

Revised Strategic Plan

2015-2020



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Department of Public Works

Revised Strategic Plan

2015 - 2020



Minister's Foreword

My Department's approach to provide accommodation to Government and to regulate and transform the built environment for the 2015 – 2020 term, is defined by a strategically determined transformative agenda. While our policy imperatives are underpinned by the national priorities of Government, the National Infrastructure Plan, the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and the State of the Nation Address (SONA), the implementation, during this critical phase of our democratic transformation, will be driven by our "Seven-year Plan to rebuild the Department of Public Works" or the Turnaround Strategy (TAS), as it is popularly known.

The first phase of the TAS was structured to stabilise my Department due to its historically poor performance and the lack of adequate management and financial controls. This resulted in eight (8) years of adverse audit findings and high levels of fraud and corruption, as evidenced in the reports of the Public Protector and the Special Investigations Unit (SIU). The TAS now, repositions my Department to better discharge its responsibilities and details the modus operandi for the fundamental shift to transform the manner in which business will be conducted. This will ensure effective implementation through a focused plan with measurable deliverables against budgets and timeframes. The approach complements the Medium Term Strategic

Framework (MTSF) priority area of "Radical economic transformation, economic growth and job creation" and aligns to National Outcome 4 "Decent employment through inclusive economic growth" which I will personally oversee, as part of my responsibility. In this respect, my Department's flagship programme, the Expanded Public Works Programme (EPWP) will continue to be utilised as the basis for the creation of work opportunities for the poor and unemployed and six (6) million work opportunities are targeted to be created during this term. In many EPWP projects, setting aside a percentage of the budget for training has proven to be very effective. Therefore training will remain a critical component of the EPWP. By the end of 2019, the Branch will evaluate the impact of the EPWP in terms of work opportunities as well as services provided and will continuously monitor the implementation and reporting of work opportunities by implementing bodies.

In so far as Outcome 12 is concerned, and, based on my Department's statutory mandate, appropriate functional accommodation for user departments to enable them to deliver Government services optimally, will be provided. In this respect, my Department will match the needs of our clients to ensure optimal utilisation of the State's immovable assets.

In collaboration with my Colleagues from Rural Development and Land Reform and Cooperative Governance and Traditional Affairs, I will participate in the delivery of Outcome 7 "Comprehensive rural development and land reform". In this regard, properties will be released for land reform, human settlements and integrated development in the rural areas. Furthermore, my Department will contribute to the National Rural Spatial Development Plan and the Spatial Development Frameworks (SDFs) for 25 municipalities will be integrated with my Department's Infrastructure Plans.

During this 5 year term, my Department will focus on implementing the five (5) key policy priorities that will underpin the indicators, targets and performance agreements within the Department. These policy priorities are:

- i. The creation of 6 million work opportunities for poor and unemployed people through the labour-intensive delivery of public services and infrastructure.
- ii. The operationalisation of Property Management Entity (PMTE) and the transformation of the core property business (including construction management);

- iii. The operationalization of the Governance, Risk and Compliance Branch to drive anti-corruption and to spearhead the second phase of the Turnaround Strategy;
- iv. A policy review which will culminate in a Public Works Act; and
- v. A renewed and sustained programme of action to transform the built environment and the construction and property sectors, as part of the second more radical phase of transition to democracy.

Implicit in the policy priorities is enhancing the efficiency of our current business operations by employing better planning and performance management tools. In this regard, we have established the PMTE which will be supported by the Department through its transition to ensure that the PMTE is suitably capacitated to operate independently and implement the activities identified, and, as approved by Cabinet.

The PMTE will add value to the management of the State Property Portfolio by increasing the value of investment in delivering client-centric services and bring savings to the State. It will also facilitate the creation of jobs in small black estate agencies and increase property and facilities management services in smaller towns and rural areas. This will enhance transformation in the property sector, create further jobs, improve services to our clients and help drive development in those areas.

As a result of the operationalisation of the PMTE, the Department will now be able to refocus its operating model by placing greater emphasis on the transformation and regulation of the construction and property sectors, manage the EPWP as well as the concurrent functions of three (3) spheres of Government. This will enable greater collaboration between the National and Provincial spheres of Government to ensure that all projects and programmes are underpinned by integrated and coordinated planning and implementation approaches. Furthermore, my Department will now be able to undertake its oversight role over the entities and the PMTE. During this term, we will continue to prioritise the Prestige portfolio, in line with the Ministerial Handbook to improve the service to the Prestige Clients and finalizing the norms and standards for both movable and immovable assets.

The Department has made significant strides in the past financial year with regard to improving the audit outcomes of the DPW Vote. The targeted intervention launched by the Department during the 2012/13

financial year realised positive results with the reversal of consecutive negative audit outcomes, to an unqualified audit opinion being expressed by the Auditor-General of South Africa (AGSA) for 2014/15. It is the Department's commitment to sustain these gains and build on them to achieve substantial further efficiency enhancements of its operations over the next five years. This will be achieved through improved planning mechanisms and the introduction of rigorous performance management tools to bolster the monitoring and evaluation of key deliverables.

Following on the Department's historical reputational damage relating to corruption, mismanagement and poor performance, active measures have already been undertaken to reduce fraud and corruption in the Department. This was achieved by strengthening the Governance, Risk and Compliance Branch and the approval of the Fraud Prevention Strategy and the Anti-Fraud and Corruption Policy. These measures will be utilised as the blueprint for immediate implementation against fraud and corruption within the Department. It is my firm belief that the prevalence of fraud and corruption incidents will now be reduced due to heightened regard for and responses to prevention, detection, investigation and resolution of fraudulent cases, as well as enhanced integrity of the Department's operational activities.

Significant efforts are being put into place to operationalise an effective Change Management Strategy to facilitate a performance-driven culture by upskilling personnel and to achieve tangible results. Through the seed fund received from the National Treasury and CETA to build technical capacity, my Department has expanded the Young Professionals Programme to include the Artisan Development Programme. These initiatives will increase the range of the Department's professional services and will ensure that the Department plays a pivotal role in the supply of built environment skills and to support the work of the Presidential Infrastructure Projects as overseen by the Presidential Infrastructure Coordinating Committee (PICC).

My Department is in the process of developing and implementing an Information Communication Technology (ICT) Strategy which will support our business needs. This will result in improved infrastructure delivery efficiency and the Service Delivery Model will provide the operating model to drive improvements in the planning, execution and monitoring of construction management.

As part of the processes to monitor our performance, a comprehensive Monitoring, Evaluation and Impact Assessment System will be developed to provide the analytical basis for continuous improvement in the services we provide. The detailed Service Delivery Model which will furnish information on customer satisfaction, our capability to spend our budget and provide value for money will be aligned to the new system.

I am committed to drive transformation and, in partnership with our Entities and Charter Councils, professional training will be expanded. This will promote integrity, transparency and quality outputs from the contractors. As part of this process, emerging black and female contractors, SMMEs that function as property practitioners and Cooperatives, will be prioritised to reflect the demographics of our country.

In conclusion, I commit myself and my Department to sustainable development. In this regard, together with our different stakeholders, we will review our mandate, purpose and responsibilities as Public Works across the different spheres of Government. In conjunction with the Provincial Departments of Public Works, we will undertake the review of DPW's White Papers (1) Public Works towards the 21st Century (1997) and (2) Creating an Enabling Environment for Reconstruction Growth and Development in the Construction Industry (1999) towards the development and enactment of a Public Works Act. In addition, the Department will actively participate in the Parliamentary processes towards the enactment of both the CIDB Amendment and Agrément South Africa Bills. This will clarify and refresh the mandate of my Department.



Mr. TW Nxesi, MP

MINISTER

DEPARTMENT OF PUBLIC WORKS

Official sign off

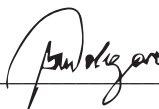
It is hereby certified that:

This Revised Strategic Plan was developed by the management of the Department of Public Works under the guidance of Minister TW Nxesi taking into account all the relevant policies, legislation and other mandates for which the Department is responsible and thus accurately reflects the strategic outcome oriented goals and objectives which the Department will endeavour to achieve over the period 2015-2020.

Mr. I Fazel
Governance, Risk and Compliance

Signature: 

Mr. C Mokgoro
Chief Financial Officer

Signature: 

Mr. M Dlabantu
Director-General

Signature: 

Mr. J P Cronin, MP
Deputy Minister of Public Works

Signature: 

Approved by:

Mr. T W Nxesi
Minister of Public Works

Signature: 

Official sign off (EXCO)

EXCO MEMBERS	
	Mr. C. Mtshisa Corporate Services
	Mr. M.I.B. Matutle Intergovernmental Coordination
	Mr. S. Henderson Expanded Public Works Programme
	Ms. M. Fatyela-Lindie (Acting) Property and Construction Industry Policy and Research
	Mr. M. Sazona Prestige Policy

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Acronyms

ACRONYM	FULL DESCRIPTION
AFS	Annual Financial Statement
AGSA	Auditor General South Africa
APP	Annual Performance Plan
ASA	Agrément South Africa
ASGISA	Accelerated and Shared Growth Initiative for South Africa
ASIDI	Accelerated School Infrastructure Delivery Initiative
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
BCP	Business Continuity Plan
BEE	Black Economic Empowerment
BEPs	Built Environment Professions
BER	Bureau of Economic Research
BRICS	Brazil, Russia, India, China and South Africa
C-AMP	Custodian Asset Management Plan
CAPEX	Capital Expenditure
CBE	Council for the Built Environment
CBOs	Community Based Organisations
cidb	Construction Industry Development Board
CIP	Contractor Incubator Programme
CPD	Continuous Professional Development
CPI	Consumer Price Inflation
CWP	Community Works Programme
DDG	Deputy Director General
DMS	Document Management System
DORA	Division of Revenue Act
DPW	Department of Public Works
DRDLR	Department of Rural Development and Land Reform
ECD	Early Childhood Development
ECSA	Engineering Council of South Africa
EDMS	Employee Development and Management System
EEC	Economic and Employment Cluster
EHW	Employee Health and Wellness
ENE	Estimates of National Expenditure
EPWP	Expanded Public Works Programme
EXCO	Executive Management Committee
EU	European Union
FETs	Further Education and Training

ACRONYM	FULL DESCRIPTION
FTE	Full Time Equivalent
FY	Financial Year
G&A	Governance and Administration
GDP	Gross Domestic Product
GIAMA	Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007)
GIS	Geographical Information System
GITC	GIAMA Implementation Technical Committee
GRAP	Generally Recognised Accounting Practice
GRC	Governance, Risk and Compliance
HCBC	Home Community Based Care
HO	Head Office
HOD	Head of Department
HR	Human Resource
HRD	Human Resource Development
IA	Internal Audit
IAR	Immovable Asset Register
ICT	Information Communication & Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
Idt	Independent Development Trust
iE Works	Integrated Electronic Working System
IFMS	Integrated Financial Management System
IGP	Integrated Growth Plan
IMF	International Monetary Fund
IPAP	Industrial Policy Action Plan
IRMF	Integrated Risk Management Framework
ITAC	Information Technology Acquisition Centre
IT	Information Technology
ITP	Information Technology Procurement
LOGIS	Logistical Information System
MoA	Memorandum of Agreement
M&E	Monitoring and Evaluation
MIG	Municipal Infrastructure Grant
MINTOP	Minister and Top Management
MIS	Management Information System
MPAT	Management Performance Assessment Tool
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework

ACRONYM	FULL DESCRIPTION
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
NCDP	National Contractor Development Programme
NDP	National Development Plan
NEDLAC	National Economic Development And Labour Council
NEPAD	New Partnership for Africa's Development
NGOs	Non-Governmental Organisations
NGP	New Growth Path
NIMS	National Infrastructure Maintenance Strategy
NPOs	Non-Profit Organisations
NSS	Non State Sector
NT	National Treasury
NYS	National Youth Service
OAG-IAMTT	Office of Accounting General-Immovable Asset Management Task Team
OPEX	Operational Expenditure
OSD	Occupation Specific Dispensation
PCC	Property Charter Council
PCDF	Provincial Contractor Development Forum
PEP	Public Employment Programme
PFMA	Public Management Finance Act, 1999 (Act No. 1 of 1999) as amended
PICC	Presidential Infrastructure Coordinating Commission
PIP	Property Incubator Programme
PMDS	Performance Management and Development System
PMTE	Property Management Trading Entity
RMC	Risk Management Committee
RPL	Recognition of Prior Learning
SACAP	South African Council for the Architectural Profession
SACLAP	South African Council for the Landscape Architectural Profession
SACPCMP	South African Council for the Project and Construction Management Profession
SACPVP	South African Council for the Property Valuers Profession
SACQSP	South African Council for the Quantity Surveying Profession
SADC	Southern African Development Community
SAIA	South African Institute of Architects
SALGA	South African Local Government Association
SAPOA	South African Property Owners Association
SAPTG	South African Property Transfer Guide
SARB	South African Reserve Bank
SARS	South African Revenue Services
SASSA	South African Social Security Agency

ACRONYM	FULL DESCRIPTION
SCM	Supply Chain Management
SDMF	Service Delivery Model Framework
SDIP	Service Delivery Improvement Programme
SDS	Service Delivery Standards
SIP's	Strategic Integrated Projects
SLA	Service Level Agreement
SMME	Small, Medium and Micro-sized Enterprises
SMS	Senior Management Services
SOE's	State Owned Entities
SONA	State of the Nation Address
SP	Strategic Plan
TA	Technical Assistance
ToR	Terms of Reference
U-AMP	User Asset Management Plan
UIF	Unemployment Insurance Fund
URS	User Requirement Specification
US	United States
VPN	Virtual Private Network
WBS	Web Based Reporting System
WSP	Workplace Skills Plan

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PART A: Strategic Overview



1. Vision

Convenient access to dignified public services.

2. Mission

The Department committed to the attainment of a transformed built environment sector by:

- Providing strategic leadership to the South African Construction and Property industries
- Establishing and ensuring compliance to policy and legislative prescripts for the:
 - management of state-owned and leased-in immovable assets; and
 - South African Construction and Property industries sectors.
- Providing strategic direction on the integration of public works priorities
- Contributing to the national goals of job creation and poverty alleviation through public works programmes.

3. Values

The Department values align with the values espoused in the Constitution. The core values that underpin the culture of the Department are:

- **Innovation:** by tirelessly seeking opportunities for service delivery improvement by thinking freely and not bound by old, non-functional, or limiting structures, rules, or practices.
- **Integrity:** by consistently honouring our commitments, upholding ethical, honest behaviour and transparent communication
- **Motivation:** by ensuring our best efforts and actions toward the realisation of organisational goals;
- **Professionalism:** by treating our clients with respect and reliably delivering against expectations;
- **Accountability:** by discharging our duties in a responsible manner in compliance with the relevant laws;
- **Results-orientated:** by knowing what results are important and focusing resources to achieve them
- **Teamwork:** by respecting diversity while sharing a common purpose and working together in cooperation with each other.

4. Strategic outcome oriented goals

4.1 Strategic outcome oriented goals linked to service delivery

In order to execute its mandate competently, the Department of Public Works (Department) has identified five strategic outcome-orientated goals that define its direct service delivery responsibilities. These goals are:

- i. Transform the Construction and Property Sectors through the development of policy and legislature prescripts;
- ii. Provide oversight of the Public Works sector;
- iii. To provide an oversight role in the implementation of Public Employment Programmes (PEPs) through Expanded Public Works Programme (EPWP) standardised frameworks.
- iv. Oversee the efficient delivery of identified services to Prestige Clients; and
- v. Support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.

The Strategic Goals together with the goal statements, justification and links to other Outcomes and the National Development Plan (NDP), follow in the tables hereunder.

Table 1: Strategic outcome oriented goal 1

Strategic goal 1	To transform the construction and property sectors through the development of policy and legislative prescripts.
Goal statement	To provide leadership to the South African Construction and Property Sectors whilst ensuring transformation and regulation thereof through the development of the Public Works White Paper and the Public Works Act.
Programme name	Property and Construction Industry Policy and Research
Justification	The Department is responsible for regulating and promoting growth and transformation in the property and construction sectors.
Links	Through the development of legislation and best practices, the Department contributes to Government-wide goals of transformation and skills development (Outcome 4 and Outcome 5). ¹
Related Strategic Objectives	To develop, research and review policy and legislative prescripts for the construction and property sector

Table 2: Strategic outcome oriented goal 2

Strategic goal 2	To provide oversight of the Public Works sector
Goal statement	To provide support the Provincial Public Works Departments on concurrent functions through the Infrastructure Delivery Management System (IDMS), Immovable Asset Register, Government Immovable Asset Management Act (GIAMA), Property Management, Finance and Monitoring and Evaluation Task Teams to ensure the coordinated and integrated implementation of national policies and programmes at National and Provincial level.
Programme name	Intergovernmental Coordination
Justification	Provinces are mainly responsible for implementation, in accordance with the nationally determined policy and implementation guidelines. To ensure efficient delivery of concurrent functions, there must be proper coordination of policy, budgeting, planning, implementation and reporting within the Public Works Sector.
Links	In accordance with Schedule 4, Part A, of the Constitution: <i>Functional Areas of Concurrent National and Provincial Legislative Competence</i> , all spheres of Government and organs of State must collaboratively work together to fulfil the legislative requirements for the effective, efficient, transparent, accountable and coherent delivery of services. ²
Related Strategic Objectives	To ensure integrated planning and coordination of concurrent functions.

¹ Medium Term Strategic Framework: Outcome 5: Page 15-16

² Republic of South Africa. 1996. Constitution of the Republic of South Africa, 1996: Part 4

Table 3: Strategic outcome oriented goal 3

Strategic goal 3	To provide an oversight role in the implementation of PEPs through the EPWP standardised frameworks.
Goal statement	Oversee the implementation of PEPs through Labour Intensive Delivery Methodologies and Skills Programmes for the participation of the unemployed and unskilled in delivering identified services and the creation of assets.
Programme name	Expanded Public Works Programme
Justification	The Department is responsible for the overall coordination of the Expanded Public Works Programme that is directed at providing work opportunities and income support to poor and unemployed people through the labour intensive delivery of public and community assets and services.
Links	Alignment with Government's strategic interventions to deal with the challenges of unemployment, poverty, inequality and creating a more inclusive society as outlined in Outcome 4. ³
Related Strategic Objectives	• To monitor and evaluate the implementation of PEPs within the EPWP; • To support Non-Profit Organisations (NPOs) to implement PEPs within EPWP in the Non-State Sector • To support public bodies to implement PEPs within EPWP in the Infrastructure, Social and Environment and Culture Sectors • To provide strategic guidance on Sector Convergence and Implementation Frameworks.

Table 4: Strategic outcome oriented goal 4

Strategic goal 5	To oversee the efficient delivery of identified services to Prestige clients
Goal statement	To set Prestige policies, guidelines, norms and standards and ensure the delivery of services to Prestige clients in accordance with the relevant frameworks.
Programme name	Prestige Policy
Justification	The Department is required to provide movable and immovable assets to Prestige clients in accordance with the Ministerial Handbook. These assets must be provided in the correct quantities, at the required time and within the allocated budget
Links	Provide reasonable functional accommodation that facilitates the attainment of user department s' service delivery objectives ⁴
Related Strategic Objectives	To improve the delivery of services to Prestige clients.

³ Medium Term Strategic Framework: Outcome 4: Page 3

⁴ Medium Term Strategic Framework: Outcome 12: Sub Outcome 4: Page 19

Table 5: Strategic outcome oriented goal 5

Strategic goal 5	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.
Goal statement	Drive the Efficiency Enhancement Phase (Phase II) of the Turnaround Strategy of the Department of Public Works and the Property Management Trading Entity to improve efficiencies for rebuilding the Department by 2020.
Programme name	Administration
Justification	The Turnaround Strategy and its implementation is a prerequisite for the strategic performance of the Department and the PMTE. The Turnaround Strategy is based on the need to address critical and foundational aspects of service delivery as well as to ensure immediate improvements that can be used to elicit further success
Links	Prioritizing the objectives set out in the NDP, including, well-run and effectively coordinated state institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services ⁵ .



⁵ National Development Plan: Chapter 13: Page 363

4.2 Alignment to the Medium Term Strategic Framework

The Strategic Goals of the Department are aligned to the following priority areas within the Medium Term Strategic Framework (2014-2019) (MTSF).

Table 6: Alignment between Strategic Goals and National Outcomes

MTSF priority themes	National outcome	Strategic goal	Programme within the Department
Radical economic transformation, rapid economic growth and job creation. ⁶	4: Decent employment through inclusive economic growth ⁷	3: To provide an oversight role in the implementation of PEPs through EPWP standardised frameworks.	Programme 3
		1: To transform the construction and property sectors through the development of policy and legislative prescripts	Programme 4
Social cohesion and nation building: Create employment to ensure that the country is kept working, individuals are engaged in meaningful activity, and vulnerable groups and citizens are protected from the effects of poverty. ⁸	13 : An inclusive and responsive social protection system ⁹	3: To provide an oversight role in the implementation of PEPs through EPWP standardised frameworks.	Programme 3
Contributing to a better Africa and a better world: Building a developmental state including improvement of public services and strengthening democratic institutions. ¹⁰	12: An efficient and effective development-oriented Public Service ¹¹	5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.	Programme 1
		2: To provide oversight of the Public Works sector	Programme 2
		4: To oversee the efficient delivery of identified services to Prestige Clients	Programme 5

⁶ The Strategic Agenda of Government: A summary: Page 8-9

⁷ Medium Term Strategic Framework: Outcome 4, Sub Outcome 9: Page 27

⁸ The Strategic Agenda of Government: A summary: Page 8-9

⁹ Medium Term Strategic Framework: Outcome 13, Sub Outcome 2: Page 11

¹⁰ The Strategic Agenda of Government: A summary: Page 8-9

¹¹ Medium Term Strategic Framework: Outcome 12, Sub Outcome 4: Page 15

5. Links to Government-wide plans

The implementation of the Department's Strategic Plan is dependent on the synchronisation of its Work Plan with that of Government's National Priorities and other Government-wide Plans. In this regard, the Department has both direct and indirect links with certain Government-wide Plans, as indicated hereunder

5.1 Direct links to the National Development Plan (NDP), New Growth Path (NGP) and Medium Term Strategic Framework (MTSF)

The primary focus of alignment to the Government-wide plans is the Department's concerted effort to implement the proposals identified in the NDP and the MTSF. In this regard, the Department will confront the issues of poverty, inequality and unemployment in the country. Following hereunder are the direct links to the NDP, NGP and the MTSF.

Table 7: Links to NDP Chapter 3, NGP Job Driver 4 and MTSF Outcome 4

NDP Chapter & MTSF National Outcome	NDP Chapter 3: Economy and employment New Growth Path: Jobs Driver 4 : Investing in Social Capital MTSF Outcome 4: Decent employment through inclusive economic growth
Description	The EPWP and the Community Work Programme (CWP) continue to be successful income-generating programmes which benefit the poor and the youth. As referenced in the NDP, the EPWP will: - o contribute to the reduction in unemployment by creating temporary employment in response to the number of unemployed South Africans; and - o address gaps in social protection for the unemployed who have no access to UIF by providing income support to the unemployed. The NGP also makes reference to the EPWP as "Growing public-service employment to meet public needs, including lower-skilled auxiliary support through the EPWP". The fundamental objectives are to increase employment opportunities so that individuals, who cannot find work and/or have a low income, can earn an income and gain experience and skills through productive work. Phase III of the EPWP, which covers the period 2014/15 to 2018/19, aims to create 6 million work opportunities. During this phase, the EPWP must continue to select and deliver assets and services that directly benefit the poor in order to fulfil its transformative and developmental social protection potential. EPWP will also continue to support public bodies in implementing infrastructure projects labour intensively. Such projects will include construction and maintenance of provincial roads, municipal infrastructure and maintenance of buildings.
MTEF Budget	The medium-term budget allocation for EPWP (including compensation of employees and goods and services) is R7.4 billion.
Related APP performance indicator	Number of quarterly reports on PEPs completed. ¹²

¹² Department of Public Works: 2016/17 Annual Performance Plan: Programme 3

5.2 Indirect links to the National Development Plan (NDP), New Growth Path (NGP) and Medium Term Strategic Framework (MTSF)

In addition to the sector outcome mentioned above, the Department indirectly contributes to the following Government priorities in the NDP and the MTSF:

Table 8: Links to NDP Chapter 9 and MTSF Outcome 5

NDP Chapter & MTSF National Outcome	NDP Chapter 9 : Improving education, training and innovation MTSF Outcome 5 - Skilled and capable workforce to support an inclusive growth path.
Description	The Department has a combination of development programmes for built environment professionals and other professions such as the Young Professionals Programme, The Internship Programme, the Learnership Programme and the Artisan Development Programme. Participating candidates are involved in a structured programme where they gain valuable on-the-job experience that will lead towards professional registration. During 2014/15 a total of 1075 beneficiaries participated in the Department's skills development programme and 200 Artisans participated in the Artisan Development Programme. The Department has also taken a comprehensive approach to promote sustainable growth of the Built Environment Professionals (BEPs) through the Council for the Built Environment (CBE). The CBE has initiated a Skills Development Programme to support learners undertaking Mathematics and Science at school level to be able to pursue a career in the built environment. The CBE is also undertaking a Candidacy and Internship Project which targets final year built environment candidates for workplace training. The aim of the project is to address the gap between current education and training provision and the needs of the labour market. To assist with the rollout of the various EPWP training programmes, the EPWP will continue strategic partnerships to fund and provide training to EPWP beneficiaries. Training is a critical element towards achieving sustainable livelihoods and is linked to national priorities.
MTEF Budget	DPW's Skills Development Programme: • CETA funds: R50 mil : 2013/14 – 2016/2017 (end of current commitments on National Skills Development Strategy III) • Young Professional Programme : R45m - 2016/2017 • Management Trainees - R16,2m : 2016/2017 • Mentorships (Professional Services) - R9,6m : 2016/2017 • Bursary Scheme – R9.8m: 2016/2017 • CBE skills development programme – R40.2 million
Related performance indicators	Number of beneficiaries participating in the DPW skills development programme¹³.

¹³ Department of Public Works: 2016/17 Annual Performance Plan: Programme 1

Table 9: Links to NDP Chapter 15 and MTSF Outcome 13

NDP Chapter & MTSF National Outcome	NDP Chapter 11 : Social protection MTSF Outcome 13 – An inclusive and responsive social protection system
Description	The NDP argues that “(T) the provision of work opportunities is one of the best forms of social protection” while Outcome 13 of the MTSF identifies the need for an “inclusive and responsive social protection system”. The EPWP’s objective of providing work opportunities to the unemployed is aligned to both Chapter 11 of the NDP and Outcome 13 of the MTSF. Notably, the EPWP contributes to the following broader social protection functions: a. The income transfer, as wages, into poor communities not only reduces poverty but is also a form of economic stimulus, targeted directly at the poor. The increased focus on Community Works Programmes also allows this stimulus to address spatial inequality, target the poorest areas and strengthen productive activities in marginalised local economies; b. Participation in work through public employment can assist in building self-esteem, social networks, providing structure in people’s lives, and recognition of their value to their communities; c. The assets and services provided can have transformative impacts on development through various sectors. These sectors comprise the Infrastructure Sector, the Social Sector and the Environment & Culture Sector through programmes such as food security, community safety, building community institutions (including schools and clinics), and improving the quality of life in communities. d. The increased emphasis on participatory approaches, as well as the use of non-profit agencies in delivery, starts to build new forms of partnership between Government, civil society and communities and deepens participation in development planning and ownership of the process. In addition, it has the potential to unlock new forms of agency and active citizenship by enabling communities to take action in relation to their priority challenges, through the mechanism of work.
MTEF Budget	The medium-term budget allocation for EPWP Social Sector Grant is R359 662 000.
Related performance indicator	Number of Non Profit Organisations (NPOs) contracted to implement the Non-State Sector (NSS): Non Profit Organisations Programme ¹⁴ .

6. Legislative and other mandates

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

6.1 Constitutional mandate

The Constitutional mandate for the Department is provided in Schedule 4, Part 4, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [Constitution] which makes reference to “Functional Areas of Concurrent National and Provincial Legislative Competence.”

In executing its mandate, the Department also has to observe the principles of good cooperative governance and intergovernmental relations, as provided for in Section 41 of the Constitution.

¹⁴ Department of Public Works: 2016/17 Annual Performance Plan: Programme 3

6.2 Legislative mandates

The legislative mandates of the Department are underpinned by the following Acts:

- i. The Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery;
- ii. The Construction Industry Development Board Act, 2000 (Act No. 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;
- iii. The Council for the Built Environment Act, 2000 (Act No. 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;
- iv. The Professional Council Acts regulate the six Built Environment Professions (BEPs) to organise the built environment professions to serve the imperatives of Government, including transformation, public protection, good governance, etc.;
- v. The Public Finance Management Act, 1999 (Act No. 1 of 1999) promotes the objective of good financial management to maximise service delivery through the proficient use of the limited resources; and
- vi. Other Acts listed in Annexure A.

6.3 Policy Mandates

The Department's Policy mandates are derived from the following:

6.3.1 DPW White Paper: Public Works, Towards the 21st Century (1997) [White Paper (1997)]

The White Paper (1997), documented the challenges facing the Department and continues to serve as an overarching policy framework for the Department's restructuring process. This has led to directing the Department to meet Government's socio-economic objectives by becoming a client-orientated organisation which will focus on policy and service reform; property investment, property and facilities management and the implementation of the National Public Works Programmes.

6.3.2 DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999 [White Paper (1999)]

The White Paper (1999), sets out Government's policy objectives for the construction industry and focuses on the need to enhance delivery, achieve greater stability, improve industry performance, create value for money and facilitates growth of the emerging construction sector.

6.3.3 Construction Sector Transformation Charter, 2006 (Charter 2006):

The Charter 2006, inter alia, aims to:

- provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment targets and thereby contributing to ending the malpractice of fronting;

- expand the employment potential and absorption capacity of the sector by using labour-intensive approaches where, economically feasible and possible; and
- address skills development in a manner that accelerates the advancement of black people, women and designated groups with particular emphasis on learner-ships, as well as technical and management training.

6.3.4 Property Sector Transformation Charter, 2007 (Charter 2007)

The Charter 2007 aims to promote the objectives contained in Section 2 of the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003) [BBBEE Act] as these relate to the Property Sector and, in particular but without limitation, inter alia, to:

- 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
- facilitate the accessibility of finance for property ownership and property development.

6.3.5 DPW Broad-based Black Economic Empowerment Strategy, 2006 (DPW BBBEES 2006)

This strategy guides the Department to give effect to the BBBEE Act by addressing enterprise development, preferential procurement, skills development and employment equity.

6.3.6 Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007 (PMS BBBEE 2007):

The objective of the PMS BBBEE 2007 is to:

- 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.

6.3.7 Green Building Framework, 2001.

This Framework outlines the Department's commitments to address key elements in the New Growth Path and the Industrial Policy Action Plan by promoting sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.

