountability.

7.3.2 Outcome 2: Coherent Government and Employability

MTDP Priority: Strategic Priority 1: Inclusive growth and job creation			
Outcome	Outcome Indicators	Baseline	Five-Year Target
Coherent Government and Employability	Sector performance	N/A ⁶	80% - 100%
	Number of full-time equivalents (FTEs) created by the EPWP ⁷	409 438 FTEs	2 115 705 FTEs

Explanation of planned performance over the five-year planning period

The National Infrastructure Plan (NIP) 2050 aligns directly with the Medium-Term Development Plan (MTDP) priorities, particularly in promoting inclusive growth, job creation, and infrastructure-led economic development. Through its long-term vision, NIP 2050 sets the foundation for a cohesive, sustainable, and integrated infrastructure landscape that will drive economic growth, enhance social well-being, and ensure equitable access across South Africa by 2050. Recognising that infrastructure forms the backbone of national development, NIP 2050 Phase 2 emphasizes strategic, coordinated approaches to addressing infrastructure gaps and advancing national priorities in areas such as transport, energy, water, and digital connectivity.

In supporting the MTDP's emphasis on inclusive growth, NIP 2050 seeks to ensure that infrastructure investments actively bridge disparities across regions, creating growth opportunities that are accessible to all South Africans. The plan prioritises spatial and economic inclusivity, with a clear mandate to drive job creation through high-impact projects. By stimulating labour-intensive sectors, it anticipates not only direct employment gains but also sustained economic benefits that cascade through communities, unlocking entrepreneurial opportunities, boosting local businesses, and developing skills critical to South Africa's long-term competitiveness.

Aligned with the infrastructure-led economic growth priority, NIP 2050 Phase 2 stresses the importance of integrated spatial planning across national, provincial, and local governments. This approach is fundamental for coherent development and supports the Spatial Planning and Land Use Management Act (SPLUMA), which mandates a

⁶ This is based on a new approach to sector planning. Performance of the sector is expected to reach between 80 and 100% achievement of targets to reflect the extent of service delivery as a sector. This will be driven by the sector plan.

⁷ FTEs show the real employment impact by converting part-time and short-term work into a standardised measure. (One FTE is a total of 230 work days.) This assists in comparing the EPWP's work creation efforts with broader labour market trends and other employment programmes.

coordinated approach across government tiers to promote synergy in planning for human settlements, transportation networks, health, and education facilities. By collaborating with provincial governments, municipalities, and strategic state entities such as PRASA, Eskom, and SANRAL, NIP 2050 addresses existing barriers to effective infrastructure planning, particularly in urban areas where demand is high and coordination is complex.

Through the NIP 2050 Phase 2, South Africa aims to achieve a resilient and inclusive infrastructure network, propelling the country toward a prosperous, equitable, and sustainable future. This infrastructure-led strategy not only addresses historical disparities but also underpins long-term economic growth, supporting MTDP goals by creating pathways for employment, empowering communities, and enhancing the nation's productivity and competitive edge.

7.3.3 Outcome 3: Sustainable Infrastructure Investment and Infrastructure Delivery

MTDP Priority: Strategic Priority 1: Inclusive growth and job creation			
Outcome	Outcome Indicators	Baseline	Five-Year Target
Sustainable Infrastructure Investment and Infrastructure Delivery	Infrastructure Investment as a percentage of GDP ⁸	15.15% of GDP in 2023	20% of GDP by 2029
	Value of public sector infrastructure investment	R290 billion total public sector infrastructure investment per annum	R350 billion total public sector infrastructure investment per annum
	Mega projects (above R3 billion) brought to market	5 mega projects	30 mega projects

Explanation of planned performance over the five-year planning period

Optimum infrastructure coordination and return on investment contribute to economic growth. The DPWI can contribute to the country's GDP that is calculated by adding together:

- Personal and public consumption.
- Public and private investment.
- Government spending.
- Exports fewer imports) 30; and
- Growth when infrastructure investment is sound and delivers ROI.

To drive economic growth and maximise shared benefits, the private sector should complement government spending, particularly by investing in sustainable projects. These investments offer long-term returns with reduced risk, supported by factors such as regulatory compliance, community support, and efficient resource use.

⁸ Gross fixed capital formation is currently at less than half the 30% of GDP target in the NDP. Reaching this target will require a massive ramp-up of public and private investment in infrastructure. Given the limited fiscal resources available, priority will be given to involving private sector partners through innovative financing models that leverage public funds.