6.4 Relevant court rulings

6.4.1 Case Number: 576 / 2011 (Eastern Cape High Court, Mthatha)

Applicant:	Azcon Projects CC
Respondent:	The Minister of Public Works and three others
Mini Summary:	The Applicant obtained an order to review and set aside the awarding of tender MTHPCOL and ordering the Respondent to reconsider the tender. The Respondent had disqualified the bidder on the basis of an outstanding tax clearance certificate. The court order had an adverse impact on service delivery as the project, which involved the renovation of the Mthatha Central Police Station, was put on hold pending the conclusion of the litigation process, which effectively lasted for a year.
Judgement:	The judgement for the case reinforces the fact that the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended by Act 29 of 1999, should be strictly followed in the procurement process.

6.4.2 Case Number: 2845/12 (Magistrate's Court, Newcastle)

Applicant:	Anton van Kaampen
Respondent:	The Minister of Public Works
Mini Summary:	The Applicant obtained an eviction order against the Respondent in respect of a building occupied by the SAPS. The lease for the relevant premises had expired and the Respondent owed rentals on the property. Consequently, the Respondent was locked out of the premises which resulted in having to work from its official vehicles.
Judgement:	The implication of the judgment is that the backlog in the leasing portfolio is impeding service delivery of user departments

6.5 Planned Policy Initiatives

The Planned Policy Initiatives, identified in the 2015-2020 Strategic Plan remain as the Department's principal drivers for its Policy Formulation Programme, as identified hereunder.

6.5.1 The Department is in the process of undertaking a comprehensive review of the White Paper (1997 and the White Paper (1999. This review seeks to:

- assess progress and achievements and identify gaps and challenges encountered during the implementation of the current White Papers;
- propose interventions to address identified gaps and challenges;
- propose new Policy initiatives aligned to Government's priorities (e.g. NDP 2030, Industrial Policy Action Plan (IPAP), the NGP Framework (including the Green Economy Accord); the Kyoto Protocol commitments (Country) and others;
- address developments that impact on the Construction and Property sectors and the Public Works Programmes (Employment and Poverty Alleviation);
- measure the effectiveness and continued relevance of the White Papers' objectives and key interventions in achieving the desired outcomes;
- investigate possible barriers to compliance and the implementation of the White Papers; and
- investigate any political, legal and institutional changes that may impact on the White Papers.

- 6.5.2 The promulgation of the new Agrément South Africa (ASA) Act, to establish it as a juristic person and make the PFMA applicable to it. ASA is mandated, inter alia, to evaluate the fitness-for-purpose of non-standardised construction related products or systems for use in the construction industry and for which a national standard does not exist;
- 6.5.3 Develop a draft Built Environment Professions (BEP) Policy that will lead to possible amendments to the legislative framework which govern the BEPs. The BEPs are intended to:
- address challenges in the functioning and regulation of the abovementioned professions; and
 - grow and transform the BEP sector;
- 6.5.4 The promulgation of the new Expropriation Act (which will repeal the Expropriation Act 63 of 1975) will provide certainty to those involved in expropriation by prescribed uniform procedures to be followed by expropriating authorities in all spheres of Government;
- 6.5.5 The reprioritisation and review of the organisational status of the Independent Development Trust (IDT) to support the State in the delivery of social infrastructure; and
- 6.5.6 The Department (in collaboration with the Department of Rural Development and Land Reform [DRDLR]) has embarked on the review of the State Land Disposal Act, 1961 to align it to the spirit and provisions of the Constitution, 1996, the GIAMA, other related legislation and Immovable Asset Management best practices;
- 6.5.7 The Department will develop enabling legislation ("Public Works Act") to, among others, address the concurrent nature of the Public Works function and the pivotal role of the National Department in overseeing this function in the Provincial sphere of Government;
- 6.5.8 The development of a Green Building Policy for the Department to give effect to Government's green economy initiatives.

7. Situational analysis

7.1 External Environment

Economic Environment

The Department operates within the context of a dynamic external environment which impacts directly on its operations. This external environment incorporates the influences of a variety of issues, including those identified by the Institute of Futures Research in its publication entitled *The World Economic Forum (WEF), Davos and South Africa*. In this regard, the WEF Davos Conference noted, that while South Africa continues to be one of the 30 largest economies globally, its ranking has dropped, from being closer to 20 to being closer to 30, within one (1) year and, that it was no longer the largest economy in Sub-Saharan Africa. It was also noted that this issue was exacerbated by the fact that the economic growth, in 2016, was likely to be below 1%, as South Africa was unable to compete against low-income, low-wage producers and it would therefore be unable to compete against high-income, high-wage economies. In addition, labour market distortions supported the high unemployment rate, while productivity rates were far below the wage rate increases. Furthermore, the Rand exchange rate has been depreciating for the past two (2) years and consumer inflation continues to rise. South Africa is also vulnerable to external, factors, including the slump in commodity prices, Europe's moderate growth, the slowdown in growth in China and the worst drought experienced by the country, in the last century. These factors are aggravated by, high household debt, high current account deficits, rising Government debt and very poor domestic savings rates.¹⁵

¹⁵ Institute of Futures Research, Vol 24, No 01, January 2016

The above mentioned factors have culminated in a downward adjustment of overall growth projections (National Treasury, 2015 Budget Review). The actual GDP growth for 2015 declined from 2,2% in Q1 (Quarter 1) to 0,7% in Q3 (Quarter 3). Worsening economic conditions have been coupled with a reduction in fiscal expenditure. The outcome has been a downward revision of expected GDP growth rates over the next two quarters. Although there are forecasts that GDP will improve in the medium term there are too many uncertainties to enable projections to be anywhere near the 6% growth target in the NDP- but limited growth is expected over the medium-term. The domestic economic growth outlook remains weak, with further downward revisions to forecasts. Growth in 2015 is estimated to have averaged around 1,3 per cent, and is expected to moderate to 0,9 per cent in 2016, before accelerating to 1,6 per cent in 2017 (SARB, 2016).

The current account adjustment remains slow, with the deficit expected to widen further during 2016 from 6,8% of GDP, in the face of continued weakness in commodity prices and higher drought-induced agricultural imports. The financing of the deficit will also be more challenging in an environment of persistent capital outflows from emerging markets. In terms of the currency exchange rate, the Rand depreciated by 38.7% against the US Dollar between January 2015 and January 2016 and this depreciation has been in excess of most of South Africa's emerging market peers (SARB, 2016).

Table 10: South Africa economic forecasts

Overview	Actual	Q1/16	Q2/16	Q3/16	Q4/16	2020
GDP Growth Rate	0.70	0.3	0.5	1.3	2.75	2.1
Unemployment Rate	25.50	25.96	26	25.55	25.97	25.25
Inflation Rate	6.20	5.2	5.3	5.5	5.1	4.7
Interest Rate	6.75	6.75	6.75	7	7.25	7
Government Debt to GDP	39.00	42	42	42	42	47
GDP Annual Growth Rate	1.00	0.7	0.5	0.9	1	2.5

Source: *Trading Economics, 2016*

Interest rates are expected to rise consistently between 2016 and 2020. This is likely to reduce domestic and business consumer demand. Inflation is likely to remain high, despite the fall in global oil prices. Annual CPI was 6,2% in January 2016, up from 5,2% in December 2015 and is forecast to reach 6,8% end of 2016 (SARB, 2016). The extent of rising inflation, going forward, will be influenced by future exchange rate depreciation (as a fall in the value of the Rand increases the cost of imported goods) as well as local factors such as electricity price increases, the rising cost of food caused by the drought of 2015 and the extent to which business can continue to absorb higher input costs. Negative trade balances are anticipated over the next four to five years and the impact of exchange rates changes can be expected to be felt for some time to come.

Government debt has been rising since the economic crisis of 2008 and now stands at R1,6 trillion. Projections are that this will grow to R2,2 trillion in 2017. Currently National debt stands at around 42% of GDP. This is expected to rise to around 45% in the coming year, and possibly, 47% in the medium-term.

South Africa has a solid history of sound macro-economic policy management, prudent fiscal policy and strong institutions. The country's credit ratings have, however, been adjusted downward with Standard & Poor's cutting the outlook on South Africa's BBB- credit rating, to negative from stable whilst Fitch Ratings Ltd. has an equivalent rating of BBB- with a stable outlook. Moody's Investors Service rates South African debt one level higher at Baa2 rating. The downward adjustments were based on increased probability that growth will remain low for a prolonged period of time, rising risk of fiscal slippages in the face of both slower growth and increasing political pressures. South Africa, along with most other emerging economies, will be affected negatively due to the global situation where commodity prices are low and growth levels are falling. The Minister of Finance has, in the 2016 Budget Speech, stressed the need to reaffirm Government's commitment to close the gap between spending and revenue, implementing a plan

for stronger economic growth and cooperation between Government and the business sector. This should keep the rating agencies from downgrading South Africa's debt position to junk status, temporarily at bay.

In order to stimulate economic growth, Government developed a 9-Point Plan, comprising simultaneous actions in key strategic areas. These areas include, amongst others, resolving the energy challenge, encouraging private sector investment, moderating workplace conflict, unlocking the potential of Small, Medium and Micro-sized Enterprises (SMMEs), Cooperatives, Township and Rural enterprises, growing the Ocean Economy and expanding Tourism. The 120-Day Plan, which emerged from the 2015 Cabinet Lekgotla, has influenced the priorities that the Department has incorporated into its planning.

Despite having sound political stability, an independent Judiciary and active citizenry, all of which contribute to the country's democratic environment, the fight against fraud and corruption, reduction in the high levels of poverty and the fast-tracking service delivery, continue to be emphasised. In this regard, Government committed to addressing these matters through the NDP, in the 2015 Cabinet Legkotla (BMI, Q1, 2015). Following on this, the Department's key policy priorities take into consideration the South African political landscape and policy imperatives, as set out in the NDP and fighting fraud and corruption, therefore, features as a key priority in the Department's agenda, going forward.

In 2015, the budget allocation for servicing existing debt stood at R126 billion. Although this debt has been well managed, there are increasing demands on the National Budget that is likely to make it difficult to keep debt levels from rising further. It is also probable that the cost of borrowing will also increase as a result of assessments made by rating agencies. South Africa's rating is low and could drop further, which would result in the cost on the debt rising. Projections are that debt-servicing costs will rise and that this will put further pressure on Government to contain and reduce its spending.

The current economic setting and consequent reductions in budget allocations will require that the Department exercises increased fiscal restraint. The Department will need to consider ways of prioritising and restructuring its Programmes to meet its spending needs. There will also need to be a reallocation of resources towards more urgent priorities as defined in the NDP and the MTSF, with a focus on efficiency and effectiveness improvements. Programmes and projects that are no longer key priorities will need to be reviewed.

Infrastructure is a critical pillar to strengthen key value chains across the economy. Strong infrastructure strengthens the domestic demand for local capital goods, industries, services and products. Ultimately, the more locally produced inputs the National Infrastructure Build Programme (NIBP) utilises, the more the country can grow its manufacturing industry and expand businesses to create much-needed jobs. Gainful and consistent employment is one of the most certain ways in which to ensure the increase in a population's living standards.

In response to the current economic setting, the Department and its Entities, will expedite infrastructure development, reduce the current backlogs on infrastructure projects and significantly improve the condition of the State's Immovable Asset Portfolio. This will act as a stimulus for contractor development, employment creation and ultimately economic growth. In addition, the SCM system will be subject to an extensive review, customisation and business process re-engineering to meet business needs, improve efficiencies and turnaround times in the delivery of infrastructure projects.

Unemployment

The official unemployment rate had decreased by a percentage point in Quarter 4: 2015 compared to Quarter 3: 2015. Table 11 provides a summary of the key labour market indicators. The Quarterly Labour Force Survey for Quarter 4: 2015 shows that the working-age population was 36,3 million (16,0 million employed, 5,2 million unemployed and 15,1 million not economically active), thus resulting in an unemployment rate of 24,5%, an absorption rate of 44,2% and a labour force participation rate of 58,5%¹⁶.

¹⁶ Quarterly Labour Force Survey: Quarter 4: 2015: 25 February 2016

Increases in the number of employed people and in the not economically active population were observed between Quarter 4: 2015 and Quarter 3: 2015. Employment gains were mainly observed in the formal sector on a quarterly basis. The number of unemployed people decreased by 225 000 during the same period which, combined with an increase of 190 000 in the number of employed, resulted in a quarterly decline of 1,0 percentage point in the unemployment rate, an increase in the absorption rate (0,4 of a percentage point) and a decrease in the labour force participation rate (0,3 of a percentage point) (Statistics South Africa: Quarterly Labour Force Survey: Quarter 4: 2015).

Education has a substantial impact on employment prospects; the absorption rate of a graduate was more than double that of a person with less than a matric qualification for the periods Quarter 4: 2008 to Quarter 4 2015. Labour absorption rates for men continue to exceed those for women. There are also disparities between population groups with the African and Coloured population groups experiencing far higher levels of unemployment than other population groups (Ibid, 2015). This illustrates the continued inequalities as a product of historical discrimination and the prevention of the majority of the population from participating in the mainstream economy of the country.

Table 11: Key labour market indicators

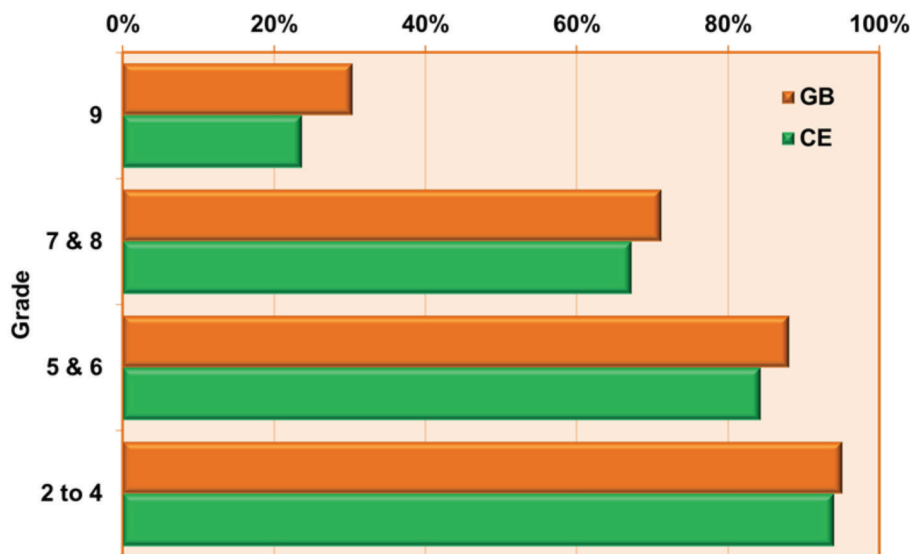
	Oct-Dec 2014	Jul-Sep 2015	Oct-Dec 2015	Qtr-to-qtr change	Year-on- year change	Qtr-to-qtr change	Year-on- year change
	Thousand					Per cent	
Population aged 15–64 years	35 643	36 114	36 272	158	629	0,4	1,8
Labour force	20 228	21 246	21 211	-36	983	-0,2	4,9
Employed	15 320	15 828	16 018	190	698	1,2	4,6
Formal sector (non-agricultural)	10 911	10 930	11 180	250	269	2,3	2,5
Informal sector (non-agricultural)	2 448	2 721	2 684	-37	236	-1,4	9,6
Agriculture	742	897	860	-37	118	-4,1	16,0
Private households	1 219	1 280	1 294	13	75	1,0	6,2
Unemployed	4 909	5 418	5 193	-225	284	-4,2	5,8
Not economically active	15 415	14 867	15 061	194	-354	1,3	-2,3
Discouraged work-seekers	2 403	2 226	2 279	52	-124	2,3	-5,2
Other (not economically active)	13 012	12 641	12 782	142	-230	1,1	-1,8
Rates (%)							
Unemployment rate	24,3	25,5	24,5	-1,0	0,2		
Employment/ population ratio (absorption rate)	43,0	43,8	44,2	0,4	1,2		
Labour force participation rate	56,8	58,8	58,5	-0,3	1,7		

Source: Statistics South Africa – Quarterly Labour Force Survey, Quarter 4: 2015

Social Environment: Transformation initiatives

The Department, through the cidb, is committed to transforming the construction industry in order to contribute to the enhancement of skills and reducing poverty. Figure 1 provides a summary of the percentage of black owned contractors, as reflected on the cidb construction register from grades 2-9. A total of 138 686 contractors were registered on the cidb database as at January 2016, with 5 159 Grade 2 (emerging contractors) and 10 200 contractors, registered at Grades 3 to 8. A significantly high percentage ($\pm 86\%$) of Grade 1 registered contractors are black-owned contractors. Of the total number of registered contractors 33% are women-owned and 31% are youth-owned. (cidb, 2016). These trends necessitate that emerging contractors be empowered to transact at higher levels of business and to integrate into the broader economy. Transformation requires the commitment from the established industry to transform from within, as well as from the public sector through developmental support and procurement interventions.

Figure 1: Percentage contractors with black ownership by cidb grading



Source: cidb construction registers (Summary as at September 2015)

The Department has identified the need to prioritise the development of Cooperatives and SMMEs as part of the broader Social Plan of Government which is targeted at addressing the unemployed, with a particular focus on women, youth and people with disabilities, and part of this process involves skills development. Contractor development, which is championed by the cidb, aims to boost the delivery capacity and capability, as well as sustainability, of emerging contractors, who constitute an estimated 80% of cidb registered contractors. Sustainability includes improving access by these contractors to Government infrastructure projects. The National Contractor Development Programme (NCDP) is a partnership between the cidb, the National and Provincial Public Works and other stakeholders, in which the participating stakeholders commit resources to develop previously disadvantaged contractors. This process includes, aligning their individual contractor initiatives with the principles set out in the NCDP Framework whilst meeting both the objectives of the NCDP and their own service delivery objectives. Contractors are selected based on clearly defined entry criteria, and provide targeted developmental support.

In the light of persistent systemic unemployment the mitigating role of the EPWP, the Jobs Fund and the employment tax incentive are important. Given the limited likely expansion of the labour market, the EPWP will continue to offer the unemployed an opportunity to work, gain skills and an avenue to contribute to develop their communities and the country. The EPWP, as coordinated by the Department, cuts across several sectors, supported through different line departments, provinces and municipalities and has both a rural and an urban focus. For all the EPWP sectors, project-based training, aimed at capacitating EPWP participants, remains an important part of this Programme. This will be achieved by improving the strategic and operational aspects of the EPWP, introducing a greater degree of uniformity and standardization across the various EPWP programmes through the introduction of universal principles,

improving the targeting of participants through community participation, improving the monitoring and evaluation of qualitative aspects, and strengthening the collaboration and synergies among lead departments and stakeholders.

Youth Development

The Department also aligns itself with youth development and the work being undertaken by the National Youth Service (NYS). The NYS is engaged in creating work and training opportunities for the unemployed youth, whilst also addressing the shortage of artisan skills within the built environment. It is also facilitating the involvement of youth in community service delivery, thereby instilling a spirit of patriotism in young South Africans. The target for youth participation has been increased from 40% in EPWP Phase II to 55% in EPWP Phase III. It is aimed at providing opportunities to the unemployed youth who have trade-related training but no work experience, and those working in the technical trade industry with work experience but no trade certification.

People with disabilities

A DPW Disability Advisory Council has been established to advise the Department on the accessibility of existing and new State-owned buildings to people with disabilities. The Committee was established in 2010 and consists of 22 officials across the Head Office and Regional Offices. The Council supports the Department in meeting its employment equity target for disabled employees of 2% and to ensure that people with disabilities are included in project procurement, particularly incubator projects, and in the EPWP. Policy documents relating to disabled access to existing and new buildings are to be reviewed and disability audits conducted for all State buildings.

By contextualising Government's policy imperatives for sustainable development, in general and the Department's in particular, the Department and Entities are resolute in its resolve to take up the challenge of proactively responding to the expectations of its stakeholders. The focus will be on the use of resources and the Infrastructure Development Programmes to leverage impact in the economy and the construction industry. This will involve addressing blockages within infrastructure projects, both existing and new, providing leadership to fast-track infrastructure development, promoting green building principles, addressing maintenance backlogs and to transforming the construction and property sectors. In addition, the Department will continue to play its part in reducing unemployment, alleviating poverty, strengthening the general skills base and improving social services.

7.2 Internal Environment

The internal environment of the Department for the 2015 – 2020 term is underpinned by the strategic direction provided by the Minister of Public Works (Minister) in his Policy Statement entitled "Rebuilding the Department of Public Works: Five Year Policy Statement and Vision for 2014-2019" and the "Seven Year Plan to rebuild the Department of Public Works - 2012" (Turnaround Strategy).

7.2.1 Strategic direction for the internal environment

7.2.1.1 Policy statement of the minister (Policy Statement)

The Policy Statement provides overall strategic direction and guidance to the Department as it moves along a new, positive trajectory that aims for distinction in service delivery. In setting this out, the Policy Statement lists the following priority areas to steer the Department's work into the 2015 -2020 financial years:

i. Strengthening of the Governance, Risk and Compliance function

The Governance, Risk and Compliance (GRC) Branch was established to lead the fight against fraud and corruption, as well as to drive the Efficiency Enhancement Phase of the Turnaround Strategy through planning, risk and performance management and service delivery improvement. The GRC Branch will therefore serve as a catalyst to improve governance processes throughout the Department.

The development of the Service Delivery Model Framework, within the Turnaround Strategy, is a crucial project in rebuilding the Department. It involves the reorientation of systems, procedures and processes

within the Department towards the delivery of quality services in the context of Batho Pele. During the MTEF the Department will conduct a comprehensive review and options analysis for substantially improving services within both DPW and PMTE. This will enable the Department to put in place the capacity for planning, developing, implementation and institutionalisation of service delivery tools, systems, processes, mechanisms and intervention programmes.

ii. Strengthening the oversight of the Public Works sector in terms of the concurrent mandate

There is a need to address the integration challenges within the sector and ensure better alignment of concurrent functions across the National and Provincial spheres of Government. Through the development of the necessary Legislation and Policy positions (including the Public Works Act), there will be a common National Framework for effective consultation, the alignment of Programmes and coordination of implementation at the National and Provincial levels.

To better manage its oversight role, the Department has created an expanded Intergovernmental Relations (IGR) function which will be responsible for overseeing national policy and service delivery implementation to ensure that all spheres of Government are committed to achieving common service delivery objectives.

iii. Providing oversight of 6 million EPWP work opportunities

In view of the persistent systemic rate of unemployment in South Africa, the mitigating role of EPWP becomes even more pronounced. Given the possible limited expansion of the labour market, the EPWP will increase its focus on the Training Programmes provided to participants and increase support provided to SMMEs and co-operatives established in the Programme to promote sustainable livelihoods. In order to facilitate this, the Department and the PMTE have committed to implement labour intensive methods and to provide EPWP work opportunities within the main business.

The EPWP Phase III is on track, towards achieving its objectives to increase the number of work opportunities and to monitor qualitative outputs such as skills development, the delivery of infrastructure and services to poor communities and encouraging greater participation and ownership by communities.

iv. Strengthening the Department's research and policy development capacity to:

a) Drive transformation in the built environment

The slow pace of transformation in the in the Property and Construction Sectors puts these Sectors at a disadvantage, from a sustainability perspective. Over the MTEF the Department will drive transformation initiatives through the development of concrete empowerment strategies for the Construction and Property Sectors, in consultation with its Entities (the cidb and the CBE), the Construction and Property Charter Councils and other stakeholders. The Department's Entities have a crucial role to play in the transformation trajectory of the built environment in South Africa. These transformation initiatives must include support for black and female constructors, as well as artisans.

b) Lead the policy review culminating in a Public Works Act (with particular focus on the concurrent mandate)

The Policy Review, including the appraisal of the Department's White Papers (1997 and 1999) and broad consultation with the wider Public Works community will provide a solid foundation for the Public Works Act. This process aligns with the Third Phase of the Turnaround Strategy and will ensure the creation of coherent Government structures and processes that will deliver the mandated services through the three spheres of Government.

Through the Public Works Act, when it is promulgated, the Department will further improve its role to perform oversight and performance management functions as they relate to the Provincial Departments' delivery capabilities. In addition, the Department will monitor the services offered by the Provincial Departments and the manner in which they discharge their concurrent functions.

c) Undertake research to inform the Department's Policy and Legislative Programmes

This process will include:

- Comprehensive research in collaboration with the cidb, the CBE) and the Independent Development Trust (IDT) on failed construction projects to inform the content and emphasis of Contractor Development Programmes; review of supply chain management prescripts and processes; review of construction management prescripts, processes and systems and training of project managers and other built environment specialists;
- Assessment of contractor development programmes and compilation of bi-annual reports; and
- Research on cost drivers in the construction industry.

v. **The effective operationalisation of the Prestige Function.**

The Department has taken steps to ensure improvements within the Prestige Portfolio by implementing a new structure and centralising the Portfolio with a direct reporting line to the Director-General. Over the MTEF, the Department will finalise the Norms and Standards for Category III Prestige clients (Members of Parliament, Directors-General and Sessional Officials), the Parliamentary Precinct and the Union Buildings. These Norms and Standards will also be adapted for use by the Provincial Public Works Departments.

In addition to the compilation of the Norms and Standards, the Department will be working closely with the PMTE to ensure prompt implementation of the approved policies, norms and standards and to ensure that systems are in place to respond to the needs of the User Departments.

7.2.2 The Turnaround Strategy

7.2.2.1 Background

During the course of 1999, Cabinet approved the establishment of a State Property Agency (SPA) as a vehicle which would professionally manage the State's immovable assets. By 2002, no progress had been achieved in establishing the SPA and, as a result, the joint National Treasury / DPSA Technical Committee recommended that a Trading Entity, with a lifespan of approximately two (2) years be created, as the first step towards separating the functions of DPW and the PMTE.

Another period of inactivity followed until 2006, after which the "property agency" discussion was resuscitated. At this time, National Treasury approved the devolution of accommodation budgets to individual user departments and the introduction of the concept of "user charges" for state accommodation. During March 2006, and subject to certain specified conditions, National Treasury then authorized the establishment of a Property Management Trading Entity (PMTE), as a vehicle to account for the costs recovered from user-departments and payments towards leases, maintenance, property rates and municipal services.

Unfortunately, National Treasury's directive was not fully complied with and the Department underperformed for the following eight (8) consecutive years. This culminated, inter alia, in adverse audit findings with two (2) consecutive disclaimers during 2010 – 2011 and 2011 – 2012 financial years, mainly due to the failure to operationalise the PMTE, in line with National Treasury's 2006 approval. This led to a concerted effort by the current Executive and Accounting Officers to put measures into place to correct the history of poor management in the Department and, as a result, in November 2011, the Minister requested assistance from the Technical Assistance Unit (TAU) of National Treasury, to provide a rapid diagnostic in respect of the state of affairs within the Department. The findings in the report detailed problems of mismanagement and misalignment and pointed to the need for fundamental reorganisation for the Department to deliver effectively, its core business.

The aforementioned exercise culminated in the launching of the Turnaround Strategy during 2012, which was to be implemented in Phases, over a seven (7) year period with measurable deliverables against budget and timeframes. The three (3) phases of the Turnaround Strategy are interrelated and interdependent to the extent that the stabilisation in certain areas will only be realised in Phase II while simultaneously ensuring efficiency enhancements in other stabilised areas. The Turnaround Strategy defined the process for organizational review and renewal to ensure compliance with the mandate of the Department and satisfactory audit performance. This process required change to the organizational processes, systems and resource perspectives, as well as change to the structure and internally focused culture of the Department. In addition, it required proper implementation of a performance management system that affected all areas of the Department and the way in which business was to be conducted. The Turnaround Strategy was to be implemented in the following phases:

i. Phase I – The Stabilization Phase

This Phase was initiated during the course of 2012 with the specific purpose of ensuring clear and systematic improvements across the Department. In this regard, the Business Improvement Unit, under the direct leadership of the Director-General, was created to manage and coordinate all the business improvement interventions.

The Stabilization Phase that came to an end on 31 March 2014, has achieved critical and foundational milestones although there are still various stabilization projects that have not been completed and are continuing into the next phase, before full stabilization is realised. In this regard, the following successes are noted:

- a. The operationalization of the PMTE to oversee the State's asset investment, property and facilities management functions in line with Generally Recognised Accounting Practice (GRAP) or a GRAP-compliant financial system;
- b. Developing a complete and credible Real Estate Asset Register (REAR) under the Department's custodianship in terms of which registered and unregistered land parcels were reconciled against the deeds records and other National and Provincial immovable asset registers. In addition, physical verification of 32 570 properties had been undertaken and 15 000 land parcels had been vested. Municipal values had been applied as a fair value on approximately 10% of the Department's vacant land in 2013/14 financial year. This resulted in the disclosure of the Department's vacant land at about R4 billion for the year ended 31 March 2014, as opposed to the R49 million in the 2012/13 financial year.;
- c. A comprehensive audit of 2 161 leased properties was completed. This audit included the physical verification of 2 143 leased properties. In addition, an in-depth analysis of the Lease Management System was undertaken and a more robust and comprehensive framework has been developed to address the gaps in the previous Lease Management System; and
- d. Substantial improvements by the Department were made as is evidenced by progression from disclaimers in 2010/11 and 2011/12 to a qualification in 2012/13 and an unqualified audit outcome in 2013/14.

The PMTE, on the other hand, has achieved some progress, after obtaining a qualified audit in the 2013 – 2014 financial year from three (3) disclaimers which resulted from a lack of a credible Real Estate Asset Register (REAR) and poor Lease Management Systems. Substantial progress has been achieved in addressing the Auditor-General's findings, particularly in relation to the Real Estate Asset Register (REAR), the review of private leases and lease management processes; and

- e. Improved internal efficiencies in relation to meeting the service delivery requirements of Prestige clients has been achieved by centralizing this function in the office of the Director-General.

ii. **Phase II – Efficiency Enhancement**

The Efficiency Enhancement Phase commenced on 01 April 2014 during which time, ten (10) projects were prioritised to drive this phase of the Turnaround Strategy, create focus and improve efficiencies for rebuilding the Department. In this regard, the following agenda for effecting efficiencies is being pursued.

- a. The development of a Service Delivery Improvement Plan (SDIP) has been finalised. The SDIP is geared towards improving operating systems, being more responsive to user-department needs, growing efficiencies and reducing waste. The SDIP, will in the longer term, become the business improvement process for the Department;
- b. The operationalization of the PMTE and its establishment as a Trading Entity.
- c. Supply Chain Management (SCM) is being restructured to meet the business requirements. In this regard, the 'one-size-fits-all' approach is to be replaced by separate strategies, structures, processes, resources and budgets for each of the following areas of work:
 - Infrastructure;
 - Property Management;
 - Goods and Services, and
 - Prestige;
- d. Improving internal efficiencies to meet the service delivery requirements of Prestige clients is underway to ensure that deliverables comply with the prescripts of the Ministerial Handbook. In addition, revisions to the norms and standards are currently being considered;
- e. Developing an Information Technology (IT) strategy, architecture and platform as a key enabler has been prioritised for immediate implementation. In this regard, the Department component has been resourced with high level technical experts and the development of value-added services, a clear architectural framework and supporting infrastructure, are underway;
- f. Combating fraud and corruption within the Department as well as in the construction and property sectors, while holding transgressors accountable for their actions, has commenced in earnest with the establishment of the GRC Branch and obtaining external assistance to reduce the backlog of fraud cases; and
- g. Implementing an effective Change Management Strategy to enable a performance driven culture has already been initiated in an effort to restore a performance management culture in the Department. In this regard, procedures have already been initialised to institute effective human resource planning, recruitment, retention, training and improved performance management.

7.2.2.2 Turnaround Strategy projects programme performance indicators for DPW

The Turnaround Strategy projects programme performance indicators, identified for the Department include the following:

Table 12: Turnaround Strategy projects programme performance indicators, identified for the Department

Phase II Turnaround Project	¹⁷ Programme Performance Indicator
Service Delivery Improvement	- Completed service delivery model of the Department - Average score for management practices
Restructuring of Supply Chain Management	- Percentage of compliant invoices paid within 30 days - Percentage of bids awarded within prescribed timeframes - Percentage of quotations awarded within agreed timeframes
Meeting the service delivery requirements of Prestige clients	- Number of Prestige policies approved - Number of working days taken to resolve mechanical breakdowns after logging of complaint - Number of working days taken to resolve emergency breakdowns after logging of complaint - Number of planned State events supported with movable structures
Developing an IT Strategy, architecture and platform	Number of property management modules implemented
Fighting fraud and corruption	- Percentage investigations initiated within 30 days in respect of validated allegations - Number of Fraud Awareness Workshops conducted - Number of interventions recommended resulting from fraud risk management
Implementing an effective change management strategy	- Percentage of funded prioritised vacancies filled as per approved recruitment plan - Number of beneficiaries participating in DPW's skills development programmes - Percentage of funded prioritised vacancies filled as per approved Recruitment Plan

Deriving from Phase II were the Property Management Improvement Programme, the DPW Business Improvement Programme and the Transversal Business Improvement Programme for the PMTE and DPW. These programmes now form the basis for work being undertaken in the Department.

7.2.2.3 Operationalization of the PMTE as required in the Turnaround Strategy

The creation of the PMTE was mainly due to the need to separate the regulatory and policy, quality norms and standard setting and monitoring functions of the Department from the service delivery functions of the PMTE. The PMTE, which now holds approximately 75% of the functions and budget of the Department, will undertake the immovable asset management functions across the asset lifecycles to ensure that optimal value for money is gained as will be reflected in a better rate of return on investment in the public estate and which will be closer to market-related value. The PMTE will be a client-centric and revenue focused entity that will ensure lower service delivery costs while ensuring sustainability and growth.

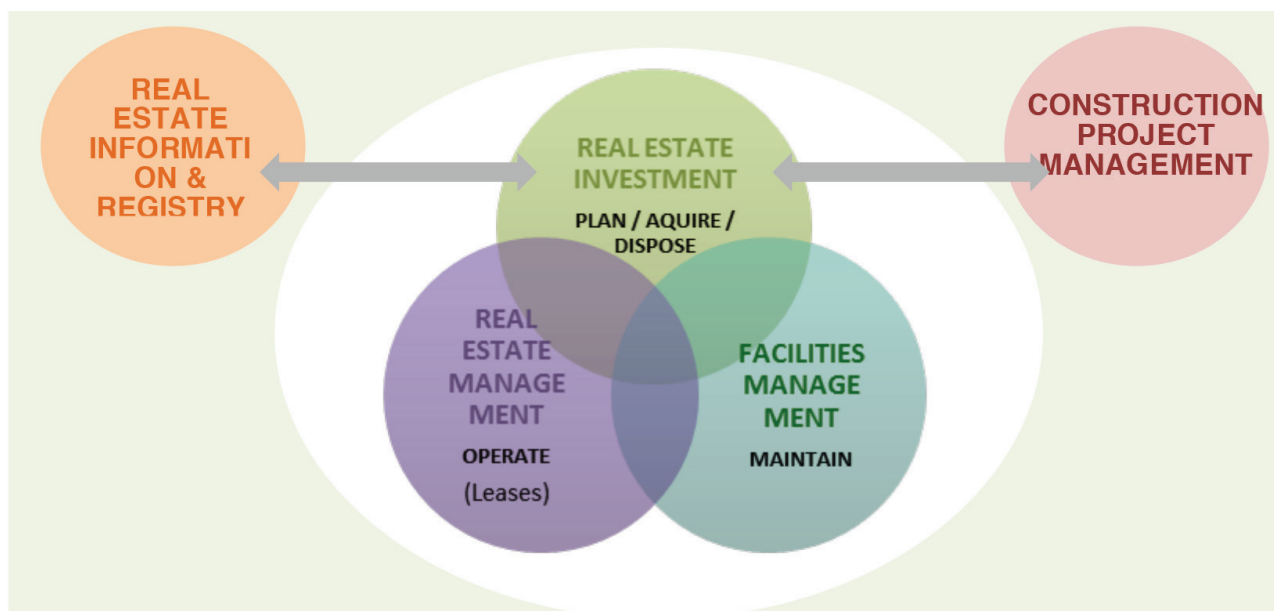
¹⁷ Department of Public Works: 2016/17 Annual Performance Plan

Central to the *modus operandi* for the PMTE is good governance, a ring-fenced budget, professionally managed and optimally utilised State Property Portfolio to build value and bring savings to the State.

In order to achieve optimum outcomes in the provision of accommodation and managing the State asset life cycle, an interdisciplinary approach, where greater synergies exist between the Department's traditional property and asset management functions, have been adopted. The core business of the PMTE consists of three focused operational divisions, with two interlinking special service divisions that will collectively realise its asset management goals, as is illustrated below.

As per figure 4 below, the three core business divisions in the PMTE are Real Estate Investment Management, Real Estate Management, and Facilities Management. Real Estate Information & Registry Services and Construction Project Management will function as two independent divisions interlinked with Real Estate Investment Management. These operational divisions have been established to support optimal business and administrative processes which will ensure professional methodologies in managing and optimising the State's asset portfolio.

Figure 2: Focused operational divisions for the PMTE



7.2.2.4 Focus areas for the PMTE as identified in the Turnaround Strategy

The key focus areas that have been identified for the PMTE, include:

- i. Reducing the cost of doing business and the optimisation of State immovable assets that fall under the custodianship of the Minister of Public Works;
- ii. Decreasing the number of leased-in properties depending on the availability and appropriateness of current and new State stock which will address user-needs. This will also be informed by the respective contracting arrangements;
- iii. Prioritising the development of functional assets as opposed to assets to be used as residences or offices;
- iv. Shifting the responsibility for conducting basic maintenance to the client departments while the PMTE will focus on capital injection to refurbish buildings to extend their life and use. The PMTE will, through the reactivation of the Facilities Management Services Centre (Workshops Project), continue to provide basic maintenance services only to specific users and pilot projects; and
- v. Facilitating procurement engagements and conducting aggregation of potential suppliers, based on user-department's basic facilities management needs.

The steps for the successful operationalization of the PMTE is to be undertaken in three (3) phases. It is noted that during the Stabilisation and Transitional Phases, the PMTE will account to the Director-General and then to the Minister during the Sustainability and Growth Phases.

7.2.2.5 The Business Case for the establishment of a Trading Entity

Emanating from the Technical Assistance Unit (TAU) diagnostic findings, a feasibility study on an alternative institutional form to better ring-fence, improve and professionalise the property management business of Department was developed by its Business Improvement Unit (BIU), located in the office of the Director-General, with the assistance of TAU. Based on a detailed situation and options analysis, as well as consultation with key stakeholders, the study concluded that it was both desirable and feasible for the Department to establish a Trading Entity for its Property Management service to the public sector.

The value proposition of such a Trading Entity was premised on being an autonomous ring-fenced and focused service delivery entity, whilst remaining an integral part of the public service. This meant that the Trading Entity would remain committed to public service objectives whilst being closely acquainted with the needs of its public sector clients.

It was therefore agreed that establishing the PMTE as a Trading Entity, which would report to the Director-General of the Department and account directly to the Minister, would ensure that the following areas would be achieved.

- i. Componentising and ring-fencing the PMTE to separate the Department as the regulator from the PMTE as the implementer.

The Department had previously served as both Implementer and Regulator in the sector which provided the grounds for a conflict of interest. The diagnostic confirmed the need to separate the functions of Department's main account from that of the PMTE and as a result, the Director-General approved interim measures to ring-fence all relevant immovable asset and property management functions in the Department to form a part of the PMTE's operations. This measure took effect from 01 April 2013.

- ii. Flexible administrative and operational arrangements that may be customised to suit the property management environment, and expedite and improve service delivery.

The Department was previously unable to meet the demand for property and facilities management services for its user departments. Hence breaking the culture of non-delivery required the creation of a client-centric agency which focused on the needs of the clients, timeous decision-making closer to the point of delivery and higher service delivery standards while offering more value. This fundamental change in the manner in which the business was to be conducted, required a structure with clear lines of accountability and a customised performance management system aligned with the service delivery model.

- iii. Lack of appropriate systems and clear business processes with related policies and procedures to facilitate a holistic view of requirements from user-departments.

This issue meant that the systems in use were not in congruence with the business requirements. There was also a lack of monitoring, reporting and record keeping which meant that there was no information available on clients' needs, work undertaken nor on funds disbursed. Furthermore, the Department was unable to present a comprehensive database of the State's immovable assets.

Arising from the above, it was recommended that discrete flexible systems, processes, technology and procedures must be customised to better fit the business needs. Duplication of functions across the service, together with the associated costs, needed to be eradicated and effective interfaces between functions, Regional Offices and the Head Office, as well as with client organisations needed to be established. The commissioning of services through a flexible, streamlined, but transparent and robust SCM system was recommended as an essential component to expedite service delivery and a comprehensive Real Estate Asset Register (REAR) had to be created.

- iv. Immovable asset life-cycle management and compliance with best accounting principles (GRAP).

The historical poor management, corruption, and neglected State properties had led to high costs of approximately R3 billion per annum as a result of leasing-in buildings while the State's portfolio of properties was under-utilised and decreasing in value due to the lack of proper management.

Reversing the abovementioned scenario required the need for effective life-cycle property management that would ensure value for money returns on the State's immovable asset portfolio while creating the ability to generate and retain revenue for the preservation and optimisation of these assets. This, together with the adoption of GRAP compliant systems, as made mandatory for all Trading Entities from 1 April 2014, necessitated interim measures in terms of which the PMTE was required to comply. The Department, however, continues to account on the basis of modified cash.

- v. Attracting and retaining skills through a special compensation dispensation based on market related rates.

This was necessary as there was a high infrastructure backlog due to the inability to deliver within time, cost and quality. In addition, the internal structure of the old Department reflected imprecise relationships between the Projects (Construction) Branch and the Independent Development Trust (IDT). This situation was exacerbated by insufficient professional capacity and skills required for construction, as required by the industry.

Addressing the aforementioned issues, required the establishment of a quality public sector property management agency with the same levels of professionalism and appropriate skills as any major private sector property management agency. This was to be achieved through a special compensation dispensation based on market-related rates that would attract appropriately skilled personnel who would assist in capacitating existing staff to deliver high quality and professional services. It was also anticipated that this approach would provide the basis for clear career pathways that would ensure that employees would be retained.

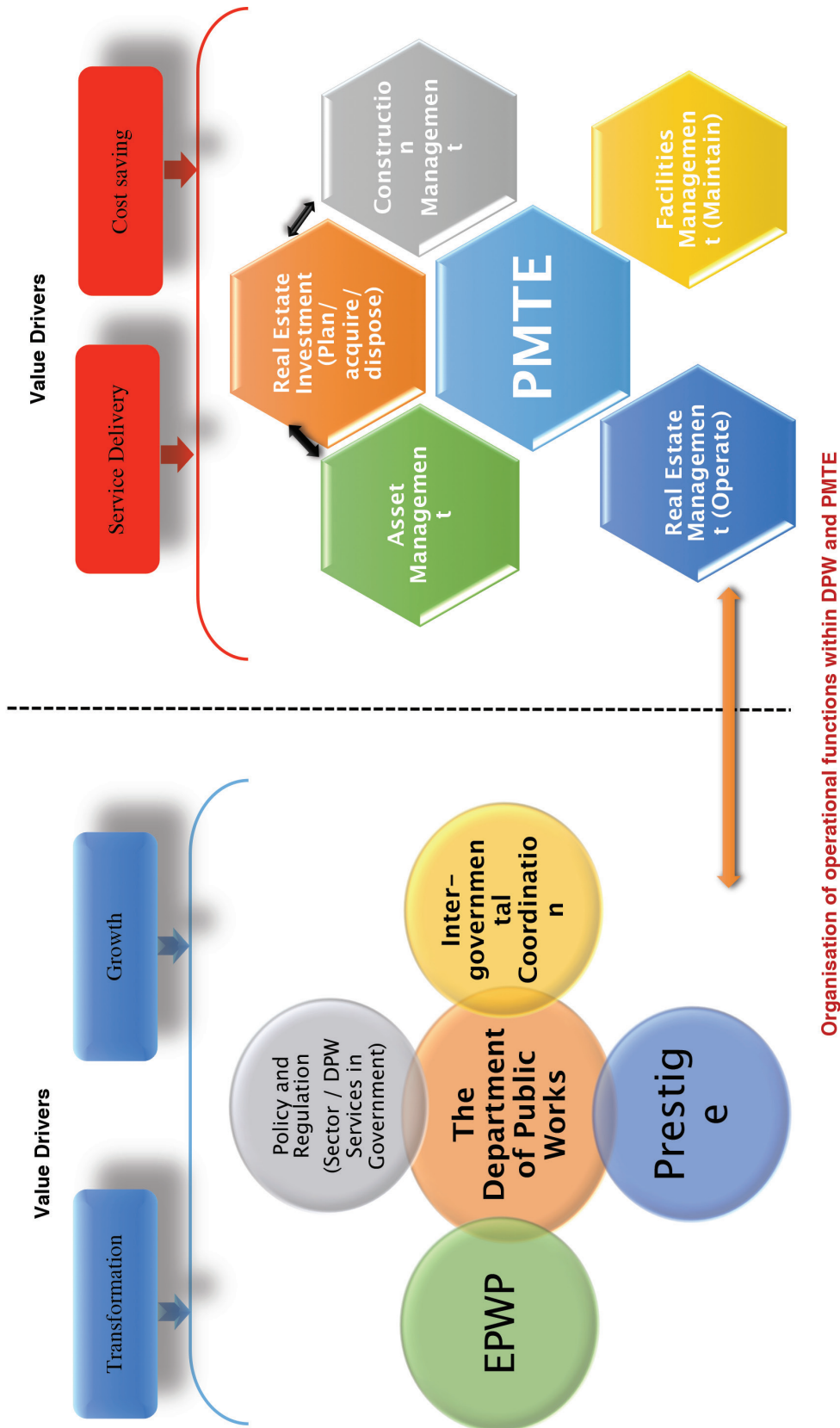
7.2.3 The Business Model for the Department of Public Works

Arising as a direct consequence of the Turnaround Strategy, the revised business model of the Department ensued as a concurrent process with the establishment of the PMTE. The Department is now structured to integrate its services better and build synergies that will result in a single point of entry and account management for public sector clients. This will result in greater service satisfaction in relation to business needs for the Department's clients. Duplication of functions across the service, together with the associated costs, will be eradicated and effective interfaces between functions, Regional Offices and Head Office, will be established. The Department will therefore, now focus on the following:

- i. developing best practice within the sector;
- ii. managing the transformation and growth of the construction and property sectors;
- iii. drafting legislation and undertaking regulatory functions;
- iv. formulating policies and implementation guidelines for the sector;
- v. setting norms and standards for the Public Works Sector;
- vi. managing the norms and standards and policy formulation for the Prestige Client Portfolio;
- vii. coordinating the implementation of the EPWP;
- viii. focusing on its role in terms of the concurrent functions and the management of performance in this regard; and
- ix. carrying out oversight functions and coordination of the Entities.

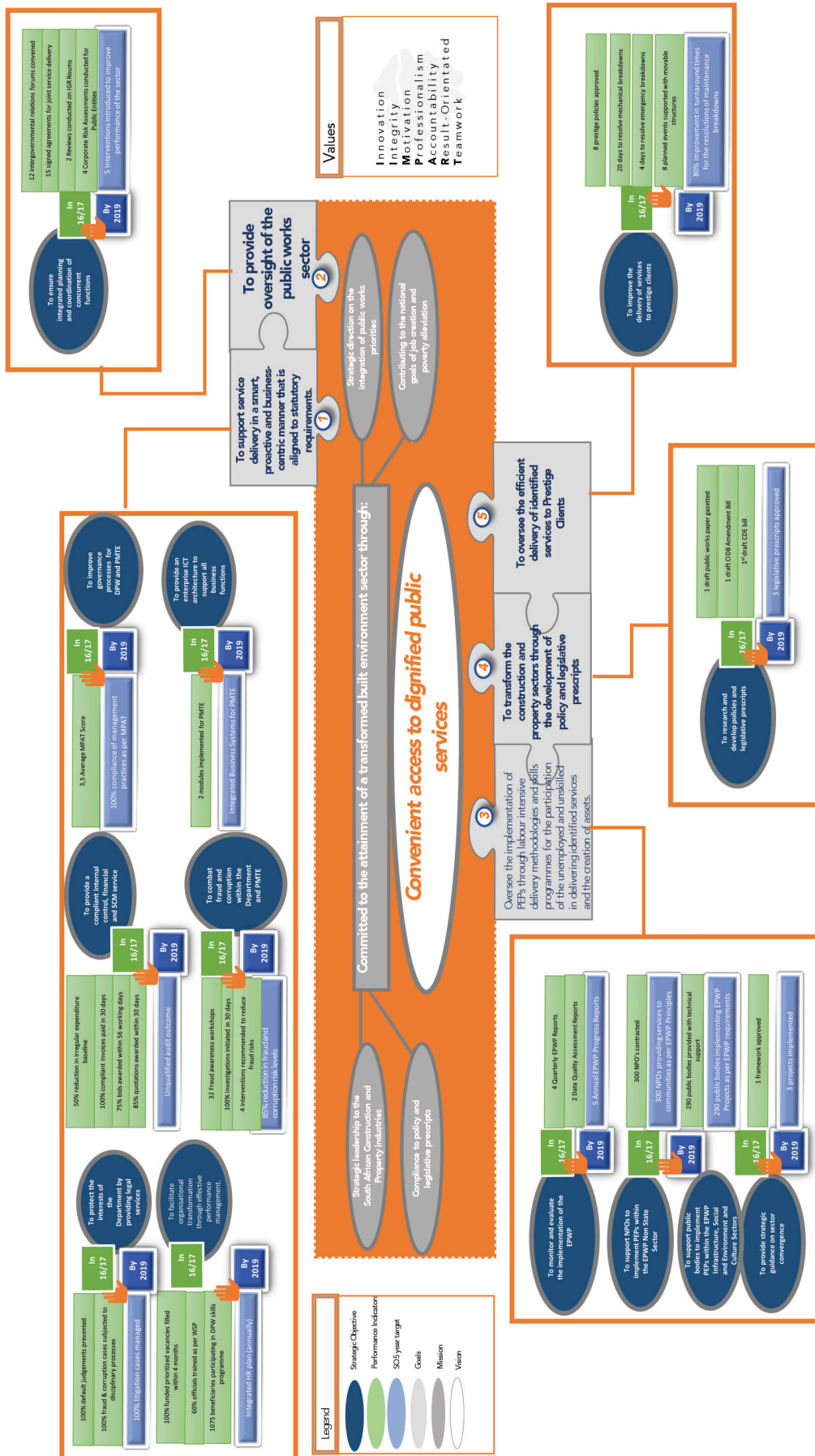
The figure below illustrates the differentiated core business areas of the Department and the PMTE. In addition, it depicts the Department's regulation and transformation functions in relation to the built environment, the oversight and coordination of the Entities and the Provincial Departments of Public Works, as part of its concurrent mandate.

Figure 3: Diagrammatic representation of the differentiated functions of the Department and the PMTE



Since the 'Department now functions within the context and framework of a reoriented mandate, it will therefore be responsible for undertaking the following broad areas of work, as set out in the Department's Logic Framework below.

Figure 4: Departmental Road Map



7.2.4 Entities reporting to the Minister of Public Works

There are four (4) Public Entities which serve as an extension of and assist the Department in delivering its mandate. The Public Entities reporting to the Minister of Public Works are the Council for the Built Environment (CBE), the Construction Industry Development Board (*cidb*), the Independent Development Trust (IDT) and Agrément South Africa (ASA).

7.2.4.1 Council for the Built Environment (CBE)

The CBE's main focus is to implement projects and programmes that address built environment issues that adds value to the build environment professions, Government and the general public. The CBE aligns to the strategic direction of the Department by executing the following strategic goals:

- Supporting Government's priorities in relation to built environment matters;
- facilitating and monitoring continued sustainable, dynamic, competent and transformed built environment professions and professionals;
- establishing and maintaining a centre of excellence for an integrated built environment body of knowledge; and
- strengthening public protection and educating the public in relation to the built environment.

7.2.4.2 Construction Industry Development Board (*cidb*)

Transformation of the construction industry is the overarching strategic focus for the *cidb* and several initiatives have been identified to drive the transformation agenda. The *cidb* supports the Department by providing strategic direction and developing effective partnerships for growth, reform and improvement of the construction sector. Contractor development, skills development, procurement and contractor performance are central to the *cidb*'s strategy for the development of the construction industry which impact directly on the roll out of Government's National Infrastructure Plan.

7.2.4.3 Independent Development Trust (IDT)

The IDT manages and delivers integrated social infrastructure programmes with the necessary measures, facilities and networks required to prepare communities to initiate, receive, own, manage and sustain their own development. The IDT supports the Department by contributing to Government's priorities of job creation, sector skills development, green buildings initiatives and the eradication of social infrastructure backlogs.

7.2.4.4 Agrément South Africa (ASA)

ASA supports the construction industry by facilitating the introduction, application and utilisation of satisfactory innovation and technology development in a manner that adds value to the process. ASA is the only internationally acknowledged and objective facility in South Africa that assesses and certifies non-standardised construction products. ASA supports the Department by technically assessing innovative construction technologies and promoting their use to stimulate the creation of sustainable short and long-term work opportunities.

7.3 Performance Environment

Despite the preceding turbulent years where the performance of the Department was negatively impacted upon, major strides have been made to improve its performance environment. The Department identified its challenges then put measures into place to rectify its ill-performing systems and procedures to ensure that a positive performance environment can now be achieved. Following hereunder, is a list of the achievements made by the Department, the challenges that it faced and the measures that it has put into place to address those issues.

7.3.1 Achievements in the performance environment

7.3.1.1 Improved financial controls resulting in positive audit outcomes

Rigorous scrutiny of the past five years' irregular expenditure transactions has resulted in overhauling the Supply Chain Management processes to respond to the core business needs of the Department. As a result, there has been a significant improvement in the audit outcomes over the last two financial years. It is noted that despite the noteworthy improvements in the internal controls of financial and performance management, governance and leadership, the Department is committed to direct its efforts to ensure that all internal controls are adhered to, in order to eliminate audit findings in respect of both, the annual performance report and compliance with legislation.

7.3.1.2 Oversight of the creation of work opportunities that provide income support through the Expanded Public Works Programme (EPWP)

The Department is responsible for the overall co-ordination of the EPWP across all spheres of Government in four different sectors, namely Infrastructure, Social, Environment and Culture and Non-State Sector. As the Department's flagship programme, this Programme has made significant progress. Since the commencement of Phase III on 01 April 2014, over 1.6 million work opportunities and 635 865 Full Time Equivalents (FTEs) have been created. During the course of the 2013/14 financial year, the EPWP created 1 017 265 work opportunities. Beneficiary surveys indicated that the majority of the participants in the EPWP were poor with sixty per cent (60%) of the respondents living below the poverty line prior to working in the EPWP. The survey also showed that 32% of these respondents had income levels of less than half of the figure quoted for the poverty line.¹⁸ For the poorest group, the EPWP doubled their annual household income¹⁹.

Achievements across the Infrastructure, Environment and Culture, Social and Non-State Sectors were also noted, and included the following:

- A total of 3,486,096 hectares of land was rehabilitated and / or cleared of invasive alien through the Working for Water and Landcare Programmes;
- Participants benefitted from more than 500 000 person-days of accredited training;
- More than 150 000 indigenous trees were planted as mitigation measures against land degradation, climate change and greening interventions;
- 800 unemployed young people benefitted from the Chefs Youth Training Programme;
- More than 6 000 Small, Medium and Micro Enterprises (SMMEs) benefitted from programmes implemented by the sector programmes;
- 220 770 km of roads have been maintained through periodic and routine maintenance. In addition more than 27 000 youth have been trained on the National Youth Service Programme (NYS) in artisan trades;

¹⁸ Poverty Trends in South Africa: Statistics South Africa: 2014 Page 14

¹⁹ National Development Plan: Page 112

- Through the Vuk'uphile Contractor Development Programme, more than 161 labour-intensive contracting companies were developed across all nine Provinces;
- 545 347 number of children were served through Early Childhood Development Centres (ECDs) and 443 088 families were assisted through the Home Based Care Programme (HBC);
- About 9 million school children were served through the Nation School Nutrition Programme; and
- About 330 Non-Profit Organisations nationally partnered with Government to deliver community driven initiatives. Unused spaces in public clinics and schools have been turned into food gardens for use by Centres of Orphans and Vulnerable Children and surrounding communities.

7.3.2 Challenges identified in the performance environment and strategies mitigation measures put into place

In order to determine the challenges and constraints in the performance environment, which impacted on the performance of the Department, an in-depth analysis of the following documents was undertaken:

- The Annual Report 2013/14 and 2014/15;
- Report of the Auditor-General to Parliament for DPW and PMTE as at 31 March 2013 and 31 March 2014;
- The Internal Audit Findings for 2013/14 and 2014/15;
- The Turnaround Strategy;
- The National Treasury Rapid Review Report of January 2012;
- Management Performance Assessment Results 1.2 (2013/14) and 1.3 (2014/15);
- Annual Performance Plan 2014/15; and
- The Estimates of National Expenditure 2014/15 and related MTEF.

Arising from the above, the following issues were identified.

7.3.2.1 Matters raised by the Auditor General (AGSA) in the external audit in relation to the internal control environment

Issues identified:

Inadequate systems, controls and processes in accordance with the PFMA, Treasury Regulations and Public Service Regulations.

Actions to address identified issues:

Audit Action Plans were developed and submitted to National Treasury immediately after the conclusion of the audit to address the findings. These Action Plans are also reviewed and further refined by Internal Audit. To ensure full accountability, each member of the Executive Committee signed off the Action Plans for consolidation, monitoring and reporting. Audit Action Plans are now presented to the Accountability EXCO where progress is reported and further interventions are put into place. In addition, Branches are required to provide Quarterly Progress Reports on each action item, including the challenges encountered and proposed remedial actions.

7.3.2.2 Inadequate internal performance management operating procedures

Issues identified:

Since 2010/11, the challenges experienced with regard to performance information included:

- Non-compliance with regulatory requirements and information not being useful (specific, measurable, and relevant);
- Inconsistencies between planned and reported objectives, indicators, and targets;

- No baseline for setting appropriate targets and designing relevant indicators;
- Misalignment between budget and performance information;
- Unavailability of or incomplete Portfolios of Evidence; and
- Lack of a logical and direct links to goals and under-reporting of performance.

Actions to address identified issues:

As a result of the abovementioned findings, the following interventions have progressively been developed and institutionalised within the Department:

- The development of policies and procedures to guide planning, monitoring and reporting, including the roles and responsibilities of senior and accountable personnel, within the Department;
- Proper record-keeping procedures to collect, record and store Portfolios of Evidence;
- Monitoring the effective implementation of corrective actions taken through periodic reviews and monitoring of the status of key controls;
- Use of Internal Audit to verify the adequacy of systems and supporting documentation;
- Increased practical guidance, training and support by National Treasury to improve the quality of performance information being reported. Areas of guidance include, performance information being useful and easily understood by non-specialist readers and setting appropriate targets;
- Quality control to ensure that the Quarterly Report and Annual Report information is accurate and complete and the reasons for variances are explained and followed up;
- Quality control to ensure consistency between planning and reporting documents; and
- The establishment of an M&E forum within the Department to share information and learning about performance information.

Through these initiatives, there has been a marked improvement with regard to performance information, with only two few key findings still remaining, these are:

- Indicators on the Annual Performance Report was inconsistent with the Annual Report; and
- The inadequate implementation of the manual system to monitor the progress made towards achieving these goals, targets and core objectives.

A dedicated monitoring function will be established within the Monitoring and Evaluation Chief Directorate to improve the monitoring of performance information in the Department and improve the quality of Quarterly and Annual Reports. The Department is investigating options to acquire an electronic system to improve the monitoring and reporting of performance information. By using this system, line managers will be able to check progress regularly against set targets and put interventions in place, when and where required.

7.3.2.3 Lack of integration of performance information structures and systems within existing management processes and systems (ICT)

Issues identified:

Historically, the communications technology infrastructure and systems in the Department were inappropriate to support its business requirements. These systems lacked the capability of intelligent reporting and this resulted in the use of multiple disparate systems at a high cost to the Department.

Actions to address identified issues:

The Department's ICT Strategy has been conceptualised out of a need to address the lack of systems which support the business requirements and integrate the relevant business systems.

In this regard the following critical ICT interventions have been put into place to address the negative issues that impacted on the Department.

- An infrastructure upgrade has been prioritised. The current interventions include a rapid upgrade of the Local Area Network (LAN) switches which support upgrade and adds resilience. This includes upgrading the voice infrastructure and video conferencing to enable seamless communication between all Regional Offices to facilitate movement to any site and allow log-on. The Department will also upgrade the current server location at each Regional Office with the upgrade of communication links between the sites;
- The application software is being upgraded for the user environment with the migration to biometric access per user for log-on to the Department's network. This will allow baseline communication between end users for office automation access;
- The new single DPW / PMTE Worx4u contact centre has gone live with the ICT and Day to Day Maintenance contact centre being brought in-house with the Department now expanding its EPWP programme to include new skills in the digital domain;
- The current skillset is being bolstered with new insourced specialist skills to upskill and provide internal capacity;
- The first phase of the new Disaster Recovery Plan / Business Continuity Plan commenced in 2015 – 2016 for use by the three (3) spheres of Government and agencies to be implemented over the five (5) year term. The rehabilitation of an existing asset in Johannesburg as the new Disaster Recovery Plan / Business Continuity Plan has been approved with the site design now complete. The Disaster Recovery Plan protocols have been developed;
- The Department has moved from a corrective into the Stabilisation Phase, which ended on 31 March 2015. During the Stabilization Phase, the Department will optimise infrastructure, business applications and value-added services for the asset base. The next phase, i.e., the Optimisation Phase will be the implementation of the enterprise resource planning suite and the related business analytics;
- The Business Application Suite is in the process of being enhanced to new modern technology as web-centric and enterprise mobile applications. This is reflective of the iE Works application that is being enhanced for use by the various provinces. In this respect, the Archibus Application will be used to support the new PMTE during its transitional phase. In addition, a data-model is being designed for the new Building Information Modelling standards (BIM). This will integrate the different professional disciplines to achieve cost efficiencies and faster turnaround times in the delivery of built environment amenities. As a result, the Department will spearhead world class standards in the domain of ICT utilization.