Sustainable infrastructure - such as renewable energy projects, green buildings, and water-efficiency systems - not only reduces pollution and conserve natural resources but also aligns with global climate commitments. As the global emphasis on sustainability intensifies, institutional investors and funds are increasingly prioritising assets with clear environmental and social impacts, thereby expanding the pool of funding available for sustainable development.

7.3.4 Outcome 4: Asset Management Optimisation

MTDP Priority: Strategic Priority 1: Inclusive growth and job creation			
Outcome	Outcome Indicators	Baseline	Five-Year Target
Asset Management Optimisation	Revenue generation through implementation of immovable asset optimisation strategy (Rand-value)	R90 million	R1 billion
	Gross capital formation contribution through BOT and ROT	R0	R10 billion

Explanation of planned performance over the five-year planning period

The Asset Management Optimisation strategy emphasises optimising public assets to drive inclusive growth and job creation by leveraging strategic assets and engaging in public-private partnerships. By developing underutilised land and facilities into mixed-use developments, student accommodations, and other economic hubs, the Department aims to create local job opportunities during construction and long-term employment in sectors like property management, retail, and hospitality. These developments stimulate economic activity, reduce barriers to entry for small businesses, and address housing and infrastructure needs, fostering inclusive growth in urban and rural areas.

Additionally, the strategy to implement a user charge model and itemised billing enhances revenue generation, ensuring financial sustainability. This approach not only reduces reliance on fiscal budgets but also allows reinvestment into further asset maintenance and development projects. By sustainably managing assets and re-investing savings, this enables continuous job creation and supports businesses that contribute to local economic ecosystems, which is crucial for inclusive economic development.

Further, the Department's commitment to green building policies and renewable energy projects aligns with national goals for sustainable development and addresses the country's energy challenges. By prioritising environmentally sustainable infrastructure, the entity encourages green job creation, especially in emerging sectors such as renewable energy and energy-efficient construction. This strategy supports the transition to a more resilient, inclusive economy, promoting long-term job growth while addressing environmental sustainability and energy security.

Outcome 5: Transformed and Professionalised Built Environment (part of professionalising the State)

MTDP Priority: Strategic Priority 2: Strategic Priority 2: Reduce poverty and tackle the high cost of living			
Outcome	Outcome Indicators	Baseline	Five-Year Target
Transformed and Professionalised Built Environment (part of professionalising the State)	Participation Rate of the following designated groups: ⁹		
	Contractor HDI Black Majority Owned	98%	98%
	Contractor Youth Majority Owned	30%	40%
	Contractor Woman Majority Owned	47%	50%
	Contractor Disability Majority Owned	9%	15%
	Contractor Category of SMME (EME/ QSE)	30%	40%
	Contractor Rural/ Underdeveloped/ Township Enterprise Majority Owned	16%	20%
	Contractor BBBEE Status Level of Contributor LEVEL 1	29%	40%
	Built Environment Skills Level ¹⁰	57 500 registered professionals	100 000 - 120 000 registered professionals by 2029

Explanation of planned performance over the five-year planning period

Economic transformation is about broadening opportunities for all South Africans, but particularly for the historically disadvantaged. By transforming the built environment

⁹ It should be noted that the focus is on PMTE Programmes 2, 3 and 6 with the baseline information up to Q3 of the 2024/25 procurement cycle. The attainment of the targets will also be dependent on the implementation of the Public Procurement Act and its planned Regulations that facilitate set asides within the procurement milieu

¹⁰ The disciplines include engineering, architecture, quantity surveying, construction management, land scape architecture and property valuations

to create more opportunities for women, youth and people with disabilities, the outcome will contribute to the National Priorities of the President and the NDP 2030.

Transformed built organisation also refers especially to the construction industry where a value chain within the built environment needs to be developed into higher grading of ownership. The rationale for the outcome is to monitor the livelihood and active economic participation for designated groups within the built environment and to monitor Integrated Planning solutions that enhance the quality of urban, semi-urban and rural space, green areas and other public spaces that improve the quality of life for all in alignment to National, Provincial and Local/District level Legislation, Frameworks and Strategies.