The Business Application Stack/Suite intervention includes:

- The PMIS system where business users will be migrated to the new PMTE enterprise resource planning system Sage / Archibus;
- Upgrading of the EPWP application to a new enhanced system with mobility-based enrolment for real time monitoring; and
- The Works Control System (WCS) will be refreshed with a new projects module to integrate with and source a single system for the PMTE.

7.3.2.4 Inability to retain and attract the required skilled personnel

Issues identified:

The Department has faced key challenges in recruiting and retaining the required staffing skills. This was due to the:

- Non-availability of professional and technical skills resulting in the inability to fill critical and scarce skills positions;
- Inability to attract and retain technical and professional skills due to the limitations of the Occupation Specific Dispensations (OSD);
- High competition with the private sector for the limited available skills; and
- The Department's Compensation of Employees' Budget is not sufficient to cover the current commitments, filling of vacancies and newly created positions resulting in insufficient human resource capacity.

Actions put into place to address identified issues:

In order to rebuild the Department and amplify its capacity, a Change Management Strategy (CMS) has been developed. The CMS is intended to, inter alia:

- Improve the organisational culture to become client-centric;
- Improve leadership, management, technical and general capacity and skills across the Department;
- Support people through the change process to minimise resistance and harness energy for change;
- Assist in changing perceptions to stakeholders to increase client satisfaction and to improve recruitment and the retention of quality staff; and
- Ensure that the change process is conducted in an ethical way through transparency, honesty and integrity of all the change agents involved in the process. The CMS is linked to the Department's business and performance goals and is supported with a clear and logical Change Management Model and Implementation Plan, which includes:
 - A comprehensive Human Resource Plan to address the current and future capacity requirements of the Department with a clear Recruitment Plan and Training Plan;
 - The implementation of the reviewed and functional organisational structure to operationalise PMTE, the GRC Branch, Inter-Governmental Coordination and the provision of additional human resource capacity in core areas. The augmentation of PMTE has repositioned the Department to better execute its mandate at the Head Office and Regional Offices and it is anticipated that, over the next five years, that the departmental posts structure will increase;
 - Building professional and technical capacity through the Young Professionals Capacity Development Programmes and the prioritisation of funds for the recruitment and appointment of technical and professional skills; and
 - Implementing the recently developed Recruitment Policy and updated Human Resource Delegations.

It is envisaged that the CMS will provide the catalyst to facilitate the attitudinal realignment by both the staff and stakeholders in the manner in which business will be conducted, in future, within the Department.

7.3.3 Additional strategies to improve efficiencies in the performance environment

7.3.3.1 Alignment of the concurrent functions

The 'refocused' DPW has put measures into place to address the challenges that it has experienced. As a priority and in the absence of a Public Works Act, MinMec has provided the basis to consult, coordinate implementation and align concurrent functions at the National and Provincial levels.

The alignment of the concurrent functions will ensure that all spheres are committed to achieving common service delivery objectives, and to that end, must provide effective, transparent, accountable and coherent Government for the country as a whole. To achieve this, there must be a distinctive effort, capacity, leadership and resources of each sphere whilst directing these as effectively as possible towards the developmental and service delivery objectives of the sector.

Through the Public Works Act, when it is promulgated, the Department will further improve its role to perform oversight and performance management functions as they relate to the Provincial Departments' delivery capabilities. In addition, the Department will monitor the services offered by the Provincial Departments and the manner in which they discharge their concurrent functions. Co-operation between the National and Provincial spheres is prioritised as these elements bring about:

- Sustainable development;
- Integrated delivery of public goods and services; and
- Effective implementation of legislation.

7.3.3.2 Development and implementation of the Service Delivery Model Framework (SDMF)

Given the unfavourable history of the Department, the Department will consolidate the turnaround activities using the Service Delivery Model Framework (SDMF) to establish the SDIP, over the next three (3) years. The objective of the SDMF is to provide the methodology to improve service delivery by developing a revised operating model for the Department as a whole. Underpinning the model will be the implementation of the Infrastructure Delivery Management System (IDMS) as the primary method for delivery of infrastructure across the Department.

The model will be implemented through the necessary review and revisions to operating procedures and processes, supported by information and tools that will enable the Department to be more responsive to user-department's needs. In addition, the model will reduce opportunities for corruption and wasteful and fruitless expenditure with clear lines of responsibility and accountability.

In order to manage the implementation of the SDM, a Project Team has been established to manage the following project phases:

- The Inception Phase which will entail the establishment of the Programme Management Office;
- The Mobilisation Phase which will finalise the Service Delivery Improvement Framework and a detailed Programme Plan together with detailed project stream activities. The purpose of these activities is to engage the expertise of National Treasury and the Department of Public Service and Administration (DPSA) in arriving at an optimum work plan which will take cognisance of the capacity levels within the Department; and
- The Implementation Phase which will oversee the implementation of all elements of the SDMF. This will include process-mapping and completion of, as-is unit costs, productivity assessment, options analysis, to-be processes, standard operating procedures, standards, charters, policy review and resource planning – all of which will feed into the Strategic Plan.

7.3.3.3 Meeting the needs of Prestige Clients

The Department has created dedicated capacity and enhanced its processes and systems within the Prestige Component to improve service delivery and response times to Prestige Clients. As a result, prestige services have been centralised to ensure immediate control. Following the centralisation of the Prestige function, attention can now be paid to the following key deliverables:

- Clarification of the role and performance expectations of Prestige clients;
- Review of the Policy Framework (Handbook) with a view to reducing its flexibility of interpretation;
- Development of a viable contingency plan for funding ad hoc events and activities;
- Development of accelerated SCM processes and models that meet the reasonable expectations of Prestige clients;
- Creation of appropriate levels of capacity within the Prestige components;
- Creation of a forum that includes all stakeholders to communicate Prestige service commitments and align stakeholder expectations;
- Creation of an Immovable Asset Management Strategy that includes disposal, refurbishment and maintenance criteria; and
- Development of aligned business processes and systems.

7.3.3.4 Actively reducing fraud and corruption in the Department

During April 2014, the Department developed an Anti-Fraud and Corruption Strategy and Whistle Blowing Policy in terms of the Minimum Anti-Corruption Capacity (MACC) requirements. The Strategy is aimed at promoting fraud prevention, managing fraud risks and introducing controls measures to prevent issues of fraud and corruption before they occur. In addition, the Strategy makes provision for investigating allegations of fraud and corruption within the Department and recommend corrective actions. The Department also undertook a massive anti-corruption drive to prioritise education and communication by placing the Policy and Strategy at the centre of pro-active efforts to create a culture of zero tolerance to fraud and corruption. The Fraud Prevention Strategy and Anti-Fraud Corruption Policy were also followed with a proclamation published in the Government Gazette 37946, on 27 August 2014, which authorized the Special Investigating Unit (SIU) to commence with comprehensive investigations of all alleged activities and, based on its findings, institute criminal charges and take disciplinary steps against the implicated individuals. Furthermore, the Department augmented its capacity to ensure that it will be able to analyse and monitor fraud and corruption risks as a part of its risk assessment. It will also investigate allegations of fraud and corruption, refer allegations of fraud and corruption to relevant law enforcement agencies and keep a register of all allegations.

The Department is currently conducting an assessment of Fraud Risks to mitigate the prevalence and vulnerability of the Department to fraud and corruption and to identify its roots causes. The outcome of Fraud Risk Assessment informs the Fraud Prevention Plan of the Department.

Furthermore, the Anti-Fraud and Corruption Communications Campaign, aligned to the Department's Business Improvement Plan, has been conceptualised for implementation at the National and Provincial levels. This will create awareness, significantly reduce the prevalence of fraud and corruption incidents, improve the resolution aspects of investigations and enhance the integrity of the Department's operational activity.

The Department implemented the service delivery model to initiate investigations within 30 days upon receipt of the allegation to maximise recourse for the Department (i.e. civil recovery, disciplinary and criminal proceedings). These will also allow the Department to conclude investigations into allegations of fraud and corruption within the reasonable time frames.

7.3.4 Demand for the Expanded Public Works Programme (EPWP)

Employment creation opportunities have risen since 1994, with the share of working age adults with employment stabilising at just over 40% (after falling from the late 1970s through to 1994). The global norm, however, is around 60% and employment growth has not been strong enough to raise the level of employment significantly from the low levels inherited in 1994. The strategies utilised are to increase economic growth so that the number of net new jobs being created starts to exceed the number of new entrants into the labour market, and to improve the education system, such that, the workforce is able to take up, the largely skilled, work opportunities which economic growth will generate. Despite more than a decade of stable growth before the global financial crisis of 2008, unemployment in South Africa has remained stubbornly high, as it never fell below 20%.

The effects of the global economic downturn have made this even worse and has contributed to the increasing numbers of unemployed people in South Africa. The EPWP is one of Government's initiatives to try to bridge the gap between the growing economy and the large numbers of unskilled and unemployed people who have not yet enjoyed the benefits of economic development.

The EPWP was introduced in 2004 as one of the measures to reduce the negative impacts of such high and persistent levels of unemployment. It aims to provide the unemployed with an opportunity to work and an avenue to contribute to developing their communities and the country.

In November 2013, Cabinet approved the continuation of EPWP into Phase III with a target of creating 6 million work opportunities from 01 April 2014 to 31 March 2019. The importance of the EPWP is clearly reflected in key Government guiding documents such as, the New Growth Path and the National Development Plan. In both of these documents, the EPWP is positioned as a key programme to contribute to achieving Government's goals of reducing unemployment and addressing gaps in the social protection system of the country. The Department is responsible for the overall co-ordination of the EPWP across all spheres of Government in four sectors, different sectors, namely Infrastructure, Social, Environment and Culture and Non-State Sector.

The detailed work opportunities and Full Time Equivalents (FTE) targets per sector are presented in the tables below:

Table 13: Overall EPWP Phase III Work Opportunities Targets: Sectorial Targets

Financial Year	Infrastructure	Environmental & Culture	Social	Non-State	Total
2014-2015	379 156	227 650	202 714	236 000	1 045 519
2015-2016	447 671	229 208	205 307	245 000	1 127 186
2016-2017	488 636	230 550	205 968	418 000	1 343 154
2017-2018	546 067	231 173	210 496	419 000	1 406 736
2018-2019	589 473	232 923	214 444	419 000	1 455 840
Totals	2 451 003	1 151 504	1 038 929	1 737 000	6 378 436

Table 14: Overall EPWP Phase III Work Opportunities Targets: Per Government Sphere

Financial Year	Local	Province	National	Total
2014-2015	278 382	354 924	412 213	1 045 519
2015-2016	310 992	380 172	436 022	1 127 186
2016-2017	347 578	382 869	612 707	1 343 154
2017-2018	395 238	391 252	620 246	1 406 736
2018-2019	428 875	397 778	629 187	1 455 840
Totals	1 761 065	1 906 996	2 710 375	6 378 436

Table 15 Overall EPWP Phase III FTEs Targets: Sectorial Targets

Financial Year	Infrastructure	Environmental	Social	Non-State	Total
2014-2015	123 638	84 514	112 421	100 379	420 951
2015-2016	146 061	87 441	113 706	103 254	450 462
2016-2017	159 419	89 671	113 119	157 515	519 724
2017-2018	178 147	91 957	114 992	188 993	574 089
2018-2019	191 975	94 301	116 577	188 993	591 846
Totals	799 240	447 884	570 814	739 135	2 557 073

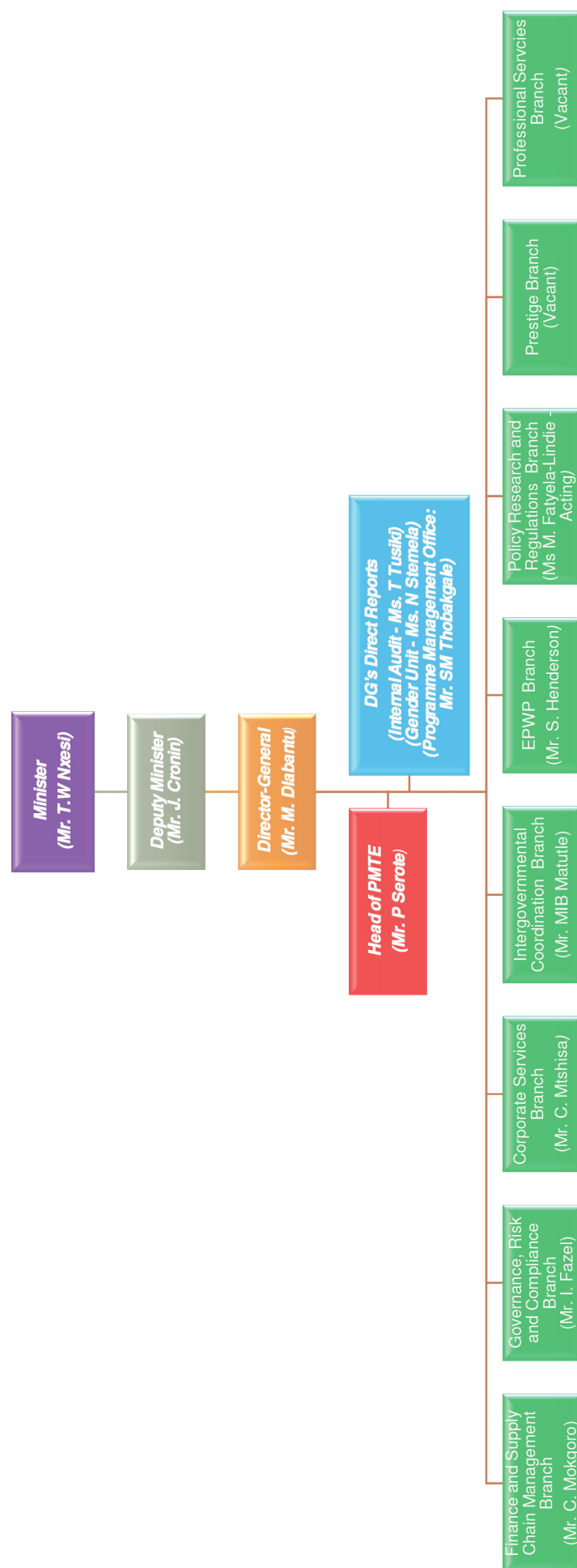
Table 16: Overall EPWP Phase III FTEs Targets: Per Government Sphere

Financial Year	Local	Province	National	Total
2014-2015	89 162	162 753	169 037	420 951
2015-2016	100 882	171 689	177 891	450 462
2016-2017	113 590	172 114	234 021	519 724
2017-2018	129 912	175 476	268 701	574 089
2018-2019	141 995	178 242	217 609	591 846
Totals	575 541	860 273	1 121 260	2 557 073

As the coordinator of the EPWP, the Department will ensure that the Phase III of the EPWP is effectively planned, mainstreamed and supported. In addition, the Department will enhance the EPWP delivery capacity at all spheres of Government, communicate a positive EPWP profile, expand EPWP into new areas, improve reporting and data integrity and, most importantly, conduct meaningful performance evaluations of the Programme. The Department will continue to provide technical support to municipalities, training to officials in the use of labour-intensive methods in project implementation and will also provide data capturing support to Public Bodies by training officials on methodologies to improve the reporting system.

7.4 Organisational Environment

Figure 7: High level organisational structure of the Department:



Key issues relating to the organisational structure

The organisational structure of the Department has undergone several modifications over past few years, however, the structure no longer meets the service delivery objectives of the Department. The Department has, therefore, reviewed its organisational structure taking into consideration the capacity required to deliver on its mandate. This revised structure will be implemented, in phases, over the MTEF in line with the baseline allocations.

The revised organisational structure takes into consideration of the following:

- Section 3 a - d (i – v) of GIAMA 2007;
- DPW's White Paper of 1997;
- Policy Statement of the Minister of Public Works
- Five year Strategic Plan of the Department – (2015-2020);
- A revised business model taking into consideration the most recent environmental changes;
- The new Programme Budget Structure;
- Reducing number of contract employees whilst moving the Department in the desired direction by closing employee competency gaps; and
- The reduction in the outsourcing of services, such as, security and cleaning.

There has been extensive internal consultation on the revised organisational structure as well as consultation with DPSA. The structure has been submitted to DPSA for final concurrence. In the interim, stability in key positions will be managed through appointments and secondments, in order to improve service delivery and efficiency. The establishment of the Intergovernmental Coordination function is a key focus area in the re-capacitation of the Department and key positions within this Branch will be prioritised over the MTEF.

Factors within the organisational environment that have informed the Revised Strategic Plan

As a result of the operationalisation of the PMTE, the Department will refocus its operating model by placing greater emphasis on the transformation and regulation of the construction and property sectors, coordination of the EPWP as well as the oversight of concurrent functions. The Intergovernmental Coordination function enables the Department to refine its role and give effect to improved oversight functions. Furthermore, it takes into consideration the need to ensure that coordinated and integrated delivery of the concurrent functions are implemented with regard to determining legislative and regulatory prescripts, policy formulation, setting norms and standards, monitoring and evaluation and overseeing the implementation of these responsibilities. Through the Professional Services function, the Department will oversee and manage the implementation of professional services capacity building programmes, across all Government spheres.

The Department will simultaneously capacitate the areas of Governance, Risk and Compliance, Property and Construction Industry Policy and Research, EPWP and Prestige to further improve performance and efficiencies across these functions. The Department will undergo a comprehensive reprioritisation due to budget constraints to introduce cost containment measures. Therefore, only critical positions on the revised organisational structure will be considered for filling.

The table below provides a summary of the Departmental staff complement as at January 2016:

Table 17: Department of Public Works - staff establishment

Salary Level	Filled posts	Vacant posts	Total (Filled & Vacant)	Current vacancy rate (%)	Additional to the establishment
1	0	0	0	0.00	321
2	0	0	0	0.00	0
3	0	0	0	0.00	84
4	4	3	7	42.86	28
5	35	44	79	55.70	14
6	9	7	16	43.75	13
7	73	40	113	35.40	30
8	95	18	113	15.93	32
9	9	2	11	18.18	5
10	95	21	116	18.10	5
11	19	3	22	13.64	10
12	162	28	190	14.74	27
13	60	14	74	18.92	20
14	17	6	23	26.09	6
15	5	2	7	28.57	8
16	4	0	4	0.00	0
Grand Total	587	188	775	24.26	603

The Department has a total staff establishment of 1378 posts of which 587 are filled permanently, 603 are filled additionally and 188 are vacant. An integrated Human Resource Plan has been developed to respond to Government's priorities and to align the Department's workforce with the mission, vision, strategic goals and financial resources of the Department. The Human Resource Plan which identifies current and future human resources needs for the Department to achieve its strategic goals is reviewed annually in line with the Department's strategy and structure to ensure that the appropriately skilled people are in the right place at the right time to respond to critical areas in the course of delivering on the mandate of the Department.

The Department is implementing a talent pipeline strategy that contributes to high level human capital development and to the creation of a pool of critical skills aiming at changing the profile of the workforce by growing a representative workforce for the built and property environment while growing the size and raising the quality of the human capital base needed to improve the quality of life of all South Africans. The transformation of the built and property environment is fundamental to the successful achievement of Department's goals. The aim of the programmes are to produce world- class professionals that would provide a sustainable environment. Through these programmes young talent is targeted and inspired to take up careers in the built and property environment. Special effort is taken to provide access and assistance to disadvantaged students who want to further their careers. The implementation of the pipeline strategy supports talent management for the Department and PMTE; and is the form of the Schools programme, Bursary scheme, Internships, Work Integrated Learning, Learnerships, Young Professionals, Management Trainee, Artisan Development and Mentorship Programmes.

7.5 Description of the strategic planning process

The Department's Strategic Planning Process has followed the Planning Framework of National Government which defines the cycles of Policy, Strategy, Programme Development, Budgeting, Monitoring and Evaluation and the tabling thereof for public consumption. In this regard, the Department has taken cognisance of the following processes in the compilation of the Strategic Plan:

7.4.1 National Government Planning Process

The National Government's Planning Process is undertaken within the following context:

- The National Development Plan is the country's Strategic Plan which articulates the desired 2030 vision of South Africa. It focuses on developmental challenges in the country and adopts the outcomes-based approach to reflect on the achievement of sectors and Intergovernmental implications rather than on individual departmental outputs.
- This vision is then cascaded down into the current administration's 2014-2019 Medium Term Strategic Framework which is viewed as the first in a series of five-year Planning Cycles that will advance the goals of the National Development Plan. The Medium Term Strategic Framework is structured around 14 priority outcomes identified in the National Development Plan and other plans such as the New Growth Path, the National Infrastructure Plan and the Industry Policy Action Plan.
- The Government's Planning Process is divided into Policy Planning and Budgetary Planning. These processes are interrelated but have a different set of principles. The Medium Term Strategic Framework priorities inform the budget submissions that National Departments make to Government's budgeting process, as encapsulated in the MTEF. This details the three (3) year rolling expenditure and Revenue Plan for Departments.

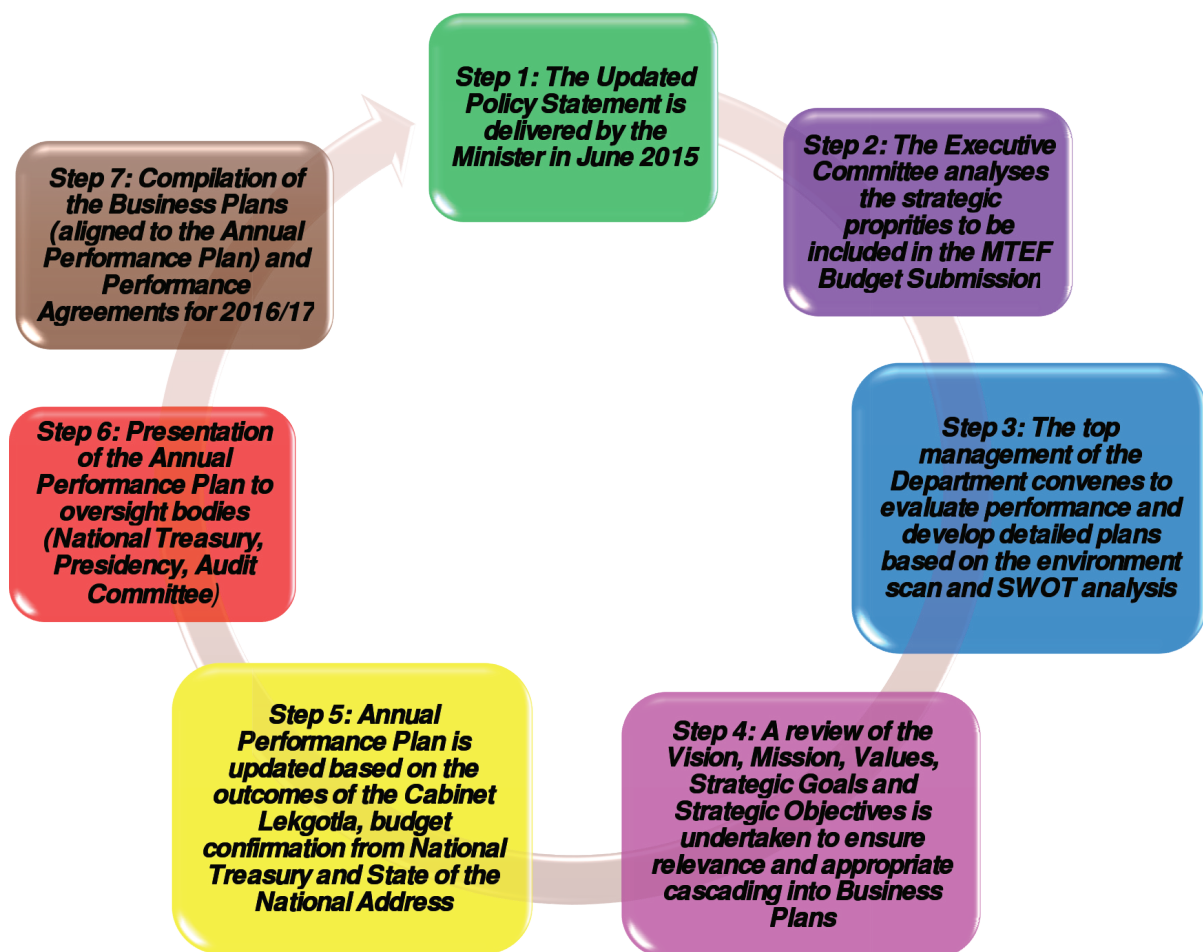
7.4.2 Departmental Strategic Planning Process

The Department's Strategic Planning Processes following are set out hereunder:

- The Department tabled its five (5) year Strategic Plan for the 2015-2020 planning cycle in Parliament on 11 March 2015. The 2016-17 APP for the Department has been drafted in a manner with sets out what the Department intends doing over the MTEF towards progressively achieving the full implementation of the five (5) year Strategic Plan.
- As part of the operationalisation of the PMTE and separation of functions between the Department and the PMTE a new Programme Budget Programme Structure was developed for the Department in 2015/16. This resulted in the tabling of a Strategic Plan and Annual Performance Plan for the Department and PMTE. Whilst the Strategic Plan was well received, there were specific areas of improvement that were identified by the Department. These improvements relate to how effectively the Strategic Plan is cascaded down into the Annual Performance Plans, Business Plans and Performance Agreements whilst ensuring accountability for the delivery thereof. The Executive Committee of the Department subsequently resolved that there should be a review of the Strategic Overview of the Strategic Plan that would also take into consideration clarity of the future structure of the Department. Various strategic review sessions then followed with further discussion and debate about the alignment of functions, modes of delivery, Vision, Mission, Values, Strategic Oriented Goals and Objectives for PMTE.

- The Revised Strategic Plan is based on the policy imperatives of the Minister as the Political Head of the Department responsible, for the overall strategy determination, as informed by Government's priorities. To this end, the Minister delivered an updated Policy Statement in June 2015 which outlined the priority areas that have become the strategic thrusts of the Department.
- The figure below sets out the Department's planning process. Importantly, Step two (2) of the process, describes how the Executive Committee of the Department engaged with the Minister's Statement by identifying the implications for each business stream of the Department in preparation for the Departmental Strategic Planning Session.

Figure 8: The departmental strategic planning process



- A Departmental Strategic Planning Session was convened in August 2015 and it is articulated as Step three (3) in the process. This session was attended by top and senior managers in the Department as well as the Chief Executive Officers of the Public Entities reporting to the Minister. During the Strategic Planning Session, the Department expanded on its strengths, thus furthering its competitive advantage, to achieve effectiveness and success. The objective of the session was to inculcate integrated planning and highlight critical areas in the Department's performance, reprioritise current activities and related performance targets, define future targets to align to the newly defined priorities and affirm the Efficiency Enhancement Phase of the Department's Turnaround Strategy.

- Further to the compilation of the 1st Draft APP, two (2) Strategic Review Sessions were convened in October and November 2015 to reflect on the relevance of the Strategic Overview of the five (5) year Strategic Plan. The purpose of these sessions was to update the Strategic Overview, if required, and to ensure that this is correctly cascaded down to the Business Plan level.
- Lastly, as part of Step seven (7) on the above figure, the APPs are translated into Business Plans where Strategic Performance Indicators are broken down into Performance Indicators which measure inputs, activities, processes and lower level outputs. The Business Plan sets out the various action steps to be undertaken in order to achieve the targets in the APP, resource requirements, target dates as well as the costs involved in delivering each Performance Indicator. This is to ensure accountability in the use of resources as well as the efficient achievement of outputs, in line with the Department's five (5) year Strategic Plan. Individual Performance Agreements and Work Plans are, at this level, aligned to the Business Plans.

7.6 Overview of the 2016 budget and the MTEF estimates

Programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Administration	462 389	626 683	615 939	477 346	516 634	544 290	582 679
Intergovernmental Coordination	18 497	18 880	26 719	45 723	31 439	33 895	35 730
Expanded Public Works Programme	1 704 051	1 931 690	1 925 580	1 953 369	2 319 500	2 475 892	2 627 900
Property and Construction Industry Policy Regulation	4 939 972	3 323 744	3 268 292	3 742 962	3 565 100	4 064 208	4 307 185
Prestige	79 016	121 657	185 508	92 822	96 092	102 874	108 311
Total	7 203 925	6 022 654	6 022 038	6 312 222	6 528 765	7 221 159	7 661 805

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Current payments	2 351 587	2 787 252	3 020 111	883 750	917 934	974 881	1 046 147
Compensation of employees	1 374 552	1 471 497	1 591 775	474 995	470 825	488 400	520 565
Goods and services	977 014	1 315 755	1 428 327	408 755	447 109	486 481	525 582
Interest and rent on land	21	-	9	-	-	-	-
Transfers and subsidies	4 092 353	2 596 554	2 577 774	5 400 412	5 572 323	6 199 993	6 566 515
Provinces and municipalities	2 969 955	1 221 445	1 200 256	1 140 001	1 425 668	1 525 818	1 614 316
Departmental agencies and accounts	751 640	802 412	802 476	3 641 837	3 510 958	4 006 767	4 246 225
Foreign governments and international organisations	15 436	17 555	22 548	23 273	24 806	26 031	27 523
Public corporations and private enterprises	50 800	100 000	50 000	50 000	-	-	-
Non-profit institutions	292 627	448 679	488 502	535 147	600 427	630 390	666 826

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Households	11 895	6 463	13 992	10 154	10 464	10 987	11 625
Payments for capital assets	756 787	631 060	420 714	28 060	38 508	46 285	49 143
Buildings and other fixed structures	713 003	567 365	315 914	-	-	-	-
Machinery and equipment	43 283	47 511	103 577	28 060	38 508	46 285	49 143
Software and other intangible assets	501	16 184	1 223	-	-	-	-
Payments for financial assets	3 198	7 788	3 439	-	-	-	-
Total economic classification	7 203 925	6 022 654	6 022 038	6 312 222	6 528 765	7 221 159	7 661 805

7.6.1 Relating expenditure trends to the strategic outcome oriented goals of the Department

Figure 5 Budget allocation per Programme

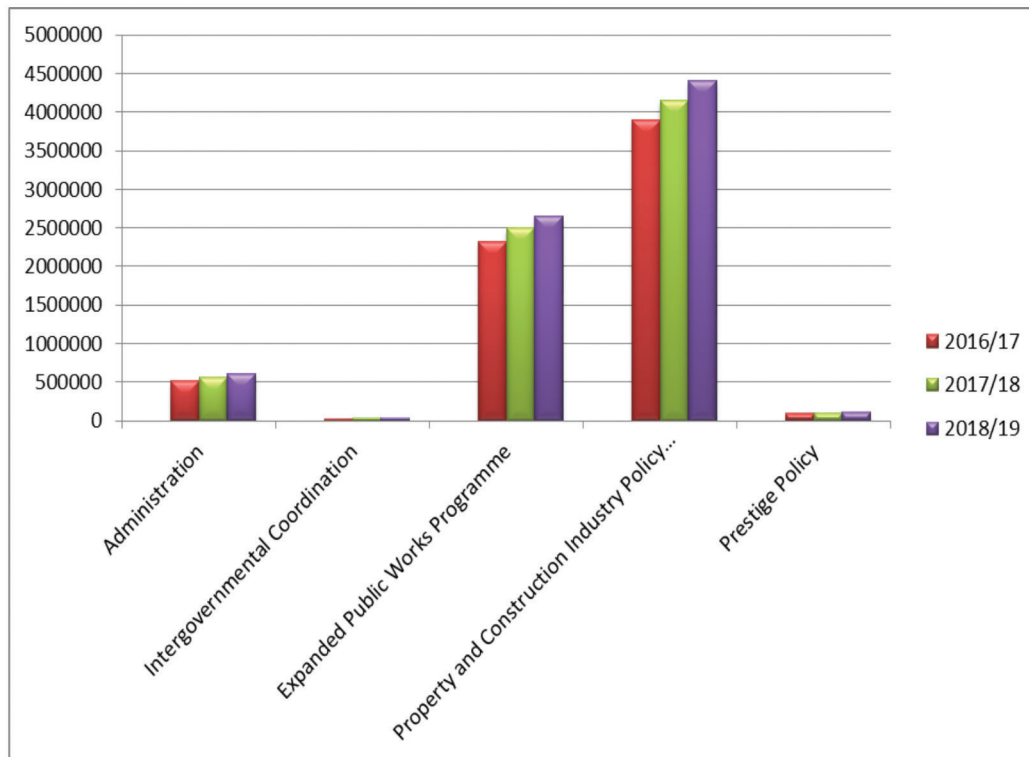
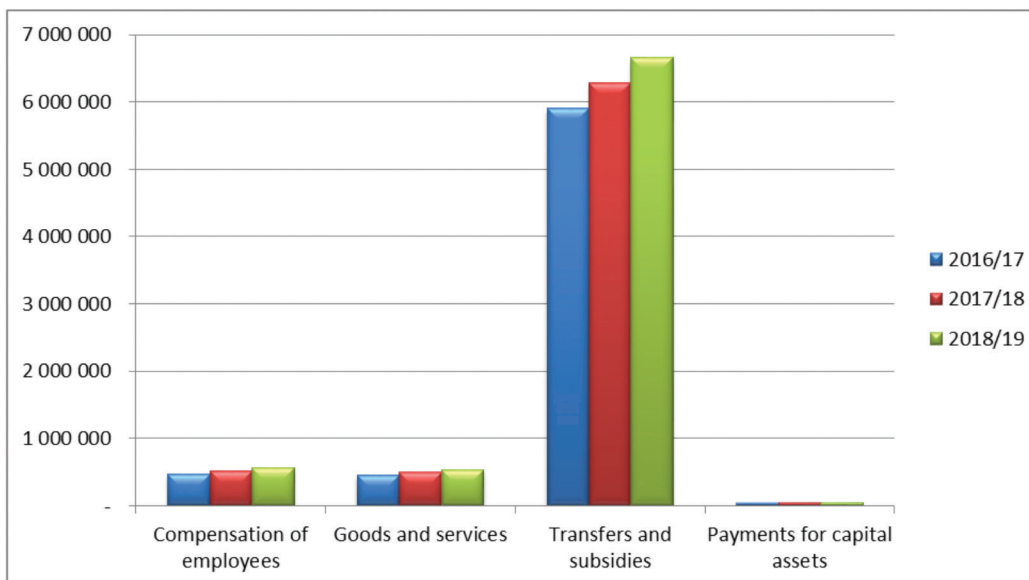


Figure 6 Summary Budget Allocations per Economic Classification



The focus of the Department over the MTEF will be on advancing the National priorities of Government, as contained in the Medium Term Strategic Framework with an emphasis on decent employment through inclusive economic growth (Outcome 4); a skilled and capable workforce to support an inclusive growth path (Outcome 5) and an efficient and development orientated Public Service (Outcome 12). The budget for the Department, of R6.5 billion, is expected to increase to R7.2 billion in 2017/18 and further to R7.6 billion in 2018/19.

The spending focus over the medium-term also includes the roll-out of the Efficiency Enhancement Phase of the Turnaround Strategy, the creation work opportunities through the EPWP, the development of a Service Delivery Model to improve the integration of services, reviewing of the Public Works White Papers and the subsequent development of the Public Works Bill, strengthening the oversight of the Public Works sector and improving service delivery within the Prestige environment. In addition, the Department will implement a Change Management Strategy (CMS) which encompasses a comprehensive Human Resource Plan to rebuild and enhance capacity requirements of the Department.

The employment situation of youth and the low-skilled remains particularly depressed. The unemployment rate in South Africa averaged 25.27 percent from 2000 until 2015, as reported by Statistics South Africa. Public Employment Programmes therefore remain critical in providing labour-intensive work opportunities and income support to the poorly skilled or unskilled unemployed people. Since the commencement of Phase III, the EPWP has created over 1.6 million work opportunities. A further 3.2 million work opportunities (1.6 million full time equivalents) has been targeted over the medium-term. As the coordinator of the programme, the Department will monitor the quality of outputs (including training), delivery of infrastructure and services to the poor and encourage greater participation and ownership by communities. The Department's spending on transfers and subsidies for the EPWP is set to increase from R2 billion in 2016/17 to R2.3 billion in 2018/19, or at an annual average growth rate of 11 per cent, by 2018/19. The Department will spend R930 million over the medium-term to provide support in coordinating the implementation of the EPWP, including providing technical support to 290 municipalities in the next three years.

The Governance, Risk and Compliance function was established to lead the fight against fraud and corruption through the implementation of the minimum anti-corruption capacity requirements as well as the implementation of the anti-corruption strategy for the Public Service. In addition, there will be focused interventions to improve governance processes across the Department. A budget of R1.8 billion has been allocated to implement anti-fraud and corruption activities over the medium term and the bulk of the funding will be spent on the compensation of employees.

During the 2016/17 financial year, the Department will undertake a review of the Sector Oversight Model with a view to better integrate the delivery of services within the sector as well as ensuring better alignment of concurrent functions across the National and Provincial spheres of Government. The development of the necessary Legislation and Policy Positions (such as the Public Works Act), will provide for a common National Framework that will provide direction for effective consultation, alignment of programmes and coordinated implementation at National and Provincial levels. The newly expanded Intergovernmental Coordination function will be responsible for overseeing National Policy and Service Delivery Implementation to ensure that all spheres of Government are committed to achieving common service delivery objectives. R101 million is allocated to Intergovernmental Coordination over the medium-term, with the bulk of the expenditure being allocated to compensation of employees.

The Department will continue to drive transformation initiatives over the medium-term through the development of concrete empowerment strategies for the Construction and Property Sectors, in consultation with its Entities (*cidb* and the CBE), the Construction and Property Charter Councils and other stakeholders. The Department's Entities have a crucial role to play in the transformation trajectory of the built environment in South Africa. These transformation initiatives include support to black and female constructors, as well as artisans.

The Department will conduct an appraisal of the White Papers (1997 and 1999) in consultation with the wider Public Works community which will provide a solid foundation for the Public Works Bill. This process aligns with the third phase of the Turnaround Strategy and will ensure the creation of coherent Government structures and processes that

will deliver the mandated services through the three spheres of Government. Through the Public Works Bill, when enacted, the Department will further improve its role to perform oversight and performance management functions.

Over the medium-term, the Department will develop and review 20 Prestige policies which will also be adapted for use by Provincial Public Works Departments, where applicable. A budget of R318 million is allocated to Prestige Policy over the medium-term with 78% being allocated to current payments for goods and services. Spending on goods and services will thus account for 50% of the total allocation with the bulk of the expenditure allocated for State functions. In addition to the compilation of Prestige policies, the Department will work closely with the Property Management Trading Entity to ensure prompt implementation of the approved policies, norms and standards are in place to respond to the needs of the Prestige clients.

Part B: Programme and sub-programme plans



8. Departmental Programmes and Sub-Programmes

The Departmental Programmes and Sub-Programmes are as follows:

i. Programme 1: Administration

Sub-Programmes:

- Ministry
- Management (Office of the Director-General, Internal Audit, Fraud Awareness and investigations within Governance, Risk and Compliance)
- Corporate Services
- Finance and Supply Chain Management
- Office Accommodation

ii. Programme 2: Intergovernmental Coordination

Sub-Programmes:

- Monitoring, evaluation and reporting
- Intergovernmental relations and coordination

iii. Programme 3: Expanded Public Works Programme

Sub-Programmes:

- Expanded Public Works Programme Monitoring and Evaluation
- Expanded Public Works Programme Infrastructure
- Expanded Public Works Programme Operations
- Expanded Public Works Programme Partnership Support
- Expanded Public Works Programme Coordinating Commission

iv. Programme 4: Property and Construction Industry Policy Regulation and Research

Sub-Programmes:

- Construction Industry Development Programme
- Property Industry Development Programme
- Sector Research and Analysis
- Construction Industry Development Board
- Council for the Build Environment
- Independent Development Trust
- Construction Education Training Authority
- Assistance to Organisations for Preservation of National Memorials
- Property Management Trading Entity

v. Programme 5: Prestige Policy

Sub-Programmes:

- Prestige accommodation and State functions
- Parliamentary Villages Management Board

8.1. Programme 1: Administration

The purpose of this Programme is to provide strategic leadership management and support services to the Department.

Programme 1 consists of the Ministry, Management, Corporate Services, Finance & Supply Chain Management and Office Accommodation Sub-Programmes. The Ministry Sub-Programme comprises of the Offices of the Minister and the Deputy Minister of Public Works which provides Ministerial support services and co-ordinates interaction between the Ministry and Committees in Parliament. The Management Sub-Programme consists of the Office of the Director-General, Governance, Risk and Compliance and Internal Audit functions.

The Internal Audit unit conducts independent, objective assurance and consulting services designed to add value and improve the Department's operations. The Corporate Services and Finance and Supply Chain Management (SCM) Sub-Programmes provide effective resourcing and essential support services to ensure efficient functioning of the Department.

8.1.1. Sub Programme: Management

The Management Sub-Programme is responsible for ensuring an integrated, holistic approach to department-wide governance in accordance with its risk appetite, internal practices and external regulations, through the alignment of strategy, processes, technology and people, thereby improving efficiency and effectiveness. The functions provided by the Sub-Programme include:

- Evaluating and providing reasonable assurance regarding the systems for internal control, risk management and governance processes; and
- Promoting anti-fraud and corruption campaigns, and conducting investigations on reported allegations of fraud, corruption and maladministration.
- Monitoring and evaluating the Department's performance to support effective leadership and decision-making,
- Planning for successful outcomes through the development of strategic and operational performance plans for the Department,
- Coordinating and monitoring service delivery improvement initiatives within the Department,
- Coordination of the annual strategic and operational risk management processes,
- Systematic management of strategic and operational information of the Department to support decision making, planning, performance management and service delivery improvement processes.

8.1.1.1 Analysis of achievements and challenges

This Sub-Programme was successful in the following areas:

- Internal Audit has successfully implemented the Risk Based Internal Audit Plan to improve efficiencies across various business areas within the Department.
- The Fraud Awareness and Investigations unit has rolled out Fraud Awareness Workshops to create awareness within Head Office and the eleven (11) Regional Offices, reaffirming Public Works' commitment to fighting fraud and corruption. In addition, it has expedited fraud investigations resulting in the reduction of the backlog of cases that required to be attended to, from as far back as 2009/10.
- Implementation of a Departmental Framework for the Planning of Performance Information resulting in an improved Strategic Planning processes;

- Risk champions have been appointed for Regional Offices and Branches at Head Office, the Risk Management Committee has been established and the risk appetite for the Department has been set in the Risk Management Policy; and
- Implementation of Phase I enterprise wide document management (Papertrail), business intelligence systems (SAS), and business architecture.

Some of the challenges faced by the programme include:

- Inability to conduct reviews on all high risk areas as per the Department's risk and audit requirements.
- Failure to institute investigations within the 30 day time period as specified by National Treasury Regulations, and
- Delays in finalising disciplinary cases against officials implicated in fraud and corruption activities and the prosecution of service providers.
- Lack of research capability and performance evaluations to inform the Department's strategic thrusts;
- Poor implementation of corrective measures on non-performance in service delivery programmes;
- Inadequate risk management awareness and training. The risk management function requires further attention to ensure that risk management is embedded into the day-to-day activities of the Department and PMTE; and
- Lack of specialised resources with a focus on business intelligence.

8.1.1.2 Sub Programme strategy to be implemented

Governance, Risk and Compliance (GRC) entails the integration of all governance, risk assessment and mitigation, compliance and control activities to operate in synergy. In order to champion good governance for the Department, the Governance Risk and Compliance (GRC) Branch was formalised in August 2014. As articulated in the Policy Statement of the Minister of Public Works, the GRC Branch will drive Service Delivery Improvement as one of the key drivers of the Turnaround Strategy process. The Service Delivery Model is an integral part of this process in demonstrating how the Department is going to deliver on its strategy using the most appropriate modes of delivery. The Service Delivery Model will incorporate the work being done within the Department to ensure that there is no duplication of effort and to ensure alignment with the Strategic Plan as well as the Service Delivery Improvement Plan.

In addition, the implementation of the Service Delivery Framework, inclusive of the Service Delivery Model, will play a vital role in the achievement of Departmental, provincial and national strategic objectives by turning strategy into action. The Framework is therefore intended to entrench continuous improvement in the planning, analysis, measurement and management of service delivery. In support of this, there is also a need to mainstream knowledge management, business intelligence and information management across the Department to mitigate all the risks associated with loss of information.

This sub-programme will lead the development of an Anti-Fraud and Corruption Strategy and Whistle Blowing Policy in terms of the Minimum Anti-Corruption Capacity (MACC) requirements. The Strategy is aimed at introducing control measures to prevent issues of fraud and corruption before they occur, managing fraud risks, investigating allegations of fraud and corruption within the Department and recommending corrective actions.

In addition, an assessment of Fraud Risks to mitigate the prevalence and vulnerability of the Department to fraud and corruption and to identify its roots causes, was conducted. The outcome of Fraud Risk Assessment informed the Fraud Prevention Plan of the Department. Fraud Awareness Workshops and promotion of ethical business to prevent and deter corrupt practices are now continually conducted while the mechanisms for reporting incidents of fraud and corruption are promoted.

Business processes have been reviewed to initiate investigations within 30 days upon receipt of the allegation to maximise recourse for the Department (i.e. civil recovery, disciplinary and criminal proceedings). This will also allow the Department to conclude investigations into allegations of fraud and corruption within the reasonable time frames.

Collaboration between the Department, National Treasury, the Special Investigation Unit (SIU), the South African Police Service (SAPS) and the National Anti-Corruption Task Team (ACTT) is being strengthened to respond to incidents of fraud and corruption. There has also been a massive anti-corruption drive within the Department which has been steered by the Fraud Strategy and Policy to prioritise education and communication. This places the Programme at the centre of pro-active efforts to “create a culture of Zero Tolerance to fraud and corruption”.

8.1.1.3 Strategic objectives

Table 18: Strategic objective 1.1

Strategic objective 1.1	To improve governance processes within the Department and PMTE
Objective statement	To improve corporate governance within the Department and PMTE over the MTEF by: • Supporting decision making through the provision of strategic information • Monitoring compliance at a corporate level through a multiplicity of top governance structures; • Planning for successful outcomes through the development of the 5 Year Strategic Plan and Annual Performance Plan; • Service delivery improvement planning and monitoring; • Quarterly monitoring, evaluation and reporting of organisational performance; and • Annual strategic and operational risk management processes.
Objective indicator	Percentage compliance of management practices as per MPAT
Baseline	Based on the Management Performance Assessment Tool (MPAT), published by the Department of Performance Monitoring and Evaluation for 2015/16, the Department achieved 67.5% compliance of management practices. Interventions will be put in place to ensure an improved MPAT rating and enhance corporate governance within the Department.
5 Year Target	100% compliance of management practices as per MPAT
Justification	To ensure responsiveness through improved decision making, control efficiency, effective risk mitigation and compliance whilst upholding accountability.
Links	²⁰ Outcome 12: Review, improve and support implementation of the service delivery improvement planning system provided for in the public service regulations, directives and guidelines with support focused on prioritised service delivery department. Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

²⁰ Medium Term Strategic Framework: Outcome 12: Sub-outcome 4: Page 14

Table 19: Strategic objective 1.2

Strategic objective 1.2	To combat fraud and corruption within the Department and PMTE
Objective statement	To reduce the occurrences of fraud and corruption within the Department and PMTE by conducting 120 Fraud Awareness Workshops over the five (5) year period.
Objective indicator	Percentage change in the fraud and corruption risk levels
Baseline	40% reduction in fraud and corruption risk levels
5 Year Target	85% reduction in fraud and corruption risk levels
Justification	To ensure education and training, adherence to internal controls, ethical conduct and effective management of fraud risks. The first step to combatting fraud and corruption in the Department is through effective implementation of preventative mechanisms
Links	Chapter 14 of the National Development Plan: Promoting accountability and fighting corruption. ²¹ Outcome 3 (Sub-outcome 7): Reduction of corruption in the public and private sector ²² Outcome 12 (Sub-outcome 8): Improve mechanisms to promote ethical behaviour in the public service Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

8.1.2. Sub Programme: Finance and Supply Chain Management (SCM)

The mandate of Finance and SCM is to provide financial efficiency and effectiveness and a responsive SCM service to support the Department's business requirements. In delivering this mandate, the Branch performs the functions of financial management, SCM, moveable asset management, provisioning of goods and services for the Department and ensuring compliance with internal controls.

8.1.2.1 Analysis of achievements and challenges

The Department received an Unqualified Audit Report for the 2014/15 financial year following several years of negative audit findings. The turnaround times on invoices paid to service providers has improved with the current compliance rate at almost 90 % of payment of invoices within 30 days. The Department also improved its budget utilisation from 91% in the 2012 – 2013 financial year to 98% of the annual appropriation in the 2013/14 financial year.

As part of the SCM Stabilization Phase in the Turnaround Strategy, the successful reengineering of SCM business processes and internal controls, which previously resulted in inordinate levels of irregular expenditure, were completed. This was augmented by the updated and approved SCM Policy which now eliminates ambiguity in the interpretation of SCM practices and processes. SCM is therefore uniformly implemented across the Department and this has contributed towards the prevention of irregular expenditure. In addition, the Inspectorate and Compliance Unit now vet SCM processes prior to the award of a bid or quotation.

The challenges encountered by Finance and SCM arose mainly as a result of the lack of suitably qualified personnel to perform financial functions within the Department, the sector and the industry. In addition, the Stabilisation Phase of the Turnaround could not be concluded due to the inability to reduce the backlogs in irregular expenditure due to insufficient information and aging of transactions that required to be condoned.

²¹ Medium Term Strategic Framework: Outcome 3: Sub-outcome 7: Page 17

²² Medium Term Strategic Framework: Outcome 12: Sub-outcome 8: Page 26

The SCM interventions that were identified for the 2015/16 financial year, such as the establishment of the Demand Management Unit, the training of SCM officials and the transfer of skills, have not been implemented as yet.

8.1.2.2 Sub Programme strategy to be implemented

The primary focus over the next five years will remain on developing the Department's financial health by ensuring accountability, transparency, credibility and compliance with an emphasis on cleaning up the remaining audit findings. In addition, the following areas will form part of the implementation strategy:

- Re-enforcing compliance with policies and procedures to eliminate irregular and fruitless and wasteful expenditure; and
- Separation of the DPW and PMTE financial functions to better meet the business requirements.

8.1.2.3 Strategic objective

Table 20: Strategic objective 1.3

Strategic objective 1.3	To provide a compliant internal control, financial and supply chain management service
Objective statement	To sustain an unqualified audit outcome by providing compliant financial planning and management through • Implementing sound internal control measures; and • Managing the expenditure of the Department.
Objective Indicator	Audit outcome for the Department of Public Works
Baseline	Unqualified audit outcome with 2 negative emphasis of matter 2015/16
5 Year target	Clean audit outcome
Justification	Improving the financial performance of the Department by ensuring compliance to financial frameworks.
Links	²³ Outcome 12: Procurement systems that deliver value for money Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

8.1.3. Sub Programme: Corporate Services:

Corporate Services is key in spearheading delivery of the core business through strategic support services such as Information Communications Technology, Communications and Marketing, Human Resources, Security and Physical Risk Management, International Relations, Legal Services and Diversity Management.

In support of key business priorities emanating from the MTSF Corporate Services performs a range of functions including, but not limited to, the design and application of staffing solutions, provision of modern and appropriate information management systems and technologies and mainstreaming of gender, disability and youth development.

The skills shortage in core business areas is currently the main challenge experienced within the Department. The existing Skills Development Programmes, i.e. the Young Professional Programme, Internship Programme and the Artisan Training Programme seek to re-capacitate the DPW and PMTE in these critical areas whilst providing valuable on the job training to the individuals within the training programme.

²³ Medium Term Strategic Framework: Outcome 12: Sub-outcome 5: Page 18

In implementing the revised organisational structure, the Department will conduct a skills audit to assess the existing skills in both DPW and PMTE and also develop job descriptions to determine the skills required. Emanating from the skills audit, a Training Plan will be put in place to deal with skills gaps that have been identified. As part of the implementation of the organisational structure, the Department has also developed a migration plan which has been adopted by EXCO, to map out the movement of staff and functions to the PMTE.

8.1.3.1 Analysis of achievements and challenges

Corporate Services has worked consistently to upgrade and enhance its outputs. In this regard, the following achievements must be noted:

- A proposed functional organisational structure that responds to the mandate of the Department was reviewed and developed;
- The development, consultation and approval of the Departmental HR Plan with a clear action plan focussing on the capacitation of core the business units;
- Human Resource delegations were reviewed and approved by the Executive Authority;
- Through Change Management, the National Framework Agreement on Turnaround with Labour, was signed;
- The EPWP Non-State Sector disability awareness programme has led to an increased participation of People with Disabilities;
- Key initiatives for the transformation and empowerment of women led to the formation of the Women in the Engineering and Built Environment Professionals in partnership with the University of Johannesburg;
- Enhanced skills development through the Cuban technical advisory program, internship and young professionals programme;
- MoU with the USA Office of Defence Cooperation on renovations of South African Military Health Service facilities in 2014 facilitated
- Enhanced ICT efficiencies, established an internal call centre system and internal capacity built;
- Vetted prioritised officials (Office of the Ministry, Office of the Director-General, Project Managers, Deputy Directors-General and support, Regional Managers) and service providers successfully; and
- High level cases of fraud and corruption were successfully investigated by the SIU and finalised through applicable disciplinary processes.

Further progress was thwarted by:

- The absence of a viable Master Systems Architecture Framework, which was compounded by poor business support of ICT and inadequate SITA processes. This has resulted in reduced adoption and deployment of ICT within the Department.
- Inefficiencies within contract management resulted in judgments against the Department.
- Lack of buy-in made mainstreaming difficult, thus leading to non-achievement, e.g. Employment Equity and failure to achieve the 50 /50 ratio of female Senior Management Service (SMS) members

8.1.3.2 Sub Programme strategy to be implemented

The interventions to be delivered by Corporate Services include:

- Talent recruitment to address skills shortages within the core business thus contributing to job creation;
- Finalisation and capacitation of the organisational structure in support of the new DPW/PMTE business model;
- Developing and implementing a Master Systems Architecture plan which is aligned to the PMTE business requirements;
- Developing a proactive and responsive engagement model of operations within Corporate Services;
- Security enhancements and a responsive labour relations environment to mitigate against fraud and corruption;
- Rollout of the change management program to ensure sustainable business improvement; and
- Enhanced support to policy development in the entrenchment of the public works mandate and promotion of transformation in the relevant sectors.

8.1.3.3 Strategic objectives

Table 21: Programme 1: Strategic objective 1.4

Strategic objective 1.4	To facilitate organisational transformation through effective performance management
Objective statement	Ensure the capacitation of the Department with appropriate skills through the development and implementation organisational structure, recruitment, development and retention of skilled staff within a performance managed environment.
Objective Indicator	Integrated Human Resource Plan developed
Baseline	Approved HR Plan
5 Year target	An integrated HR Plan for DPW and PMTE developed annually
Justification	The strategic objective finds its relevance from the turnaround strategy that is implemented in the Department mainly in relation to the operationalisation of the PMTE.
Links	²⁴ Outcome 12: Build capacity through learning and development interventions. Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

²⁴ Medium Term Strategic Framework: Outcome 12: Sub-outcome 2: Page 9

Table 22: Strategic objective 1.5

Strategic objective 1.5	To provide an enterprise ICT architecture to support all business functions
Objective statement	To provide an enterprise architecture in a phased approach that supports the integration between Business, Systems and Technology and places them in context to implement the strategy of the Department.
Objective indicator	Integration of business systems for PMTE
Baseline	Billing and accounting financial system implemented
5 Year target	An integrated business system for PMTE
Justification	This is an end to end business solution to support and automate the core functions of the Department and PMTE
Links	²⁵ Outcome 12: Enterprise architecture supports investment decision-making and work prioritization through the interoperability of the systems Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

Table 23: Programme 1: Strategic objective 1.6

Strategic objective 1.6	To protect the interests of the Department by providing legal services
Objective statement	To provide sound legal advice and representation in order to protect and promote the Department's best interests
Objective indicator	Percentage of litigation cases managed within the period stipulated by court procedures
Baseline	129 (100%) litigation cases managed within the period stipulated by court procedures
5 Year target	100% of all litigation cases managed within the period stipulated by court procedures
Justification	Improved management of legal matters on behalf of the Department to reduce legal costs and protect the interests of the Department and the State at all times.
Links	²⁶ Outcome 14: Provision of quality legal services that in line with Constitutional values Strategic goal 5: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements

²⁵ Medium Term Strategic Framework: Outcome 12: Sub-outcome 4: Page 13

²⁶ Medium Term Strategic Framework: Outcome 14: Sub-Outcome 1: Page 6

8.1.4. Resource considerations for Programme 1

8.1.4.1 The expenditure estimates for Programme 1: Administration are set out below:

Table 24: Expenditure estimates for Programme 1: Administration

Sub Programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13 (R'000)	2013/14 (R'000)	2014/15 (R'000)		2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)
Ministry	22 279	19 512	23 435	34 443	31 155	34,079	36,712
Management	74 359	88 812	103 752	109 003	89 472	95,533	105,928
Corporate Services	263 828	248 355	281 617	247 364	274	283,613	297,765
Finance and Supply Chain Management	101 923	270 004	207 135	86 536	71 732	76,720	82,498
Office Accommodation	-	-	-	-	49 400	54,345	59,776
Total	462 389	626 683	615 939	477 346	516 634	544,290	582,679

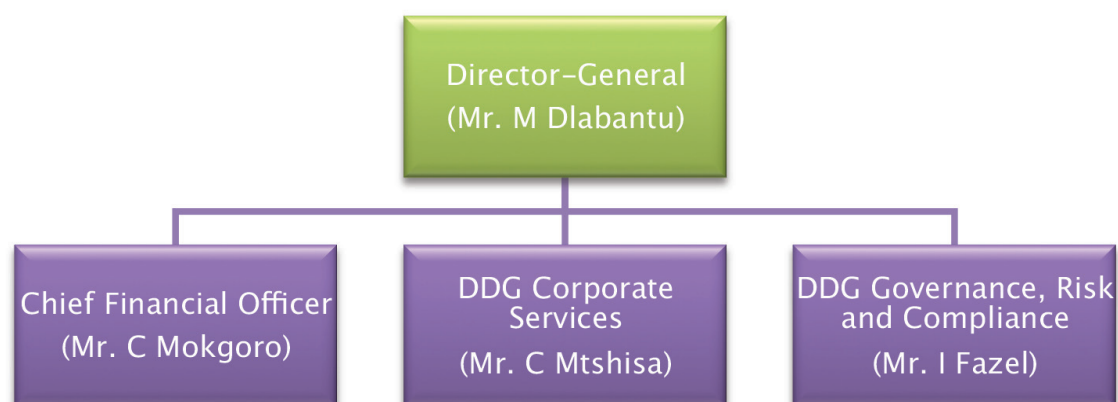
Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	439 174	596 009	545 965	456 761	484,697	506,629	542,649
Compensation of employees	203 740	217 673	204 312	263 084	251,447	262,098	283,705
Goods and services	235 418	378 336	341 653	193 677	233,250	244,531	258,944
Interest and rent on land	16	-	-	-	-	-	-
Transfers and subsidies	5 988	856	5 196	9 358	9 610	10 115	10 713
Provinces and municipalities	3	2	3	6	6	6	6
Households	5 985	854	5 193	9 352	9 604	10 109	10 707
Payments for capital assets	17 227	22 030	64 657	11 227	22 327	27 546	29 317
Machinery and equipment	17 070	5 978	63 469	11 227	22 327	27 546	29 317
Software and other intangible assets	157	16 052	1 188	-	-	-	-
Payments for financial assets	-	7 788	121	-	-	-	-
Total	462 389	626 683	615 939	477 346	516,634	544,290	582,679

8.1.4.2 Expenditure trends analysis

The spending focus over the medium-term will be on activities directed at fighting fraud and corruption, improving governance processes and internal controls, integration of IT systems as well as the implementation of change management activities. The bulk of this expenditure is on compensation of employees and goods and services.

Between 2013/14 and 2014/15, spending on goods and services increased significantly due to the implementation of the Turnaround Strategy the Department. The decrease on the goods and services in this programme is linked to phasing out of the completed Turnaround projects and funds devolved to the PMTE.

8.1.4.3 Staff establishment for Programme 1

Figure 9: The macro-organisational structure of Programme 1**Table 25: Staff establishment for Programme 1: Administration**

Staff establishment for Programme 1: Administration					
Salary Level	Filled posts	Vacant posts	Total (Filled and Vacant)	Current vacancy rate (%)	Additional to the establishment
01	0	0	0	0,00%	286
02	0	0	0	0,00%	0
03	0	0	0	0,00%	85
04	4	3	7	42,86%	26
05	11	25	36	69,44%	14
06	6	3	9	33,33%	6
07	31	13	44	29,55%	29
08	83	10	93	10,75%	32
09	9	2	11	18,18%	5
10	64	13	77	16,88%	3
11	7	2	9	22,22%	5
12	61	12	73	16,44%	25
13	29	9	38	23,68%	19
14	11	3	14	21,43%	5
15	5	1	6	16,67%	6
16	3	0	3	0,00%	0
Grand Total	324	96	420	22%	546

Programme 1 has a total staff establishment of 966 positions with a vacancy rate of 22%. The overall purpose of the Programme is to ensure the successful implementation of the Department's mandate through sustainable and integrated resource solutions and services that are client-driven.