Transformation of the Built Environment towards contributing to inclusive economic participation and growth, is broadly to be done through targeted contracting, spatial justice and skills development. This is achieved through the implementation of:

- DPWI's Broad-Based Black Economic Empowerment Strategy, 2006 (DPW BBEEES 2006)- which guides the Department to give effect to the BBEE Act by addressing enterprise development, preferential procurement, skills development and employment equity.
- Property Management Strategy on BBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBEE 2007)- which guides the Department to address property and equity ownership in the property industry in the country; and promote black participation in the property industry through management, control and procurement; and
- DPWI's Property Management Empowerment Policy, 2018- which guides the Department

8. Key Risks and Mitigation from the SP

OUTCOME	RISK	RISK MITIGATION
Outcome 1: A Resilient, Ethical and Capable DPWI	1. Cyber Security (Cyber-attack or data breach)	<ul style="list-style-type: none"> • Acquire Enterprise Security solution to address Cyber security • Awareness campaign, Cyber security assessments and vulnerability Management and Intrusion prevention.
	2. External shocks/Natural hazards (Pandemics / Fires)	<ul style="list-style-type: none"> • BCPs • (Crisis Management Plan, Disaster recovery Plan and Business resumption Plans) • Raising awareness campaign, training of Health and Safety members (reps, Fire Fighters, First Aiders and Floor Marshalls • Conduct evacuation drills
	3. Fraud and corruption	<ul style="list-style-type: none"> • Implementation of Consequence management

OUTCOME	RISK	RISK MITIGATION
		<p>(disciplinary process is informed by investigation)</p> <ul style="list-style-type: none"> • Awareness and training. • Issuing of Media Statements to set the record straight (communicating of facts) • Rollout the implementation of the lifestyle
Outcome 2: Coherent Government and Employability	4. Perceived stakeholder interference/interest and influence	<ul style="list-style-type: none"> • Conduct EPWP Learning Programmes. • Workshops on Labor intensity. • Stakeholder matrix
	5. Demand risk for certain designated groups	<ul style="list-style-type: none"> • Public bodies provided with support on EPWP across all spheres of government. • Public bodies provided with programme coordination support on EPWP.
	6. Reputational damage.	<ul style="list-style-type: none"> • Adherence to Prestige guidelines. • Finalisation of Communication Strategy and Social Media policy • Media tonality
Outcome 3: Sustainable Infrastructure Investment and Infrastructure Delivery	7. Project Hijack	<ul style="list-style-type: none"> • Development of the standardised guidelines for the Project Steercom Committee (PSC) • Subcontracting (mandatory to designated groups) after award of contract within the framework of the various types of contracts (e.g. JBCC, GCC, FIDIC etc.) • Full Advocacy and Implementation of the BUILD Programme • Develop New Social Facilitation Methodologies to align with current Procurement Regulations.
	8. Low Investor Confidence	<ul style="list-style-type: none"> • Development of a Long-Term Infrastructure investment Plan • Finalisation and approval of Country investment strategy • Roll out 5 Case Model (5CM) and Project Delivery Route map (PDR). (Training interventions) (New mitigation)

OUTCOME	RISK	RISK MITIGATION
		<ul style="list-style-type: none"> • Implementation of a digital platform (SOURCE) for wider monitoring of the pipeline and enhance the visibility of ISA. • Implementation of project preparation support
Outcome 4: Assets Management Optimisation	9. Infrastructure/Asset failures	<ul style="list-style-type: none"> • Integrated Asset and property management system as part of the digital strategy and information management systems • Conducting of facility condition assessments. • Provision of training on building inspection.
Outcome 5: Transformed Built Environment	10. Possible Collusion and Fronting	<ul style="list-style-type: none"> • Structured training and development of registered built environment professionals. (Registration of candidates, skills development.) • Training and development of unemployed young people and existing employees within the built environment. • Collaboration with CETA's private sector government department and other funding institutions.
	10. Perceived stakeholder interference/interest and influence	<ul style="list-style-type: none"> • Determine policy position towards the development of Draft Public Works Bill.

9. Public Entities

Name of Public Entity	Mandate	Outcomes
ASA	<p>Act 11 Of 2015</p> <p>The ASA derives its primary legislative mandate from ASA Act No. 11 of 2015 (hereafter the "Act"). ASA is an entity of the National Department of Public Works and Infrastructure (NDPWI), and its mandate is within the built environment domain. The legislation mandates that its impact on the built environment and public works guide</p>	<ul style="list-style-type: none"> • Productive infrastructure investment • A capable ethical and development entity • Quality manufactured Non-standardised products/Systems • Optimised use of non-standardised products/systems