8.1.5. Risk management for Programme 1

Table 26: Risk management for Programme 1: Administration

Strategic objective	Risk	Mitigating factors
To combat fraud and corruption within the Department and PMTE	Exposure to fraud and corruption	- Implementation of the Fraud prevention plan and holistic anti-corruption strategy based on minimum Anti-corruption requirements; - Development of Governance and Ethics Framework for the Department
Improve governance processes within the Department and PMTE	Failure to deliver quality services	Development of the Service Delivery Improvement Framework
To facilitate organisational transformation through effective performance management.	Insufficient technical capacity to support PMTE	Enhancement of the Skills development programme
	Uncertainty of business continuity resulting from change	Ensure effective functioning of the Change Management Office
To provide an enterprise ICT architecture to support all business functions	Lack of integrated business systems	Implementation of the following modules of the Property Management System: Asset register and lease management module

8.2. Programme 2: Intergovernmental Coordination

The purpose of the Intergovernmental Coordination Programme is to provide sound sectoral intergovernmental relations and strategic partnerships. Coordinate with Provinces on immovable asset register, construction and property management, the implementation of Government Immovable Asset Management Act (2007) and the reporting on performance information within the Public Works sector

8.2.1. Intergovernmental Relations and Coordination

Intergovernmental Coordination is a means for arranging the distinctive effort, capacity, leadership and resources of each sphere and directing these as effectively as possible towards the developmental and service delivery objectives of Government. The public works function is a shared competency between the National and Provincial Governments in accordance with Schedule 4 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). The National Department of Public Works is, responsible for policy formulation, determining regulatory frameworks including setting norms and standards, and overseeing the implementation of these concurrent functions while the Provincial Department's functions are largely that of implementation within the National Framework.

8.2.1.1 Analysis of achievements and challenges

In the absence of the Public Works Act, MinMec has provided the basis for oversight and coordination of the concurrent functions. As a forum of co-operative Government, MinMec has been utilised to consult, coordinate implementation and align programmes at national and provincial levels. In this regard, the Charters for top governance structures have been successfully implemented. Through various policies and legislation, the Department has regulated the construction and property sectors. Customised performance indicators have been and continue to be developed annually with the Provinces for concurrent functions. A transparency system based on the COST Model has been established and alignment with the Integrity Management Framework is under review.

Despite various meaningful pieces of legislation, including the Constitution and the Intergovernmental Relations Framework, there is a need to address the integration challenges, including the assignment of powers and functions, across both spheres which have constrained intergovernmental planning within the public works sector. Such lack of regulatory frameworks for concurrent functions poses limitations on the Department's oversight role over the provincial counterparts. Through the development of new legislation the Department aims to create coherent Government that delivers services through the three spheres of Government.

8.2.1.2 Sub Programme strategy to be implemented

Although Provinces are distinctive, they are required to exercise their powers and perform their functions within the Regulatory Framework set by the National Department. The National Department is also responsible for monitoring compliance with that framework and, if need be, intervene when constitutional or statutory obligations are not fulfilled. In his Policy Statement the Minister indicated that in, the development of a new Public Works Act, provision must be made for Provinces to ensure coordinated and integrated implementation of national policies and programmes. Provinces will retain relative autonomy, while remaining accountable to their constituencies. It must be noted that the spheres of Government are interdependent while working and, in cooperation with one another they provide a Government that meets the needs of the country, as whole.

8.2.1.3 Strategic objective 2.1

Table 27: Strategic objective 2.1

Strategic objective 2.1	To ensure integrated planning and coordination of concurrent functions
Objective statement	To plan, monitor and report on the performance of concurrent functions within the public works sector on a quarterly basis.
Objective indicator	Number of interventions introduced to improve performance of the public works sector
Baseline	• 2 interventions introduced to improve performance of the public works sector • 12 Intergovernmental forums convened annually; • 4 Oversight forums with sector entities; and • Customised performance indicators developed for the Public Works Sector;
5 Year target	5 Interventions introduced to improve performance of the public works sector
Justification	²⁷ The national departments responsible for concurrent functions need to be directly involved in developing the systems and structures to collect performance information on these functions across all spheres of government. This will ensure some degree of standardisation.
Links	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) Schedule 4 - Functional Areas of Concurrent National and Provincial Legislative Competence Strategic Goal 2: To provide oversight of the public works sector

8.2.2. Resource considerations for Programme 2

8.2.1.1 The expenditure estimates for Programme 2: Intergovernmental Coordination are set out below:

Table 28: Expenditure estimates for Programme 2: Intergovernmental Coordination

Sub programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Monitoring ,Evaluation and Reporting	11 326	11 274	17 928	31 395	16,803	18,042	18,503
Intergovernmental Relations and Coordination	7 171	7 606	8 791	14 328	14,636	15,853	17,227
Total	18 497	18 880	26 719	45 723	31,439	33,895	35,730

²⁷ Framework for Managing Programme Performance Information: Page 18

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Current payments	18 452	18 787	26 293	43 923	28,139	30,595	32,238
Compensation of employees	15 240	14 836	21 663	31 531	22,081	24,235	25,641
Goods and services	3 207	3 951	4 630	12 392	6,058	6,360	6,597
Interest and rent on land	5	-	-	-	-	-	-
Transfers and subsidies	-	-	29	300	300	300	318
Households	-	-	29	300	300	300	318
Payments for capital assets	45	93	397	1 500	3 000	3 000	3 174
Machinery and equipment	45	93	397	1 500	3 000	3 000	3 174
Payments for financial assets	-	-	-	-	-	-	-
Total	18 497	18 880	26 719	45 723	31,439	33,895	35,730

8.2.1.2 Expenditure Trends Analysis

The spending focus over the medium-term will be on improving cooperative governance across the three spheres of Government in partnership with relevant state entities. Total budget of R101 million is allocated towards ensuring integrated planning and implementation of identified public works sector priorities. The bulk of the expenditure in this programme is spent towards compensation of employees.

8.2.3.3 Staff establishment for Programme 2: Intergovernmental Coordination

Figure 10: The macro-organisational structure of Programme 2

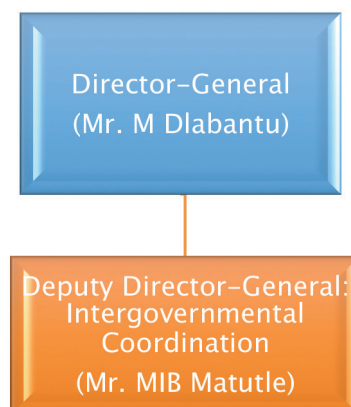


Table 29: Staff establishment for Programme 2: Intergovernmental Coordination

Staff Establishment For Programme 2: Intergovernmental Coordination					
Salary Level	Filled posts	Vacant posts	Total (Filled and Vacant)	Current vacancy rate (%)	Additional to the establishment
01	0	0	0	0,00%	3
02	0	0	0	0,00%	0
03	0	0	0	0,00%	0
04	0	0	0	0,00%	0
05	0	1	1	100,00%	0
06	0	1	1	100,00%	0
07	2	0	2	0,00%	0
08	2	0	2	0,00%	0
09	0	0	0	0,00%	0
10	1	0	1	0,00%	0
11	0	0	0	0,00%	1
12	4	0	4	0,00%	0
13	1	1	2	50,00%	0
14	1	0	1	0,00%	0
15	0	0	0	0,00%	0
16	0	0	0	0,00%	0
Grand Total	11	3	14	21,43%	4

Programme 2 has a total Staff Establishment of 18 positions, including those that are additional to the establishment, with a vacancy rate of 21%. The Intergovernmental Coordination function is a means for arranging the distinctive effort, capacity, leadership and resources of each sphere and directing these as effectively as possible towards the developmental and service delivery objectives of Government as a whole. It also ensures the coordination of intergovernmental forums, interaction and engagements with all spheres of Government. Further, it deals with developing common standards and practices of accountability and good governance.

8.2.3. Risk management for Programme 2

Table 30: Risk management for Programme 2: Intergovernmental Coordination

Strategic objective	Risk	Mitigating factors
To ensure integrated planning and coordination of concurrent functions	Lack of cooperation among sector Departments	- Provide input on the review of the White Paper for the Public Works sector - Coordinate strategic sessions with the Sector Departments
	Lack of coordinated planning for Protocol Services	- Development of the customise framework for Public Participation Programme (PPP). - Approved corporate planner of the Department shared with the sector for integrated planning

8.3. Programme 3: Expanded Public Works Programme (EPWP)

8.3.1. Expanded Public Works Programme

The purpose of the EPWP is to coordinate the implementation of the expanded public works programme which aims to create work opportunities and provide training for unskilled, marginalised and unemployed people in South Africa.

The mandate of the EPWP is to provide work opportunities and income support to poor and unemployed people through the labour intensive delivery of public and community assets and services, thereby contributing to development. The EPWP Branch is responsible for the overall co-ordination of the EPWP across all spheres of Government in four different sectors, namely Infrastructure, Social, Environment and Culture and Non-State Sector.

The EPWP, was first launched 13 years ago as one of Government's major Public Employment Programmes under the auspices of Anti-Poverty Strategy and has evolved over the years as an integral component of the social protection system contributing through income transfers to poor households and thereby impacting positively on the lives of the poor. To date EPWP has created more than of 7 million work opportunities. This programme encompasses all spheres of Government and State-Owned Enterprises and has improved the lives of poor communities through projects identified by these communities. In this regard, assets have been constructed and maintained as part of the infrastructure sector, Early Childhood Development and Home Community Based Care services have been provided to poor children, the infirm and the elderly. In addition, protection and maintenance of the environment through, the removal of invasive alien vegetation and the restoration of wetlands has been undertaken and fire-fighting services have been provided.

8.3.1.1 Analysis of achievements and challenges

As Government's flagship programme, the EPWP can lay claim to the following successes in Phase II:

- EPWP was able to create over 4 million work opportunities in Phase II against the target of 4.5 million work opportunities which represents about 90% of the target;
- 277 protocols were concluded between the Minister of Public Works and Municipalities;
- 158 Municipalities have EPWP policies endorsed by the Council;
- 3 successful EPWP Summits were hosted between 2010 and 2012, in which collective key deliverables for Municipalities were agreed upon;
- The number of Municipalities participating and reporting work opportunities under EPWP progressively increased over the period 2009/10 – 2013/14. In 2013/14, 277 out of 278 Municipalities;
- Between April 2009 to March 2013, 220 770 km of roads have been maintained (periodic and routine maintenance) as part of the infrastructure sector. In this regard, a total of 15 607 km of roads have been constructed and/or rehabilitated through the EPWP;
- More than 27,500 youth have been trained on the National Youth Service Programme in artisan trades in the built environment on projects implemented by the National and Provincial Departments of Public Works;
- 263 labour-intensive contracting companies are being developed across the nine Provinces through the Vuk'uphile Contractor Development Programme. As part of this process the Department has partnered with Municipalities, Provincial Departments and Government Agencies in the implementation of the Vuk'uphile Programme;

- A total of 3,486,096 hectares of land has been rehabilitated and/ cleared of invasive alien through the Working for and Landcare Programmes to date;
- A total of 288 wetlands were rehabilitated;
- As part of community empowerment, four (4) environmental centres have been established within communities;
- 800 unemployed young people have benefitted from the Chefs Youth Training Programme;
- A further 200 unemployed youth benefited from the Western Cape and Gauteng. Learners Wine Advisory Certificate Level 1; and
- More than 6 000 Small, Medium and Micro Enterprises (SMMEs) have benefitted from programmes implemented by the sector programmes.

Challenges experienced within the Programme will be addressed in the next phase of the Programme. These challenges include the under reporting and poor reporting of data, inconsistent implementation of labour intensive projects across all implementing bodies by the three spheres of Government. This is a result of poor technical capacity of public bodies, and the inability to meet the Full Time Equivalent (FTE) targets. Attention will also be paid to improving the reporting of EPWP targets within the Department.

8.3.1.2 Programme strategy to be implemented

As the coordinator of the EPWP, the Department will ensure that Phase III of the EPWP is effectively planned, mainstreamed and supported to enhance the EPWP delivery capacity at all spheres of Government. There will be improved communication to ensure a positive EPWP profile, expansion of EPWP into new areas, improvement in the reporting and data integrity and, most importantly, meaningful performance evaluations of the Programme. The Department will continue to provide technical support to Municipalities, training of officials in the use of labour-intensive methods in project implementation and will also provide data capturing support to Public Bodies, training officials on reporting processes and procedures and the improvement of the reporting system.

Infrastructure has been earmarked to be the biggest employment creator with more than 2 million work opportunities out of the total 6 million targeted by 2018/19. Of the 6 million work opportunities to be created during Phase III, about 55% of the EPWP participants will be women, 55% youth and 2% for people with disabilities. Significantly, the EPWP will promote increased community participation to facilitate more visibility and ownership in poor communities. It will also increase the scope of infrastructure maintenance, quality implementation and developmental impact.

8.3.1.3 Strategic objectives

Table 31: Strategic objective 3.1

Strategic objective 3.1	To monitor and evaluate the implementation of PEPs within the EPWP.
Objective statement	To collate, monitor and report data on EPWP work opportunities created by Public Bodies as per the EPWP Phase III Business Plans.
Objective indicator	Number of annual progress reports completed on PEPs within the EPWP
Baseline	EPWP Phase II Report complete
5 Year target	5 Annual Progress Reports on PEPs within EPWP completed
Justification	To track and report progress on the implementation of the EPWP Phase III targets. The EPWP Programme is a strategic intervention to provide work opportunities for the poor and unemployed.
Links	²⁸ Outcome 4: EPWP Phase III (including CWP) implemented, monitored and evaluated including the establishment of a Presidential Public Employment Commission to coordinate the rollout of Public Employment Programmes Strategic Goal 3: To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.

Table 32: Strategic objective 3.2

Strategic objective 3.2	To support Non-Profit Organisations (NPOs) to implement Public Employment Programmes (PEPs) within EPWP in the Non-State Sector
Objective statement	To co-ordinate, monitor and support the effective implementation of the EPWP in the Non-State Sector programmes.
Objective indicator	Number of NPOs providing services to communities as per the EPWP principles
Baseline	300 NPOs providing services to communities as per the EPWP principles.
5 Year target	300 NPOs providing services to communities as per the EPWP principles on an annual basis.
Justification	To co-ordinate and monitor the implementation of EPWP towards achieving the sector targets as set out in the sector plans and EPWP Phase III targets. The EPWP is a strategic intervention to provide work opportunities for the poor and unemployed.
Links	²⁹ Outcome 4: EPWP Phase III (including CWP) implemented, monitored and evaluated including the establishment of a Presidential Public Employment Commission to coordinate the rollout of Public Employment Programmes Strategic Goal 3: To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.

²⁸ Medium Term Strategic Framework: Outcome 4: Page 27²⁹ Medium Term Strategic Framework: Outcome 4: Page 27

Table 33: Strategic objective 3.3

Strategic objective 3.3	To support public bodies to implement Public Employment Programme (PEPs) within EPWP in the infrastructure, Social and Environment and Culture Sectors
Objective statement	To co-ordinate, monitor and support the efficient utilisation of labour-intensive methods to implement EPWP in the infrastructure, Social and Environment and Culture Sectors
Objective indicator	Number of public bodies implementing EPWP projects as per EPWP requirements
Baseline	280 public bodies implementing EPWP projects as per EPWP requirements
5 Year target	290 public bodies implementing EPWP projects as per EPWP requirements.
Justification	To co-ordinate and monitor the implementation of EPWP towards achieving the sector targets as set out in the sector plans and EPWP Phase III targets. The EPWP Programme is a strategic intervention to provide work opportunities for the poor and unemployed.
Links	³⁰ Outcome 4: EPWP Phase III (including CWP) implemented, monitored and evaluated including the establishment of a Presidential Public Employment Commission to coordinate the rollout of Public Employment Programmes Strategic Goal 3: To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.

Table 34: Strategic objective 3.4

Strategic objective 3.4	To provide strategic guidance on sector convergence through the development of implementation frameworks
Objective statement	To provide guidance on the implementation of convergence between sectors and other sectors in the EPWP, through the development of frameworks on convergence.
Objective indicator	Number of projects implemented by public bodies as per approved Framework
Baseline	-
5 Year target	3 Projects implemented by public bodies as per approved Framework.
Justification	To ensure that the convergence of EPWP sectors and programmes is properly managed and streamlined across all EPWP sector programmes
Links	³¹ Outcome 4: EPWP Phase III (including CWP) implemented, monitored and evaluated including the establishment of a Presidential Public Employment Commission to coordinate the rollout of Public Employment Programmes Strategic Goal 3: To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.

³⁰ Medium Term Strategic Framework: Outcome 4: Page 27³¹ Medium Term Strategic Framework: Outcome 4: Page 27

8.3.2. Resource considerations for Programme 3

8.3.2.1 The expenditure estimates for Programme 3: Expanded Public Works Programme are set out below:

Table 35: Expenditure estimates on Programme 3: Expanded Public Works Programme

Sub Programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Expanded Public Works Programme Monitoring and Evaluation	21 463	63 808	66 581	53 738	55,368	57,664	60,578
Expanded Public Works Programme Infrastructure	1 028 024	1 039 386	1 034 985	988 344	1,143,132	1,220,730	1,291,028
Expanded Public Works Programme Operations	529 191	727 657	781 107	795 700	995,950	1,069,757	1,143,518
Expanded Public Works Programme Partnership Support	125 373	100 839	42 907	108 542	117,740	120,245	124,951
Expanded Public Works Programme Public Employment Coordinating Commission	-	-	-	7 045	7,310	7,496	7,825
Total	1 704 051	1 931 690	1 925 580	1 953 369	2,319,500	2,475,892	2,627,900

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Economic classification							
Current payments	244 354	270 257	245 781	276 046	290,933	317,030	343,822
Compensation of employees	100 901	108 310	112 425	144 077	154,748	158,119	165,059
Goods and services	143 453	161 947	133 356	131 969	136,185	158,911	178,763
Transfers and subsidies	1 454 586	1 659 895	1 677 903	1 674 963	2,026,079	2,156,250	2,281,314
Provinces and municipalities	1,171,779	1,221,441	1,200,251	1,178,860	1,425,662	1,525,812	1,614,310
Non-profit institutions	282,724	438,281	477,481	534,816	600,257	630,270	666,826
Households	83	173	171	152	160	168	178
Payments for capital assets	1,913	1,538	1,803	2,360	2,488	2,612	2,764
Machinery and equipment	1,913	1,538	1,803	2,360	2,488	2,612	2,764
Payments for financial assets	3,198	-	93	-			
Total	1,704,051	1,931,690	1,925,580	1,992,234	2,319,500	2,475,892	2,627,900

8.3.2.2 Expenditure Trends Analysis

The spending focus over the medium-term will be on coordinating the implementation of the Expanded Public Works Programme which aims to create work opportunities and provide income support to poor and unemployed through the use of labour intensive methods. The bulk of the programme's budget goes towards the payment for performance based incentives to eligible Provinces, Municipalities and non-profit organisations to incentivise them to increase job creation efforts in the Expanded Public Works Programme.

The average increase of 5.3 per cent in spending between 2012/13 and 2015/16 was due to the allocation of additional funding in the form of performance incentives to eligible public bodies for the creation effort in support of the Phase III. Over the medium-term, the budget for the Expanded Public Works Programme will increase at an average of 9.7 per cent with the bulk of the expenditure going towards the transfers to Provinces, Municipalities and Non-Profit Organisations for the creation of job opportunities.

8.3.2.3 Staff establishment for Programme 3: Expanded Public Works Programme

Figure 11: The macro-organisational structure of Programme 3:

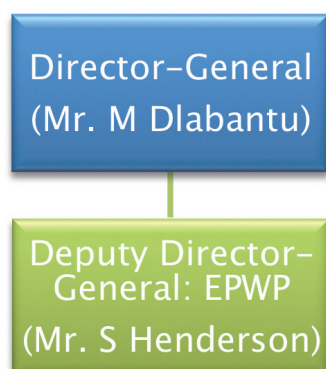


Table 36: Staff establishment for Programme 3: Expanded Public Works Programme

Staff Establishment For Programme 3: Expanded Public Works Programme					
Salary Level	Filled posts	Vacant posts	Total (Filled and Vacant)	Current vacancy rate (%)	Additional to the establishment
01	1	0	1	0%	1
02					
03					
4	27	3	30	10%	
5	1	8	9	88,89%	
6	5	0	5	0%	5
7	35	7	42	16,67%	
8	8	6	14	42,86%	
9	2	0	2	0%	
10	18	5	23	21,74%	
11	5	0	5	0%	
12	84	17	101	16,83%	1
13	24	4	28	14,29%	
14	5	0	5	0%	
15	1	0	1	0%	
16					
Grand Total	216	50	266	18.8%	7

There are five (5) Chief Directorates within the EPWP Branch, namely, Infrastructure Sector, EPWP Operations, EPWP Partnerships, Convergence and PEP-IMC Secretariat, and Monitoring and Evaluation which are responsible for coordinating and managing performance in the four participating sectors of the EPWP. The Branch has a total staff establishment of 273 positions, including those that are additional to the establishment, with a vacancy rate of 18.8%.

8.3.3. Risk management for Programme 3

Table 37: Risk management for Programme 3: Expanded Public Works Programme

Strategic objective	To monitor and evaluate the implementation of PEPs within the EPWP.
Risk	Ineffective implementation of the PEPs by implementing bodies
Mitigating factors	• Conduct continuous awareness and training on EPWP Frameworks • Ensure there is technical support provided to public bodies implementing the EPWP; • Ensure that structures to coordinate, communicate and monitor the programme at different spheres of Government are established and operational; and • Ensure there are norms and standards set for implementation across the different sectors.

8.4. Programme 4: Property and Construction Industry Policy and Research

8.4.1. Property and Construction Industry Policy and Research

The purpose of Programme 4 is to promote the growth and transformation of the construction and property industries. Promote a standardised approach and best practice in construction and immovable asset management in the public sector.

The Programme consists of the Construction Industry Policy Development and the Property Industry Policy Development sub-programmes.

In giving effect to the purpose of the Programme, the Branch –

- Promotes growth and transformation of and competition in the construction and property sectors through research and the development of policies, legislation and best practices;
- Regulates the construction and property sectors and related professions;
- Monitors the impact of policies and legislation giving effect to the regulation and transformation of the construction and property sectors;
- Promotes skills development in construction and property sectors;
- Develops and promotes best practice and uniformity in the management of State immovable assets throughout their lifecycle; and
- Provides proactive policy responses to Government's national objectives.

The DPW White Paper (1997), "Public Works Towards the 21st Century and Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry", defined the Department's role in the construction and property sectors. The White Paper - Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry (1999) advanced the establishment of the Construction Industry Development Board, the Council for Built Environment and six Built Environments Professional Councils that regulate the construction industry. This was achieved in 2000, through various pieces of legislation which empower the Minister, through the above Public Entities, to regulate and transform the construction industry.

In reviewing and revising the White Papers, the Department will inter-alia, explore strengthening the regulatory role of the Department in the above sectors, while furthering transformation and paving the way for the development of the Public Works Act, during the current MTEF period.

8.4.1.1 Analysis and achievements and challenges

Programme 4 has made substantial progress through various interventions that have achieved the following:

- "Green Building Framework" was approved in October 2011. Various initiatives have been undertaken by the Department and its Public Entities to give effect to the "Green Building Framework";
- Extensive review of the built environment was conducted towards the development of Built Environment Professions (BEP) Bill;
- The Draft Agrément South Africa Bill was developed and tabled in Parliament during 2014/15;
- The Draft Expropriation Bill was developed and tabled in Parliament during 2014/15;
- Revisions to the Register of Contractors (RoC) Regulations (2008 and 2013) have been completed;
- The Draft Regulations on Delayed Payments were developed and gazetted during 2014/15;

- Several Best Practices were developed to improve performance and delivery within the construction sector;
- The Construction and Property Transformation Charter Councils were established, to drive transformation within the sectors;
- The alignment of the Contractor Development Programme to the National Contractor Development Programme has been finalised, and the effective monitoring of implementation has commenced;
- The development of Best Practice Guidelines for the management of State Immovable Assets in the National and Provincial spheres of Government, while giving effect to GIAMA have been finalised; and
- An Immovable Asset Disposal Policy for the Department was developed and approved during May 2013.

The key challenges that have limited progress within the Construction and Property Policy Regulation Branch relate to a result of lack of Research and Policy Analysis capacity and the inadequate personnel to effectively monitor and evaluate policy implementation.

- Delays have been experienced in the finalization of the following legislation:
- Expropriation Bill, due to requirements for further stakeholders consultation;
- Agrément South Africa Bill and the review of the Built Environment Professions (BEP) legislation due to processes attached to the development of legislation;
- Ineffective transformation in both the Construction and Property industries:
- Due to the Charter Councils not being involved in the certification process and non-compliance by the State in ensuring sector specific BBBEE scorecards;
- Non-compliance by the State to ensure that sector-specific codes rather than generic BBBEE codes are specified at the point of tendering.
- Inadequate monitoring and responses to industry developments and changes (e.g. skills shortages and building material supply shortages).
- Revised Contractor Incubator Programme as DPW's contribution to transformation – due to capacity and financial constraints.

8.4.1.2 Programme strategy to be implemented

The Programme will prioritise the review the Department's White Papers [Public Works towards the 21st Century (1997) and Creating an Enabling Environment for Reconstruction Growth and Development in the Construction Industry (1999)] to define the Department's role in a developmental State. In addition, the Department will reinforce its role in driving transformation in the construction and property sectors. There will be a review and update of the policy goals and approaches to address current events within the context of the local and global construction and property sectors.

8.4.1.3 Strategic objectives for Programme 4

Table 38: Strategic objective 4.1

Strategic objective 4.1	To research and develop policies and legislative prescripts for the construction and property sector.
Objective statement	To undertake research and develop three pieces of legislation, over the five year period, that will enable the Department to (a) regulate the construction industry and at the same time achieve growth, diversity and skills development in the construction sector; and (b) provide a uniform framework for the management of Immovable assets in line with GIAMA
Objective indicator	Number of legislative prescripts approved for submission to Parliament
Baseline	ASA Act promulgated Expropriation Bill [B4-2015] adopted by National Assembly
5 Year Target	3 Legislative prescripts approved
Justification	To regulate the construction sector; To drive transformation in the construction and property industries. To promote uniformity in the management of immovable assets throughout Government
Links	Construction Sector Transformation Charter, 2006 (Charter 2006) and Property Sector Transformation Charter, 2007 (Charter 2007) Strategic Goal 1: To transform the construction and property sectors

8.4.2. Resource considerations for Programme 4

8.4.2.1 The expenditure estimates for Programme 4: Property and Construction Industry Policy and Research are set out below

Table 39: Expenditure estimates for Programme 4: Property and Construction Industry Policy and Research

Sub programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate			
	2012/13	2013/14	2014/15		2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)	(R'000)
Construction Policy Development Programme	17,953	19,083	18,738	25 592	26,243	27,491	29,192	
Property Policy Development Programme	8,905	13,675	12,625	11,350	12,665	13,970	14,879	
Construction Industry Development Board	67,614	72,361	77,212	65,626	52,059	74,984	75,203	
Council for the Built Environment	28,146	37,959	41,572	41,994	43,413	48,568	51,385	
Independent Development Trust	50,800	100,000	50,000	50,000	-	-	-	
Construction Education and Training Authority	1,260	1,468	1,630	475	500	516	546	
Property Management Trading Entity	4,749,858	3,061,643	3,043,967	3,524,652	3,405,414	3,872,648	4,108,457	
Assistance to Organisations for the Preservation of National Memorials	15,436	17,555	22,548	23,273	24,806	26,031	27,523	
Total	4,939,972	3,323,744	3,268,292	3,742,962	3,565,100	4,064,208	4,307,185	

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Current payments	1,580,475	1,798,397	2,049,037	36,299	38,419	41,007	43,718
Compensation of employees	1,031,562	1,109,856	1,230,172	14,248	16,284	17,393	18,598
Goods and services	548,913	688,541	818,856	22,051	22,135	23,614	25,120
Interest and rent on land	-	-	9	-	-	-	-
Transfers and subsidies	2,623,998	927,550	885,926	3,706,551	3,526,562	4,023,077	4,263,336
Provinces and municipalities	1,798,173	2	2	-	-	-	-
Departmental agencies and accounts	743,869	794,214	793,786	3,632,747	3,501,386	3,996,716	4,235,591
Foreign governments and international organisations	15,436	17,555	22,548	23,273	24,806	26,031	27,523
Public corporations and private enterprises	50 800	100 000	50 000	50 000	-	-	-
Non-profit institutions	9,903	10,398	11,021	331	170	120	-
Households	5,817	5,381	8,569	200	200	210	222
Payments for capital assets	735,499	597,797	330,104	112	119	124	131
Buildings and other fixed structures	713,003	567,365	315,914	-	-	-	-
Machinery and equipment	22,152	30,300	14,155	112	119	124	131
Software and other intangible assets	344	132	35	-	-	-	-
Payments for financial assets	-	-	3 225	-	-	-	-
Total	4,939,972	3,323,744	3,268,292	3,742,962	3,565,100	4,064,208	4,307,185

8.4.2.2 Expenditure Trends Analysis

The spending focus over the medium-term will be on providing strategic leadership for the regulation of the construction sector to contribute to growth and transformation and sound public sector immovable asset management. This will be achieved through the review of the Public Works White Papers, as well as the review of the cidb and CBE Acts.

Expenditure decreased in the Programme from R4.9 billion to R3.8 billion in 2015/16 at an average rate negative 8.3 per cent. This decrease was mainly due to reduced devolution of the property rates fund grant to Provinces and under spending on infrastructure budget. The property rates fund grant to Provinces has formed part of the Provincial equitable share from the beginning of 2013/14.

Between 2015/16 and 2018/19, the expenditure on transfers and subsidies is projected to increase at an average rate of 4.2 per cent with the budget of the budget being allocated to the Property Management Trading Entity.