Name of Public Entity	Mandate	Outcomes
	the functioning and operations of ASA. In undertaking its work, ASA must consider the critical legislation that underpins the mandate of its Executive Authority, NDPWI, and generally applicable legislation that impacts ASA's core business.	<ul style="list-style-type: none"> • Broadened geographic footprint of non-standardized products/systems • Dignified Client experience • Optimised job opportunities
CBE	<p>Act 43 of 2000</p> <p>The Council for the Built Environment (CBE) is a Schedule 3A Public Entity as per the Public Finance Management Act (PFMA). The CBE is a statutory body in existence since the enactment of the Council for the Built Environment Act (No 43 of 2000) (The CBE Act) in 2000. It is an entity of the Department of Public Works and Infrastructure (DPWI). The CBE is responsible for regulating the following CBEP in South Africa - Architecture, Landscape Architecture, Engineering, Property Valuation, Project and Construction Management Professions, and Quantity Surveying. The objectives of the CBE as per section 3 of the CBE Act are to: (a) promote and protect the interest of the public in the built environment; (b) promote and maintain a sustainable built environment and natural environment; (c) promote ongoing human resources development in the built environment; (d) facilitate participation by the built environment professions in integrated development in the context of national goals; (e) promote appropriate standards of health, safety and environmental protection within the built environment; (f) promote sound governance of the built environment professions; (g) promote liaison in the field of training in the Republic and elsewhere and to promote the standards of such training in the Republic; (h) serve as a forum where the built environment professions can discuss relevant— (i) required qualifications; (ii) standards of education; (iii) training and competence; (iv) promotion of</p>	<ul style="list-style-type: none"> • Optimum Functioning Council • Transformed Built Environment • Skilled Built Environment • Informed decision-making which impacts the current and future operational requirements of the industry • Public interest in the Built Environment promoted and projected

Name of Public Entity	Mandate	Outcomes
	professional status; and (v) legislation impacting on the built environment; and (i) ensure uniform application of norms and guidelines set by the councils for the professions throughout the built environment	
CIDB	<p>Act 38 of 2000</p> <ol style="list-style-type: none"> 1. Provide strategic leadership to construction industry stakeholders 2. Promote sustainable growth of the construction industry and the participation of the emerging sector in the industry 3. Promote improved performance and best practice of public and private sector clients, contractors and other participants in the construction delivery process 4. Promote uniform application of policy throughout all spheres of government and promote uniform and ethical standards, construction procurement reform, and improved procurement and delivery management including a code of conduct 5. Monitoring and regulating the performance of the industry and its stakeholders, including the registration of projects and contractors 	<ul style="list-style-type: none"> • Increased Participation of designated groups including blacks, women, youth and people living with disabilities • Performance driven • Clients • Developed contractors • Ethical and Performance Driven CIDB • Reduced noncompliance and fraud
IDT	<p>Deed of Trust 669-91</p> <p>The Independent Development Trust (IDT) is a programme management and implementation agency of the Department of Public Works and Infrastructure. The entity manages the implementation of social infrastructure projects on behalf of [the] government in the construction, renovation, upgrading and maintenance of infrastructure facilities such as schools, clinics and hospitals, and correctional services facilities, among others. The provision and maintenance of these facilities enable the state, through relevant government departments, to achieve the progressive realisation of</p>	<ul style="list-style-type: none"> • Increased Access to Quality Social Infrastructure • A Transformed Built Environment • Optimised job opportunities (through public employment Programmes) • A Compliant, Fit for Purpose Entity

Name of Public Entity	Mandate	Outcomes
	<p>the following socio-economic rights provided for in the Constitution of the Republic of South Africa, 1996.</p> <p>Section 27 (1a): Everyone has the right to access healthcare services, including reproductive healthcare: The IDT supports health authorities to progressively meet the right of access to health by building health facilities.</p> <p>Section 29 (1a): Everyone has the right to basic education, including adult basic education: The IDT supports education authorities at both national and provincial levels to provide appropriate education facilities and related infrastructure conducive to effective teaching and learning, thereby progressively achieving the right to basic education.</p> <p>Section 34 Everyone has the right to have any dispute that can be resolved by the application of law decided in a fair public hearing before a court: IDT supports the Department of Justice Correctional Services in providing court and correctional facilities to enable the state to deliver justice.</p> <p>Section 35(1)(e): The entity supports the Department of Correctional Services in delivering on its mandate of safe, humane incarceration of offenders.</p>	

Part D: 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 final 2025-2030 Strategic Plans.

The 2025/26 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.

Department of Public Works and Infrastructure (DPWI)

Head Office: Public Works

CGO Building

256 Madiba Streets

Pretoria Central

Private Bag X65

Pretoria

0001

Website: <http://www.publicworks.gov.za>

The 2025-2030 Strategic Plan is also available on www.publicworks.gov.za