8.4.2.3 Staff establishment for Programme 4: Property and Construction Industry Policy and Research

Figure 12: The macro-organisational structure of Programme 4:

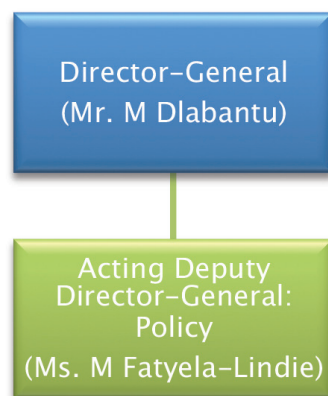


Table 40: Staff establishment for Programme 4: Property and Construction Industry Policy and Research

Staff establishment for Programme 4: Property and Construction Industry Policy Regulations					
Salary Level	Filled posts	Vacant posts	Total (Filled and Vacant)	Current vacancy rate (%)	Additional to the establishment
01					
02					
03					
04					
05		2	2	100%	
06					
07		1	1	100%	
08	2		2	0%	
09		1	1	100%	
10		3	3	100%	
11	4	1	5	20%	
12	2	1	3	33,33%	
13	2	1	3	33,33%	
14	0	2	2	100%	
15		1	1	100%	
16					
Grand Total	10	14	24	58%	-

The Property and Construction Policy Regulations and Research Branch has a total staff establishment of 24 positions with a vacancy rate of 58%. As the largest player in the construction and property sectors, the Department promotes sustainable growth, transformation of and competition in the property and construction industries through the development of policies, legislation and best practice guidelines. The Branch will continue working with the Charter Councils, DPW's Public Entities and stakeholders to drive transformation in these sectors. As part of the structural review, the research capacity of the Property and Construction Policy Regulations Branch will be strengthened to ensure that it becomes a research centre of expertise for property and construction.

8.4.3. Risk management for Programme 4

Table 41: Risk management for Programme 4: Property and Construction Industry Policy Regulations and Research

Strategic objective	To research and develop policies and legislative prescripts for the construction and property sector
Risk	Inadequate Built Environment and Property sector legislation
Mitigating factors	Development of new Public Works White Paper Property Industry: - Review DPW's Property Management BEE Strategy. - Develop a Regulatory Impact Assessment (RIA) on legislation to transform the Property industry. Construction Industry: - Amend and develop cidb Regulations - Review of CBE Act

8.5. Programme 5: Prestige Policy

8.5.1. Prestige Policy

The purpose of Programme 5 is to provide norms and standards for the prestige accommodation portfolio and meet the protocol responsibilities for State functions.

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

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

8.5.1.1 Analysis of achievements and challenges

Programme 5 is a relatively new Programme, has made some significant achievements, as is outlined below:

- The State event provisions for the Presidency including the 2014 Inauguration of the State President, National Orders Awards, the unveiling of the Former President Mandela's Statue amongst others;
- Development of the norms and standards for the provision of accommodation for Category I and II clients;
- Policy on the Implementation of security measures in the private residences of the President, Deputy President, Former President and Former Deputy President, and Members of the Executive; and
- Policy on the Allocation and Occupation of State Owned Property.

There has, however, been a lack of Regulatory Frameworks in Prestige for the past five years resulting in multi functions and responsibilities. There has also been no proper structure, no business processes nor Standard Operating Procedures for management of State events.

8.5.1.2 Programme strategy to be implemented:

- Properly define the mandate and scope of the Prestige Property Management function. Such mandate and scope should include the policy, norms and standards development for provision of accommodation for Members of Executive Council, Premiers, Kings, Queens, Traditional Leaders and other distinct groups where the State is responsible for the provision of accommodation;
- The development of policy, norms and standard for Category III Prestige clients;
- The development and signing of the Service Level Agreements with strategic institutions like Parliament and Presidency;
- Creating capacity to ensure monitoring and compliance to policies, norms and standards through education and awareness;
- The provision of movable assets to Prestige clients within 60 days of receipt of requests; and
- The provision of movable structures for State functions.

8.5.1.3 Strategic objectives for Programme 5

Table 42: Strategic objective 5.1

Strategic objective 5.1	To improve the delivery of services to Prestige clients
Objective statement	To manage the delivery of services to prestige clients in accordance with approved prestige policy frameworks. The frameworks directs the provision and maintenance of movable and immovable assets for prestige clients aligned to the Ministerial Handbook.
Objective indicator	Percentage improvement in turnaround times for the resolutions of maintenance breakdowns
Baseline	35 days turnaround time for the resolution of maintenance breakdowns
5 Year target	80% improvement in turnaround time for the resolutions of maintenance breakdowns
Justification	To ensure accountability, transparency and efficient use of State resources in the provision of Prestige accommodation in accordance with the approved Regulatory Frameworks.
Links	Strategic Goal 5: To oversee the efficient delivery of identified services to Prestige clients

8.5.2. Resource considerations for Programme 5

8.5.2.1 The expenditure estimates for Programme 5: Prestige Policy are set out below:

Table 43: Expenditure estimates for Programme 5: Prestige Policy

Sub programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Prestige Accommodation and State functions	71,245	113,459	176,818	83,732	86,520	92,823	97,677
Parliamentary Villages Management Board	7,771	8,198	8,690	9,090	9,572	10,051	10,634
Total	79,016	121,657	185,508	92,822	96,092	102,874	108,311

Economic classification	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Current payments	69,132	103,802	153,035	70,721	75,746	79,620	83,720
Compensation of employees	23,109	20,822	23,203	22,055	26,265	26,556	27,561
Goods and services	46,023	82,980	129,832	48,666	49,481	53,064	56,159
Interest and rent on land							
Transfers and subsidies	7,781	8,253	8,720	9,240	9,772	10,251	10,834
Departmental agencies and accounts	7,771	8,198	8,690	9,090	9,572	10,051	10,634
Households	10	55	30	150	200	200	200
Payments for capital assets	2,103	9,602	23,753	12,861	10,574	13,003	13,757
Machinery and equipment	2,103	9,602	23,753	12,861	10,574	13,003	13,757
Payments for financial assets							
Total	79,016	121,657	185,508	92,822	96,092	102,874	108,311

8.5.2.2 Expenditure Trends Analysis

The spending focus over the medium term will be on developing and reviewing policies for the Prestige accommodation portfolio in line with the Ministerial Handbook, improving the delivery of services to Prestige clients with regard to the provision of both movable and immovable assets as well as meeting the protocol responsibilities for State functions.

Over the medium term, the expenditure is expected to increase at an average rate of 5.3 per cent with the bulk of the expenditure going towards compensation of employees and goods and services for the State Functions.

8.5.2.3 Staff establishment for Programme 5: Prestige Policy

Figure 13: The macro-organisational structure of Programme 5:

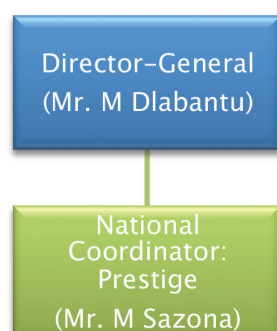


Table 44: Staff establishment for Programme 5: Prestige Policy

Staff establishment for Programme 5: Prestige Policy					
Salary Level	Filled posts	Vacant posts	Total (Filled and Vacant)	Current vacancy rate (%)	Additional to the establishment
01					
02					
03					
04					
05	1	0	1	0%	
06	1	0	1	0%	
07	5	5	10	50%	
08	6	4	10	40%	
09	3	0	3	0%	
10	7	0	7	0%	1
11	1	0	1	0%	1
12	5	0	5	0%	
13	1	1	2	50%	
14	1	0	1	0%	
15					
16					
Grand Total	31	10	41	24%	2

The Prestige function has been centralised to the Office of the Director-General to ensure it receives the required focus. The staff establishment for the facilities management function will also be included in the programme going forward. The programme has an approved establishment of 43 positions, of which 33 are filled, including those that are additional to the establishment.

8.5.3. Risk management for Programme 5

Table 45: Risk management for Programme 5: Prestige Policy

Strategic objective	To improve the delivery of services to Prestige clients
Risk	Inadequate clients relations with Prestige clients
Mitigating factors	Develop norms and standards for Prestige clients



Part C: Links to other plans

9. Links to long-term infrastructure plan

As from the 2015/16 financial year, the infrastructure plan will be reflected under the Strategic Plan of the Property Management Trading Entity (PMTE), which assumes the implementation functions of providing accommodation to user departments at the National Government level as well as the planning, acquiring, managing and disposing of immovable assets under the custody of the Department of Public Works. The infrastructure budget will be transferred to the PMTE and the Department will be sharing its office accommodation with the PMTE.

10. Service Delivery Improvement Plan (SDIP)

In line with Chapter 1, Part 111 C of the Public Service Regulations, 1999 (as amended), the Department has developed its Service Delivery Improvement Plan (SDIP) which enables the Executing Authority to institute and support service delivery within the context of a comprehensive improvement programme. The focus of the SDIP is to promote efficient and effective service delivery based on the Batho Pele principles and seeks to achieve the following objectives:

- i. Identifies the services provided to its user-departments and stakeholders while improving service delivery;
- ii. Provides details of the strategies to remove barriers to access to services and meet user-department needs within improved response times;
- iii. Indicates the high standards that will be maintained for services to be delivered;
- iv. Outlines the Department's commitment to improve efficiencies; and
- v. Increase outputs and eliminate waste and related costs.

Accordingly, the SDIP lays out a detailed plan with targets to be achieved to improve the Department's performance going forward. These areas include the following:

- Provisioning of accommodation through construction (aligned to the IDIP);
- Provisioning of accommodation through private leases (aligned to IDIP); and
- Customer relationship management.

The SDIP, which has been widely consulted on with all relevant stakeholders, covers a 3-year period in line with the medium-term planning cycle. With the operationalization of the PMTE, the activities within the SDIP will be implemented by the PMTE as from the 2015/16 for the remainder of the cycle. During this period, a detailed process of monitoring and evaluating the implementation of the plan will be undertaken, including the process of evaluating the impact thereof. The Department will undertake a separate process of identifying a key services remaining with the Department that will form part of a revised three year SDIP.

Table 46: Service Delivery Improvement Programme (2014/15 to 2016/17)

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
Client relationship management								
User Departments	Active management of client relations (Consultation, Access, Courtesy, Openness & Transparency, Information, Redress and Value for Money)	- Develop Key Account Managers: Client target ratio³² - Capacitate Key Accounts Management - Develop and implement a CRM approach and system - Train resources in KAM and CRM - Agree minimum thresholds for number of client meetings - Develop and implement client service survey/questionnaire³³	Clear and shared expectations. Accessible DPW resources for issue resolution. Potential issues pre-emptively addressed. Improved client satisfaction.	Key Account Managers: user department ratio Number of customer relationship management meetings per user department Client survey index	1:15 2 per annum (New indicator)	1:1 (Big user departments) 1:6 Other user departments 2 per user department Information towards the development of the survey index researched and collated.	1:1 (Big user departments) 1:6 Other user departments 2 per user department Minimum rating of 3 out of 5	1:1 (Big user departments) 1:6 Other user departments 2 per user department Minimum rating of 4 out of 5

³² Key Account Managers (KAMs) are presently under-capacitated. A target ratio has been developed that takes account of client size and complexity and allocates sufficient resources to each to enable satisfactory relationships. Different targets apply to six big user departments and 46 in "other".

³³ A client service survey goes beyond formal SLA compliance and measures client perceptions of consultation, access, courtesy, openness and transparency, information provision, information accuracy, redress and value for money.

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
User Departments	Reduction of leasing backlog ³⁴ (Quantity and Quality) - DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a)) ³⁵	- Clarify lease management policy - Develop three stratified lease agreements - Institute effective procurement planning - Re-engineer business processes - Sign SLAs with all lessees - Capacitate leasing/up-skill personnel - Proactively analyse lease portfolio to avoid backlog	Reduced levels of inconvenience, embarrassment and reputational damage. Adequate warning of impending issues. Reduction of irregular expenditure on leases.	Number of expired leases ³⁶	1,303	expired leases	expired leases	expired leases
				Number of lock-outs	(New indicator)	0 lock outs	0 lock outs	0 lock outs
				% signed SLAs	52% signed SLAs	80% signed SLAs	90% signed SLAs	100% signed SLAs
				Ratio of leasing resources to leases	1:38 ³⁷	1:25	1:15	1:10

³⁴ The DPW presently manages 2,771 private leases for client departments. Private leases are defined as leases contracted for properties not owned by the State. Backlog leases are those which are about to expire or have already expired and require renewal, extension or termination. In practical terms it is virtually impossible to have a zero backlog as leases are entered into at different times with different terms and anniversary dates. The intention is to focus on reducing expired leases as these result in significant inconvenience to clients potentially culminating in lock-outs. This reflected in the KPI.

³⁵ As noted, this scope is presently limited to private leases. Scope will be expanded to include residential and other non-office leases from 2014/15 onwards.

³⁶ This KPI relates specifically to leases that are not to be terminated.

³⁷ Based on 72 staff and 2,771 leases at October 2013.

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
User Departments	Build sustainable and predictable leasing solutions (Quality) - (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a))	- Develop lease strategy - Develop lease review prioritization process (need/value/size) - Re-engineer leasing processes	Enhanced interaction with the DPW as a reliable, predictable and professional leasing partner.	SLA compliance ³⁸	(New indicator)	100% SLA compliance	100% SLA compliance	100% SLA compliance
			Lease budget compliance.	Budget compliance ³⁹	(New indicator)	100% Budget compliance	100% Budget compliance	100% Budget compliance
	Deliver demonstrable Value for Money to clients - (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, Gate 1(a))	- Establish market-related rates for property categories by region - Adjust DPW rates - Move towards market price leadership	Improved client confidence in the DPW delivery of value for money.	DPW rates indexed to market variance %	(New indicator)	<15% (+/-)	<10% (+/-)	<5% (+/-)

³⁸ SLA compliance measures the mechanics of service delivery, specifying service levels, lead times required for service, etc.

³⁹ While availability of approved budget remains the client's responsibility, budget compliance in terms of disbursements made according to plan is a key indicator for the DPW Leases Branch.

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
Acquisition of new accommodation through construction								
National Government Departments	Improved planning (as a key driver for measuring delivery performance in relation to the provision of accommodation through construction)	- The adoption of IDMS as a primary system for managing delivery - Provisioning of training on the IDMS - Re-engineering of business processes - Provisioning of support to user Departments in formulating their U-AMPS - Compilation of the C-AMP	Clear and shared expectations	Number of user departments who have approved IPIPs	CWIP and PMIP	11 User departments with IPIPs (DoA, DAC, DCS, DoD, DoH, DHET, DHA, DoJ&CD, DoL, DRDLR, SAPS)	11 User departments with IPIPs	11 User departments with IPIPs
1. SAPS								
2. DoD								
3. Justice								
4. Correctional Services								
5. Arts & Culture								
6. Home Affairs								
7. Public Works								
8. Labour	Quantity and Quality	- Effective project planning - Improved procurement planning - Management of SCM dependencies/Improvement in procurement processes - Effective construction management - Establishment of institutional structures to drive delivery (Acquisition Committee and PMOs) - Roll out of the IDMS - Investigate the need for establishing user department specific programme management offices	Shared understanding of the needs of the clients and how projects will be delivered	Number of planned projects completed (Works Completion Report – PEP 7) ⁴⁰	300 projects completed	440 projects completed	305 projects completed	167 projects completed
9. Agriculture, Forestry and Fisheries	(DP1: Portfolio Management, DP1-1: Infrastructure Planning, DP1-1: C-AMP, Gate 1(b), DP1-2: Programme Management, CPS - Gate 2 and IPMP)		Improved delivery of construction projects (within time, cost and quality requirements)	% of new projects completed within stipulated timeframes, cost and quality	(New indicator)	Establish baseline	100% of projects based on the completed IPIPs ⁴¹	100% of projects based on the completed IPIPs ⁴²
10. Rural Development and Land Reform								
11. Health								
12. Higher Education	DP2: Project Management, DP2-1: Implementation Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)		Improved client satisfaction and perception of value for money	% of current projects with approved project scopes (Backlog)	(New indicator)	50 % of current projects with approved project scopes	100% current projects with approved project scopes	100% current projects with approved project scopes

⁴⁰ Dependent on effective procurement; Qualified suppliers; Improved planning

⁴¹ Projects for one of six of the big user departments (DoD) and one of the remaining user departments should at least be in line with time frames and cost

⁴² Projects for two of the remaining five big user departments and three of the small user departments should at least be in line with time frames and cost

SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR	CURRENT STANDARD (BASELINE)	TARGET 2014/15	TARGET 2015/16	TARGET 2016/17
Acquisition of new accommodation through construction								
				Number of Programme Management Offices established for all executing units	(New indicator)	11 Project Management Offices established	Not applicable ⁴³	Not applicable
	Value for Money - DP2: Project Management, DP2-1: Implementation Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)	- Effective project planning - Improved procurement planning - Improvement in procurement processes - Effective construction management	Improved delivery of construction projects within cost	% budget variance on completed projects	(New indicator)	<15%	<15%	<15%
	Human Resources - DP2: Project Management, DP2-1: Implementation Planning, PEPv1, Gate 3, PEPv2, Gate 4, IPIP)	- Staffing of organisational structure with appropriately qualified personnel - Up-skilling and mentoring of existing staff	Improved delivery of construction projects (within time, cost and quality requirements)	Number of project managers registered with the South African Council for Project and Construction Management Professions (SACPCMP) ⁴⁴	(New indicator)	0 ⁴⁵	10	15
				Ratio of project managers to projects ⁴⁶	1:20 (plus)	1:10	1:10	1:10

⁴³ The DPW will explore the need to establish user department specific Programme Management Offices

⁴⁴ Dependent on the approval of a fast track process for certifying the project managers.

⁴⁵ The fast track process will take no less than one year, delivery will commence in year two.

11. Strategic Risk Plan for the Department of Public Works

The Risk Management processes within the Department are guided by the Risk Management Policy and Risk Management Strategy which are intended to provide a systematic approach and create an environment that allows for risk taking while ensuring that public interest and investment are protected.

The Department integrates Risk Management principles and practices in its strategic and operational decision making. This assists the Department in minimizing the negative impacts of events resulting from uncertainty, while maximizing opportunities to improve on service delivery. The aim is to reinforce a risk based, informed and ethical decision - making culture.

The Department faced a number of external and internal risks in the 2015/16 financial year. The dominant external risks emanated from the growing operational demands associated with national priorities such as National Infrastructure Plan while the internal risks impeding service delivery was due to insufficient technical capacity and the inability to conduct comprehensive life cycle asset management.

For the Department to effectively deliver on its strategic objectives, attention and resources are focused on the areas of most significant risk and concern to its stakeholders. To ensure effective Risk Management processes in the Department, the management of risks are embedded into the control processes of the Department and annual risk assessment and risk monitoring are conducted to highlight priority risk areas requiring attention.

The Risk Management unit facilitates the process of identifying both strategic risk and detailed operational risk assessments with the aim to:

- Provide management with a basis for executing a formal and structured system of risk management within the Department, as mandated by the Public Finance Management Act, 1999 (Act No. 1 of 1999) and as recommended by the King III Report on corporate governance,
- Assist the internal audit process in reviewing its strategic and operational risk-based audit plans as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) and Treasury Regulations.

Table 47: High Level Risk Register for the Department of Public Works

No.	Strategic Goal	Risk Description	Root Cause / Contributing factor	Consequences	IR	Current Controls	RR	Action Plans	Responsibility	Target (Completion Date)
1.	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Insufficient technical capacity to support PMTE	Limited pool of professionals	Inability to deliver on the core business	High	Utilization of specialised skills within the Business Improvement Unit (BIU)	High	Enhancement of the skills development programme	Corporate Services	31/03/2017
2.	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Exposure to fraud and corruption	Lack of culture in embedding fraud and awareness in the Department Collusion in the perpetration of fraud and corruption Non conducive internal control systems (people, processes and systems) Poor ethical conduct	Reputational damage Low levels of esteem by the public toward the Department High prevalence of fraud and corruption incidents	High	Anti-Fraud and Corruption Policy and Strategy in place Usage of the Whistle blowing Policy	High	Implementation of the Fraud Prevention Plan and the holistic anti - corruption strategy based on minimum Anti - corruption requirements Development Ethics Framework for the Department	Governance Risk and Compliance	31/03/2017

No.	Strategic Goal	Risk Description	Root Cause / Contributing factor	Consequences	IR	Current Controls	RR	Action Plans	Responsibility	Target (Completion Date)
3.	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Failure to deliver quality services	Absence of the Service Delivery Model and Branch Business Operating Models	Poor quality of service delivery resulting in dissatisfied clients	High	Macro Service Delivery Model Informal Operating Procedures and Processes	High	Development of the Service Delivery Improvement Framework	Governance Risk and Compliance	31/03/2018
4.	To provide oversight of the Public Works sector	Lack of coordinated planning for Ministerial and DG events (Protocol Services)	Lack of guiding framework for the departmental major events Ineffective utilisation of the corporate calendar	Reputational damage Loss of state funds Exposure to fraud and corruption	High	Ad-hoc sitting of Departmental task team in place convened by ministry Corporate Planner of the Department in place	Medium	Development of the customise framework for Public participation programme (PPP). Circulation the corporate calendar to the CD's and DDG's of business units Approved corporate planner of the department is shared with the sector	Intergovernmental Co-ordination	31/03/2017

No.	Strategic Goal	Risk Description	Root Cause / Contributing factor	Consequences	IR	Current Controls	RR	Action Plans	Responsibility	Target (Completion Date)
5.		Lack of cooperation among sector Departments	Lack of legal framework (Public Works Act) to govern the concurrent functions Autonomy of the spheres of government	Poor service delivery Sector departments working in silos Loss of state funds Reduced budget for the sector	High	Intergovernmental protocols in place Service Level Agreements (SLA's) with user departments Intergovernmental Structures (MINMEC, Technical MINMEC, CFO's forum, GIAMA technical forum, Green Building Technical Committee etc.)	Medium	Provide inputs on the review of the white paper on concurrent functions Coordinate annual strategic sessions with the Sector Departments	Intergovernmental Co-ordination	31/03/2017
6.	To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.	Ineffective implementation of the PEPs by implementing bodies	Lack of compliance to the EPWP Frameworks (e.g. Ministerial determination and EPWP incentive grant requirements)	Failure to implement EPWP projects	High	Provision of technical support to public bodies Training on EPWP Frameworks provided to public bodies	Medium	Conduct continuous awareness and training on EPWP Frameworks.	Expanded Public Works Programme	31 /03/2017

No.	Strategic Goal	Risk Description	Root Cause / Contributing factor	Consequences	IR	Current Controls	RR	Action Plans	Responsibility	Target (Completion Date)
7.	To transform the construction and property sectors through the development of policy and legislative prescripts	Inadequate Built environment and Property Sector Legislation	Misalignment of Policy to current changes in the Construction and Property sector	Low levels of transformation in the Construction and Property Industries	High	Periodic review of the Policy / Legislations	High	Development of the new DPW White Papers Review of the CBE Act	Property and Construction Industry Policy and Research	31/03/2019 31/03/2018
8.	To oversee the efficient delivery of identified services to Prestige clients	Inadequate Clients relations with Prestige clients	Non adherence to Prestige Regulatory frameworks by Prestige Clients	Reputational damage	High	Ministerial Handbook in place	High	Develop norms and standards for Prestige clients	Prestige Policy	31/03/2017

12. Conditional grants

Table 48: EPWP conditional grants: EPWP Integrated Grant to Provinces

Name of grant	EPWP Integrated Grant to Provinces
Purpose	To incentivise provinces to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the Expanded Public Works Programme Integrated Grant Manual.
Performance indicator	• Number of work opportunities reported per annum. • Number of Full Time Equivalents (FTEs) per annum. • Percentage of grant disbursed per annum.
Continuation	Over the MTEF
Motivation	• Improvements to the quality of life of unemployed people through employment creation and increased income from the EPWP; • Contribution towards job creation; • Improved social stability through mobilising the unemployed into productive work.

Table 49: EPWP conditional grants: EPWP Integrated Grant to Municipalities

Name of grant	EPWP Integrated Grant to Municipalities
Purpose	To incentivise municipalities to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the Expanded Public Works Programme Integrated Grant Manual.
Performance indicator	• Number of work opportunities reported per annum. • Number of Full Time Equivalents (FTEs) per annum. • Percentage of grant disbursed per annum.
Continuation	Over the MTEF
Motivation	• Improvements to the quality of life of unemployed people through employment creation and increased income from the EPWP; • Contribution towards job creation; • Improved social cohesion and stability through mobilising the unemployed into productive work.

Table 50: EPWP conditional grants: Social Sector EPWP Grant to Provinces

Name of grant	Social Sector EPWP Grant to Provinces
Purpose	- To incentivise provincial Social Sector departments identified in the 2014 Social Sector EPWP Log-frame to increase job creation by focusing on the strengthening and expansion of social service programmes that have employment potential 80 % of the grant is meant for payment of stipends to the EPWP beneficiaries and 20% can be utilised to strengthen the delivery capacity at the Not-for-Profit (NPO)/Implementing Agent's (IA) level.
Performance indicator	- Number of work opportunities reported per annum; - Number of Full Time Equivalents (FTEs) per annum; - Number of beneficiaries receiving services; - Number of NPOs/IAs supported; - Percentage of grant disbursed per annum.
Continuation	Over the MTEF
Motivation	- Improved service delivery to communities by expanding the reach and quality of social services; - Improved quality of life of unemployed people through employment creation and increased income from the EPWP; - Contribution towards job creation; - Improved social cohesion and stability through mobilising the unemployed into productive work; - Strengthened NPOs and IAs to deliver EPWP work opportunities.

Table 51: EPWP conditional grants: Non State Sector Wage Subsidy

Name of grant	Non State Sector Wage Subsidy.
Purpose	To increase job creation through the expansion of Non State Sector EPWP programmes.
Performance indicator	- Number of work opportunities reported per annum; - Number of Full Time Equivalents (FTEs) reported per annum; - Number of NPOs contracted; - Percentage of grant disbursed per annum.
Continuation	Over the MTEF
Motivation	- The wage subsidy assists Non-Profit Organisations (NPOs) to contribute to the job creation agenda of South Africa; - Improvements to the quality of life of unemployed people through employment creation and increased income from the EPWP; - Improved social cohesion and stability through mobilising the unemployed into productive work.

13. Public Entities reporting to the Department of Public Works

There are four (4) Public Entities reporting to the Department serve as an extension of and assist the Department in delivering its mandate. The Public Entities listed as follows:

Council for the Built Environment (CBE)

The CBE together with the Built Environment Professional Councils (BEPCs) drive skills development aligned to the CBE's Transformation Strategy. The key focus areas for the CBE over the medium-term will be to ensure that Built Environment (BE) academic programmes curricula addresses issues of Labour Intensive Construction, implementation of the Infrastructure Delivery Management System (IDMS), Sustainable Development and Health and Safety; improve mechanisms, programmes, projects and interventions to drive transformation and ensuring adequate representation of women and black people within the built environment through the CBE Transformation Model; support workplace training of built environment graduates/candidates and interns to improve competencies and to promote professional registration and establish a structured candidacy programme for candidates and interns to address bottlenecks in the skills pipeline. The various programmes that are facilitated by the CBE aim to strengthen the technical capacity of local, provincial and National Government.

Table 52: Summary of outputs for the Council for the Built Environment

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
Council for the Built Environment (CBE)	Programme 1: Government Policies and Priorities Programme Strategic objectives: Built Environment (BE) academic curricula and Continuous Professional Development (CPD) programmes that embody health and safety in construction, environmental sustainability and job creation through labour intensive construction and the Infrastructure Delivery Management System (IDMS) This programme is responding to the following mandates of the CBE Act: 1) Section 3 (c) promotes ongoing human resource development in the built environment. 2) Section 3 (d) facilitates participation by the built environment professions in integrated development in the context of national goals. 3) Section 3 (e) promotes appropriate standards of health, safety and environmental protection within the built environment. 4) Section 4 (a) advises Government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary	a) Memorandum of Agreement (MoA) and framework implementation on BE curricula reviews and changes to incorporate health and safety in construction finalised with six Built Environment Professional Councils (BEPCs) by 31 March 2017. b) MoA and framework implementation on BE curricula reviews and changes to incorporate environmental sustainability finalised with six BEPCs by 31 March 2017. c) MoA and framework implementation on BE curricula reviews and changes to incorporate labour intensive construction finalised with six BEPCs by 31 March 2017. d) MoA and framework implementation on BE curricula reviews and changes to incorporate the IDMS finalised with six BEPCs by 31 March 2017.	R43 413	Performance evaluation is undertaken on a quarterly basis.

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Programme 2: Skills for Infrastructure Delivery Strategic objective: Drive and facilitate skills development and transformation within the BE. This programme is responding to the following mandate of the CBE: Section 3 (c) promotes ongoing human resource development in the built environment.	a) One project on the development of an implementation project plan for the production of Strategic Infrastructure Projects (SIPs) high demand skills categories (Land & Engineering Surveyors, Geographic Information Systems (GIS) and Property Valuers professionals) for SIPs, by 31 March 2017. b) 150 Grade 8 – 12 learners benefiting from the Maths and Science Support Programme by 31 March 2017. c) 50 candidates/BE graduates placed in workplace training by 31 March 2017. 50 interns placed in workplace training by 31 March 2017.		

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Programme 3: BE Research, Information and Advisory Strategic objective: To provide informed and researched advice to government on BE priority matters identified in the MTSF. This programme is responding to the following mandates of the CBE: 1) Section 3 (d) facilitates participation by the built environment professions in integrated development in the context of national goals. 2) Section 3 (e) promotes appropriate standards of health, safety and environmental protection within the built environment. 3) Section 4 (a) advises government on any matter falling within the scope of the built environment, including resource utilisation, socio-economic development, public health and safety and the environment, and for this purpose carry out such investigations as it or the relevant Minister deems necessary.	a) One research project on BE technical professionals employed in national departments and SOEs, submitted to Built Environment Matter Committee (BEMC). b) Evaluation report on the implementation of the OSD within national infrastructure departments submitted to DPW by 31 March 2017. c) Implementation of CBE and Expanded Public Works Programme/International Labour Organization (EPWP/ILO) facilitation plan on the incorporation of labour intensive construction and job creation requirements in public sector infrastructure and construction projects by 31 March 2017.		

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Programme 4: Regulation and Oversight of six BEPCs Strategic objective: To act as an appeal body on matters of law regulating the BEPs, and to promote and ensure high standards of professional ethics and conduct within the BE. This programme is responding to the following mandate of the CBE: a) Section 20 and 21 of the CBE Act 43 of 2000.	a) Report on the six BEPCs' implementation programme on the translation of Ministerial approved BE policy frameworks into rules, approved by BEMC by 31 March 2017. b) Adoption of a PFMA roadmap by the six BEPCs, submitted to BEMC by 31 March 2017. c) Submission of Strategic Plans, Annual Performance Plans and Annual Reports of the six BEPCs to Council and DPW by 31 March 2017.		

Construction Industry Development Board (cidb)

The *cidb* supports the Department by providing strategic direction and developing effective partnerships for growth, reform and improvement of the construction sector. Over medium term the *cidb* will support the Department in its efforts to combat fraud and corruption by reviewing regulations to reduce construction risk. The *cidb* will also enforce compliance to relevant prescripts with a particular focus on iTender. In addition, the *cidb* will ensure compliance with the NCDP Guidelines for Contractor Development Programmes.

Table 53: Summary of outputs for the Construction Industry Development Board

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
Construction Industry Development Board (cidb)	Provide strategic leadership to construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector.	a) Reviewing of the <i>cidb</i>'s Act b) Enhancing transformation that is dependent on black-contractors, black-build environment professionals (BEPs) and black-materials manufacturers and suppliers accessing work and the participation of the black-sector c) Focusing on National Infrastructure Maintenance Management Framework (NIAMM) d) Feasibility of export promotion council e) Monitoring reports, including reports on State of Transformation, State of Employment, State of Contractor Development and Supply-and-Demand	R52,059	Performance evaluation is undertaken on a quarterly basis.
	Promote sustainable growth of the construction industry and the participation of the emerging sector in the industry;	a) National Contractor Development Programme (NCDP) Framework document. b) Client department's generic NCDP awareness and capacitation workshop. c) Provincial Contractor Development Forum (PCDF) held in each of the nine provinces. d) Contractor Development Programme Monitoring and Evaluation (M&E) e) Facilitating National Contractor Development Forum chaired by DPW f) NCDP capacitation of municipalities and Contractor Development Programme rollout g) Establishment of Provincial Contractor Development (PCD) Forums		

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Determine, establish and promote improved performance and best practice of public and private sector clients, contractors and other participants in the construction delivery process;	a) cidb Best Practice Project Assessment Scheme; roll-out and implementation. b) cidb Register of Professional Service Providers: Framework c) cidb Best Practice Contractor Recognition Scheme; roll-out and implementation d) cidb Contracting Skills Strategy; roll-out and implementation, including operational Skills Development Agency (SDA) and facilitating establishment of World Skills ZA Construction Chapter e) Assessment of Prior Learning (APL) *		
	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;	a) Reviewing prescripts for construction infrastructure project delivery. b) Finalising the construction procurement skills competence standards. c) Implementation of Construction Procurement Officer's (CPO) Forum d) Finalising the requirements for integrity management systems (SFU 2015) e) Implementing effectively the Infrastructure Delivery Management System (IDMS) and infrastructure delivery management toolkit (IDMT) f) Finalising the implementation of the Competence Standards for Procurement g) Prioritising the client capacitation on cidb prescripts & Practice Notes h) Implementation of compliance monitoring plan. i) Roll out of anti-corruption strategy		
	Develop systematic methods for monitoring and regulating the performance of the industry and its stakeholders, including the registration of projects and contractors.	a) Delivery of an effective and efficient national Construction Registers Service b) Alignment of registration requirements with the construction industry and with the state of development of the emerging sector through amendments to the Construction Industry Development Regulations, 2004 as Amended.		

Independent Development Trust (IDT)

The IDT manages and delivers integrated social infrastructure programmes with the necessary measures, facilities and networks required to prepare communities to initiate, receive, own, manage and sustain their own development. The IDT supports the Department by contributing to national priorities of job creation, sector skills development, green buildings initiatives and the eradication of social infrastructure backlogs.

Table 54: Summary of outputs for the Independent Development Trust

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
Independent Development Trust	The Mandate, as adopted by the Cabinet in 1997, tasks the IDT to be "a Government development agency that implement[s] projects that are commissioned by Government Departments."	The outputs of the IDT are measured in terms of: a) Support to Government Departments supported b) Expenditure on implemented programmes and projects. c) Completion of new/replacement schools d) Work opportunities created through IDT portfolio e) EPWP Non State Sector work opportunities created f) Support to EPWP related cooperatives, NPO's and CBOs g) Percentage of weighted BBBEE spend h) Value of programme spend on contracts awarded to women contractors as a percentage of programme spend i) Value of programme spend on contracts awarded to youth contractors as a percentage of programme spend j) Percentage of women contractors participating in the contractor development programme k) Value of contracts awarded to contractor development participants as a percentage of programme spend	R341 625 [Management fees for the financial year: R339 625 Investment Income – R2 000]	Performance evaluation is undertaken on a quarterly basis.

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Whilst this mandate has not been amended, the Executive Authority, together with the Department of Public Works and the IDT's Accounting Authority, are formalising a Business Case upon which a focused mandate can be developed. Notwithstanding the progress on the Business Development case, in the meantime the IDT will align its strategy and operations to align to the anticipated social infrastructure focus as per the draft Business Case.	Additional outputs, reflecting IDT's efforts towards being a relevant, well governed, financially sustainable, compliant, effective and efficient organisation relate to the following key performance indicators: a) Effective financial and performance management b) Effective risk management c) Effective Human Capital management d) IDT's sustainability safeguarded. e) Average management fee f) Percentage efficiency ratio g) Effective communication IDT's portfolio constitutes mainly of social infrastructure programmes (incorporating school buildings, clinics, hospitals, and other infrastructure projects), and job creation projects, such as, the Expanded Public Works Programme. The total programme spend for the 2013/2014 financial year was R 6,634 billion. This represents an increase of R986 million (17,5%) in terms of programme expenditure for the 2012/2013 financial year.		

Agrément South Africa (ASA)

ASA supports the construction industry by facilitating the introduction, application and utilisation of satisfactory innovation and technology development in a manner that adds value to the process. The ASA will continue to serve consumer and user interests by providing assurance of fitness-for-purpose and value for money of innovative, non-standardised construction technology as well as on-going quality assurance. This will be done by facilitating the introduction of cost effective technology and non-standardised construction technology, facilitating the acceptance of innovative products within the context of Government's new policies and priorities, disseminating relevant information in respect of the technical, socio-economic and regulatory aspects of innovative technology and non-standardised construction technology and supporting policy makers at all levels and minimise the risk associated with the use of innovations;

Table 55: Summary of outputs for Agrément South Africa

Name of Public Entity	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
Agrément South Africa	Promote the use of innovative construction by providing assurance to specifiers and users via confirmation and certification of "fitness for purpose" after successfully carrying out technical assessment of non-standardised or unconventional products, construction systems, components, materials or devices for which no South African national standard or codes of practice exist, hereby supporting South Africa's place and contribution in the global community. Facilitating the safe introduction, application and utilisation of satisfactory innovation and technology development in the construction industry as the internationally acknowledged, objective South African centre by providing assurance of fitness-for-purpose of such technologies which optimise resource utilisation and realise cost savings in the industry.	a) Technical reports and certificates of "fitness for purpose" of successfully assessed and certified results of non-standardised or unconventional products, construction systems, components, materials or devices for which no South African national standard or codes of practice exist. b) Formulated and updated performance criteria used as guidelines in the technical assessments process. Dissemination of information on appropriate innovative construction technologies and infrastructure to promote acceptance amongst the construction fraternity. c) Technical assessment and certification of non-standardised innovative and non-standard building and construction products. d) Service to consumers and user interest groups by providing assurance of fitness-for-purpose and value for money of innovative non-standardised construction technologies as well as carrying out on-going quality assurance inspections. e) Working with the construction sector to facilitate the introduction of cost effective technologies and non-standardised construction technologies. f) Dissemination of correct, objective and relevant information to all concerned in respect of the technical, socio-economic and regulatory aspects of innovative construction technologies and non-standardised construction technologies. g) Providing support to policy makers at all levels and minimise the risk associated with the use of innovative construction technologies. h) Providing support on the application of the National Building Regulations. i) Actively maintain international links with peer organisations and support to the South African construction industry in its export activities by facilitating the approval of South African innovative construction products in foreign countries. j) Facilitate the acceptance of innovative products within the context of the Government's new priorities and policies.	R14 332 [DPW transfer of R12,383 and other revenue of R1 949].	Performance evaluation is undertaken on a quarterly basis.

Table 56: Summary of outputs for the six Built Environment Professional Councils

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
South African Council for the Property Valuers Profession (SACPVP)	Registration 1) Maintain a national register of professionals 2) Identifying the type of work for professionals (IDoW) 3) Formulation of guidelines of professional fees for the profession 4) Establish a mechanism for professional indemnity for registered persons 5) Recognising Voluntary Associations 6) Recognising new professions 7) Publication of guidelines 8) Qualification evaluation	a) National database of registered persons maintained; b) Approved IDoW with the Competition Commission; c) Revised Guideline for Professional Fees; d) Established professional indemnity structure /framework; e) Established Voluntary Associations f) Established mechanisms for recognition of new professions; g) Updated registration guidelines h) Evaluated qualification guidelines	R1 600	31 March 2017
	Regulation 1) Investigation of Complaints 2) Mediation 3) Develop Alternative Dispute Resolution (ADR) 4) Review of Rules, Code of Conduct 5) Determining procedures for appeals and tribunals for the protection of the public	a) Improved turnaround time for investigations, complete 50% cases b) Improved resolution of mediation matters- 100% of reported cases c) Implement ADR d) Reviewed procedures for appeals	R1 500	
	Protection of the public 1) Protection of the public against harmful practices of the Property Valuers	a) Conduct 3 session on protection of the public/ awareness b) Reach out 2000 rural learners on role of the SACPVP	R700	
	Enhancing Stakeholder relations 1) Forging links with local and international organisations 2) International agreements 3) Aligning to government policy & programmes**	a) Conduct 4 public engagements on profession branding b) Participate in 2 international property conference c) Formalise MOU with organisations that share similar aspiration to improve the profession d) Aligned strategic outputs to the NDP and government programmes	R500	

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Education 1) Accreditation of Property Valuation Training Programmes 2) Conducting accreditation of programmes offered by tertiary institutions in consultation with SAQA and Council for Higher Education; 3) Establish conditions relating to Continuing Education 4) Establish a Standards Generating Body (SGB)	a) Reviewed accredited training programmes (15) b) Reviewed tertiary institutions for accreditation (3) c) Revised CPD programme to reflect current realities; d) Standards Generating Body established (1)	R500	
	Strategic Services / Projects 1) Transformation Strategy –joint initiatives with CBE organisations 2) In house training - Practical Workshools and pre- examination sessions* 3) Development of the Standards for the Municipal Valuers Property Rating	a) Develop and implement transformation strategy b) In-house Training Strategy developed for all programmes offered by Council (SACPVP) c) Standards for the Municipal Property Valuers Rating developed (1)	R1 500	
	Organisational Operations 1) Effective and efficient operations 2) Improved internal management systems (phones, relational databases etc.) 3) Upgraded / New databases	a) Implementation of new databases b) Implement Performance Appraisal System	R200	

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
Engineering Council of South Africa (ECSA)	Programme 1: Education and Registration Strategic objective: An efficient, inclusive, transparent registration and education practices that promotes demand, employability, marketability, mobility and protection of work environment.	a) Accreditation of all engineering programmes in higher education institutions in South Africa. b) Maintain ECSA's international standing through compliance with international accords and agreements c) Implementation of a New Registration System to transform the registration system to provide accessibility, transparency and efficiency. d) To retain 80% of registered persons year on year e) Grow the profession by introducing specified categories of registration f) Support engineering students through an education thrust g) Development and implementation of a functional CPD online system.	-	Performance evaluation is undertaken on a quarterly basis.
	Programme 2: Public awareness of the engineering profession Strategic objective: An informed public that can hold the profession accountable to the regulatory standards.	a) Dissemination of information on engineering activities b) Dissemination of engineering information to school learners through Engenius project c) Finalisation of new disciplinary cases by 80% d) Finalisation of disciplinary cases backlog by 40% e) Promotion of high levels of professional ethics by collaboration with employer bodies and enter into MoUs.	-	Performance evaluation is undertaken on a quarterly basis.
	Programme 3: Proactive response to Socio-Economic requirements Strategic objective: High impact socio-economic interventions in response to national and other priorities.	a) Enter into MoUs with strategic funding partners such as Government Departments and SOEs. b) Raise funding for strategic projects	-	Performance evaluation is undertaken on a quarterly basis.

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	Programme 4: A sustainable, transformed and coherent organisation Strategic objective: A coherent and well run organisation.	a) Review of the organisational structure to support ECSA strategy b) Review of Governance policies c) Development of QMS systems for the entire organisation d) Effective management of ECSA finances e) Enhanced information management infrastructure to support ECSA business f) Increase revenue collection by 8%	-	Performance evaluation is undertaken on a quarterly basis.
The South African Council for the Architectural Profession (SACAP)	To provide for the registration of persons within the architectural profession; To provide for the regulation of the architectural profession and protect the public.	Transform the profession and architecture in society through collaboration a) Grow and develop architecture and the profession b) Regulate the architectural profession by protecting the public against unprofessional conduct c) Ensure public awareness of the architectural profession d) Promote SACAP's institutional excellence	R26 151	27 May 2016

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
The South African Council for the Quantity Surveying Profession (SACQSP)	1. Registration	a) Policies aligned with the Minister's five year plan for a transformed and sustainable QS profession b) Improved and broadening of knowledge and on-the-job skills with the aid of the Professional skills modules for learning and enhancing the profession c) Training and developed Candidates for professional registration d) Structured learning put in place to ensure right level of professional standard is achieved e) Introduction of additional registration tiers for Candidates that are not employed in the QS firms and are not registered with the Council. This way the Council protect the public from non – registered practitioners, and the Code of Conduct can be enforces if compliance is not being met.	R3 500 grant for training and development from CETA.	03 March 2016
	2. Education	a) Make sure that all institution offering the QS related programmes are assessed by the SACQSP and comply with the rules set out in the accreditation policy. b) Private institutions approached and given an opportunity to apply for accreditation c) Continuous professional development enforced to ensure the highest quality of the services rendered by the registered persons d) Public protected from unqualified service providers	R120	03 March 2016

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
	3. Legislation	a) Acting in terms of statutory obligations b) Identifying work performed by registered person c) Promulgating rules in consultation with the minister d) Implements stringent quality assurance measures to all functions performed e) Determining the requirements to be met by the Voluntary Associations f) Protection of the public	-	
	4. Discipline	a) Promoting ethical behaviour and standard through the code of professional conduct b) Dealing with grievances and appeals c) Applying discipline as and when required to sustain Best Practice	R140	

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
South African Landscape Architectural Professions (SACLAP)	The SACLAP derives its mandates from the South African Landscape Architectural Professions Act, Act 45 of 2000 (Hereafter referred to as the Act). In line with this Act the following are the key mandates i.e. focus areas for the Council: - Registration - Professional Practice - Education - Finance	Deliverables of each mandate is described in summary format below: Registration: - The Registrar's office receives all the applications from individuals wishing to be registered either as candidates or through the Recognition of Prior Learning Route (RPL) - The applications are processed in conjunction with the Registration committee - The Register of SACLAP is maintained accordingly - As part of this function, the Registration Committee advises SACLAP on the policies and procedures that need to be maintained in order to carry out such in a fair and transparent manner. Professional Practice: - Once professionally registered, individuals are to undertake Continued Professional Development (CPD). - The Registrar's office receives the CPD submissions and together with the Professional Practice Committee processes such. - The Code of Conduct and associated processes such as disciplinary procedures also reside within this mandate. - The Professional Practice Committee has, in terms of the mandate of the Act, previously advised Council on the gazetting of guideline professional fees. In correspondence received from the Competition Commission on 9 February 2016, SACLAP was advised that the exemption application regarding such in terms of the Competition Act was not granted. - The Professional Practice Committee has, in terms of the mandate of the Act, previously advised Council on the gazetting of identified work.	R 1 319	Biannually

Name of Built Environment Professional Council	Mandate	Outputs	2016/17 budget (R '000)	Date of next evaluation
		f) As part of this function, the Professional Practice Committee advises SACLAP on the policies and procedures that need to be maintained in order to carry out this mandate. Education: a) As per the Act, SACLAP undertakes accreditation visits to the tertiary institutions that offer programmes that feed into the candidate registration categories. b) As part of this function, the Education Committee advises SACLAP on the policies and procedures that need to be maintained in order to carry out this mandate. Finance: a) The Registrar's office manages this on a day to day basis and together with the appointed accountant undertakes the necessary actions in terms of the income and expenses. b) The Finance Committee also recommends to the Council all charges that individuals are liable for in terms of their registration. c) In terms of the Act, Annual Financial Statements are prepared. d) As part of this function, the Finance Committee advises SACLAP on the policies and procedures that need to be maintained in order to carry out this mandate.		
South African Council for Project and Construction Management Profession (SACPCMP)	The SACPCMP was established to regulate Construction Management and Construction Project Management Professionals to protect the public	a) Develop and maintain a national register and capacity building b) CPD and Programme Accreditation c) Promoting the Professions Section 14 (g); (i); (j) and (k) of the SACPCMP Act d) Conducting RPL Workshops Provincially	R3 305	Bi-annually

14. Public Private Partnerships

There are no Public Private Partnerships to report for the 2015-2020 period



Part D: Annexures to the Strategic Plan



15. Annexure A: Legislation the Department of Public Works administers

Table 57: Legislation the Department of Public Works administers

Short Title of the Act	Purpose of the Act
Before Union (prior to 1910)	
Cape Outspans Act 17 of 1902	To provide for the resumption of unused Outspans, and cancellation and delimitation of Outspan Servitudes.
Pretoria and Military Supply Ordinance, 1905	To render certain Crown Land to the Municipality of Pretoria upon certain conditions.
During Union (1910 – 1961)	
Rhodes Will (Groote Schuur Devolution) Act 09 of 1910	To provide for the surrender of the Groote Schuur Estate to the Government of the Union of South Africa in accordance with the Will of the late Cecil John Rhodes and for the release of the Trustees.
Agricultural Holdings (Transvaal) Registration Act 22 of 1919	To approve the division and registration of land in former Transvaal as an agricultural holding and to cancel such certificates at request for owner.
Bethelsdorp Settlement Act 34 of 1921	To provide for the settlement of certain matters in dispute at Bethelsdorp between the London Missionary Society and its successors, the Congregational Union Church Aid and Missionary Society of South Africa and the Bethelsdorp Board of Supervisors.
Mooi River Township Lands Act 05 of 1926	To provide for the grant of certain land to the Local Board of Township of Mooi River and matters incidental therefore.
Carnarvon Outer Commonage Sub-division Act 17 of 1926	To provide for the cancellation of the title issue under section 14 of Act No 19 of 1913 to the Committee of Management of the Carnarvon Outer Commonage, the sale of certain sowing lands on the said Commonage, the subdivision and allocation of the remaining extent of the said Commonage among the owners of 'opstallen' and persons having grazing and sowing rights thereon and the issue of individual titled to such owners and persons, the disposal of certain other lands owned by the said Committee, and matters incidental thereto.
Payment of Quitrent (Cape) Act 14 of 1927	To regulate the payment of quitrent by part-owner of land subject to payment of quitrent and situated in the province of the Cape of Good Hope.
Marburg Immigration Settlement (Social Board of Management) Act 43 of 1927	To provide for the constitution of a local Board of Management for the Marburg Immigration Settlement, County of Alfred, in the Province of Natal and certain incidental matters.
Cape Outspans Act 17 of 1937	To provide for the issue of deeds of grant to divisional and municipal councils in respect of Outspans consisting of Crown Land situated in the Cape of Good Hope.
Municipal Lands (Muizenberg) Act 09 of 1941	To make better provision for attaining the object of certain lands adjoining False Bay are vested in the Council of the City of Cape Town.

Short Title of the Act	Purpose of the Act
Cape Town Foreshore Act 26 of 1950	To provide for the management, control and development of the Cape Town foreshore and to that end to establish a board in respect of the said foreshore and to define its functions and to provide for through the incidental matters.
Republic (1961 – 1994)	
State Land Disposal Act 48 of 1961	To provide for the disposal of certain State Land and for matters incidental thereto, and to prohibit the acquisition of State Land by prescription.
Paarl Mountain Act 83 of 1970	To provide for the transfer of the ownership of certain land to the Paarl Municipality for certain purposes and the expropriation of certain rights in such land; to empower the said Municipality to donate a portion or portions of the said land to the State for the purpose of a Language Monument, and to provide for other incidental matters.
Marburg Immigration Settlement Regulation Act 50 of 1971	To provide for the subdivision of commonages within the Marburg Immigration Settlement situate in the County of Alfred, province of Natal and the allocation of the relevant portions to, and the dividing of the other assets of the Marburg Immigration Settlement Board, among registered owners of lots within the said Settlement, for matters incidental thereto.
Church Square, Pretoria, Development Act 53 of 1972	To provide for the management and upkeep of Church Square in Tshwane.
General Law Amendment Act 102 of 1972	Section 34. Certain conditions of title applying in respect of immovable property owned by the State to lapse in certain circumstances.
The Lake Areas Development Act 39 of 1975	To provide for the establishment of lake areas under the control of a Lake Areas Development Board, and for matters incidental thereto.
Expropriation Act 63 of 1975	To provide for the expropriation of land and other property for public and certain other purpose and for matters incidental thereto.
Rating of State Property Act 79 of 1984	To repeal certain Acts granting exemption in respect of certain State property from rates levied on immovable property by local authorities; provided that such rates may, notwithstanding certain other exemptions, be levied on other State property, make provision for rebates in respect of such rates levied on State property, and provide for matters such rates levied on State property, and provide for matters incidental thereto.
Transfer of Powers and Duties of the State President Act 97 of 1986	To amend certain laws so as to vest certain functions presently assigned to the State President, in the respective Ministers of State who are charged with the administration of those laws; and to provide for incidental matters.

Short Title of the Act	Purpose of the Act
Land Affairs Act 101 of 1987	To provide for the determination of amounts of compensation, purchase prices or rents in respect of immovable property expropriated, purchased or leased by the Department of Public Works for public purposes and the giving of advice with regard to the value of land and purchase prices or rent in respect of certain immovable property; for that purpose to make provision for the establishment of a Land Affairs Board; and to provide for incidental matters.
Commonwealth War Graves Act 08 of 1992	To prohibit the desecration, damaging or destruction of Commonwealth War Graves, to regulate the disinterment, removal, reinterment or cremation of Commonwealth war burial and the removal, alteration, repair or maintenance of Commonwealth War Graves and to provide for matters connected therewith.
South Africa (1994 to date)	
Parliamentary Village Management Board Act 96 of 1998	To provide for the establishment of a Parliamentary Villages Management Board and matters incidental thereto.
Construction Industry Development Board Act 38 of 2000	To provide for the establishment of the Construction Industry Development Board, and matters incidental thereto.
Council for the Built Environment Act 43 of 2000	To provide for the establishment of the Council for the Built Environment and matters incidental thereto.
Architectural Profession Act 44 of 2000	To provide for the establishment of the Council for the Architectural Profession and matters incidental thereto.
Landscape Architectural Professional Act 45 of 2000	To provide for the establishment of the Council for the Landscape Architectural Profession and matters incidental thereto.
Engineering Profession of South Africa Act 46 of 2000	To provide for the establishment of the Council for the Engineering Profession and matters incidental thereto.
Property Valuers Profession Act 47 of 2000	To provide for the establishment of the Council for the Property Valuers Profession and matters incidental thereto.
Project and Construction Management Profession Act 48 of 2000	To provide for the establishment of the Council for the Project and Construction Management Profession and matters incidental thereto.
Quantity Surveying Profession Act 49 of 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Government Immovable Asset Management Act 19 of 2007	To provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.

16. Technical Goal Descriptions

Goal title	To transform the construction and property sectors through the development of policy and legislative prescripts
Short definition	To provide leadership to the South African construction and property sectors whilst ensuring transformation and regulation thereof through the development of the Public Works White Paper and the Public Works Act.
Purpose/importance	The Department is responsible for regulating and promoting growth and transformation in the property and construction sectors. Transformation of the industry brings about significant increases in the number of black people participating within the sector(s) as well as significant decreases in economic inequalities.
Source/collection of data	Research findings on the construction and property sectors, Current policies and legislation, Quarterly and Annual Reports
Method of calculation	None
Data limitations	None
Type of goal	Outcome
Calculation type	Non-Cumulative
Reporting cycle	5 year cycle
New goal	Yes
Desired performance	Approved Public Works White Paper and Draft Public Works Bill
Goal responsibility	Deputy Director-General: Property and Construction Industry Policy and Research

Goal title	To provide oversight of the Public Works sector
Short definition	To provide support to the Provincial Public Works Departments on concurrent functions to ensure coordinated and integrated implementation of national policies and programmes at National and Provincial level.
Purpose/importance	Provinces are mainly responsible for implementation, in accordance with the nationally determined policy and implementation guidelines. To ensure efficient delivery of concurrent functions, there must be proper coordination of policy, budgeting, planning, implementation and reporting within the Public Works sector.
Source/collection of data	Policies, Norms and Standards, Strategy documents, Strategic plans and Annual Performance Plans of National and Provincial Departments of Public Works
Method of calculation	None
Data limitations	None
Type of goal	Outcome
Calculation type	Non-Cumulative
Reporting cycle	5 year cycle
New goal	Yes
Desired performance	Coherent Government that delivers services to the nation through all three spheres of Government
Goal responsibility	Deputy Director-General: Intergovernmental Coordination

Goal title	To provide an oversight role in the implementation of Public Employment Programmes through Expanded Public Works Programme (EPWP) standardised frameworks.
Short definition	Oversee the implementation of Public Employment through labour intensive delivery methodologies and skills programmes
Purpose/importance	The Department is responsible for the overall coordination of the Expanded Public Works Programme that is directed at providing work opportunities and income support to poor and unemployed people through the labour intensive delivery of public and community assets and services.
Source/collection of data	Report drawn from EPWP reporting system and site visits
Method of calculation	None
Data limitations	None
Type of goal	Outcome
Calculation type	Cumulative
Reporting cycle	5 year cycle
New goal	Yes
Desired performance	Public Employment Programmes implemented by public bodies and implementing agents aligned Phase III EPWP principles
Goal responsibility	Deputy Director-General: Expanded Public Works Programme

Goal title	To oversee the efficient delivery of identified services to Prestige clients
Short definition	To set Prestige policies, guidelines, norms and standards and ensure the delivery of services to Prestige clients in accordance with the relevant frameworks.
Purpose/importance	The Department is required to provide movable and immovable assets to Prestige clients in accordance with the Ministerial Handbook. These assets must be provided in the correct quantities, at the required time and within the allocated budget
Source/collection of data	Immovable Asset Register, User Asset Management Plans, Custodian Asset Management Plans
Method of calculation	None
Data limitations	None
Type of goal	Outcome
Calculation type	Non-Cumulative
Reporting cycle	5 year cycle
New goal	Yes
Desired performance	To provide Prestige accommodation in the right quantity, at the right time and in accordance with approved regulatory frameworks
Goal responsibility	National Coordinator: Prestige

Goal title	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Short definition	Drive the Efficiency Enhancement Phase (Phase II) of the Turnaround Strategy of the Department of Public Works and the Property Management Trading Entity
Purpose/importance	The Turnaround Strategy and its implementation is a prerequisite for the strategic performance of the Department and the PMTE. The Turnaround Strategy is based on the need to address critical and foundational aspects of service delivery as well as to ensure immediate improvements that can be used to elicit further success
Source/collection of data	7 Year Turnaround Strategy, Auditor-General Reports
Method of calculation	None
Data limitations	None
Type of goal	Outcome
Calculation type	Cumulative
Reporting cycle	5 year cycle
New goal	Yes
Desired performance	Unqualified Audit Outcome
Goal responsibility	Deputy Director-General Governance, Risk and Compliance, Deputy Director-General Corporate Services and Chief Financial Officer

17. Technical Objective Descriptions

Programme 1: Administration

Objective title	Improve governance processes within the Department and PMTE
Short definition	Assessing the current level of performance and compliance within the Department and putting in place interventions to improve management practices.
Purpose/importance	To ensure an integrated, holistic approach to department wide governance in accordance with its risk appetite, internal practices and external regulations, through the alignment of strategy, processes, technology and people, thereby improving efficiency and effectiveness.
Source/collection of data	Management Performance Assessment Tool, DPSA Service Delivery Planning Framework and Methodology
Method of calculation	$\frac{\text{Average MPAT Score for DPW}}{\text{Total MPAT Score}}$
Data limitations	Lack of business process and detailed service delivery model
Type of objective	Output
Calculation type	Non - cumulative
Reporting cycle	Annual
New objective	No
Desired performance	To ensure that the management practices of the Department are fully effective through the MPAT improvement Plan resulting in an average score of 4 on all Key Performance Areas
Objective responsibility	Chief Director: Chief Director Monitoring and Evaluation

Objective title	To combat fraud and corruption within the Department and PMTE
Short definition	The strategic objective is measuring the increase or decrease of fraud and corruption levels in the Department by evaluating the probability and impact of the fraud risk register for the Department and PMTE. This strategic objective is linked to Phase II of the Turnaround Strategy.
Purpose/importance	The Department conducted an assessment of Fraud Risks to mitigate the prevalence and vulnerability of the Department to fraud and corruption and to identify its roots causes. The outcome of Fraud Risk Assessment informs the Fraud Prevention Plan of the Department.
Source/collection of data	Fraud Risk Register
Method of calculation	<u>Risk rating (probability x impact rating) of the current fraud risk register</u> The previous year's (probability x impact rating) fraud and corruption risk rating
Data limitations	Lack of allegations reports, unavailability and or non-cooperation from officials and Management to provide information.
Type of objective	Output
Calculation type	Non- cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	Reduction in the fraud and corruption risk levels across the Department
Objective responsibility	Chief Director: Anti-fraud and anti-corruption

Objective title	To provide a compliant internal control, financial and Supply Chain Management services
Short definition	Efficient and effective management of the financial resources for the financial sustainability of the Department. A supply chain management system that delivers maximum value in a manner that is fair, efficient, cost-effective, equitable and transparent.
Purpose/importance	To entrench internal controls and eliminate misuse of financial resources. Improved financial planning and reporting to enhance financial performance.
Source/collection of data	The audit outcome as per the audit report received from the Auditor-General South Africa
Method of calculation	None
Data limitations	None
Type of objective	Output
Calculation type	Non- Cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	Financial sustainability of the Department
Objective responsibility	Chief Director: Finance. Chief Director: Supply Chain Management

Objective title	To facilitate organisational transformation through effective performance management.
Short definition	Ensuring that the Department and the PMTE have the right skills (in terms of numbers and quality) and the right places to deliver in its mandate and strategic goals through the implementation of a staff retention strategy, expansion of learnership programmes, increased capacity for all the prioritised areas, improved recruitment cycles and prioritisation of training needs.
Purpose/importance	To deliver human resources services that meet the service delivery objectives of the DPW and PMTE
Source/collection of data	Human Resource data is sourced from the PERSAL system through reports
Method of calculation	None
Data limitations	Accuracy of the PERSAL information
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	Diverse competent and well-managed workforce; capable of and committed to delivering high quality services to clients
Objective responsibility	Chief Director: Human Resource Management Chief Director Human Resource and Organisational Development

Objective title	To provide an enterprise ICT architecture to support all business functions
Short definition	Enterprise architecture designed to manage the information and communications technology (ICT) decisions for the Department and PMTE to be able to understand and deliver objectives and business requirements; to be able to communicate and develop business solutions for the Department and PMTE
Purpose/importance	To ensure that investments in technology, information and process development are cost-effective, sustainable and aligned with the strategic goals of the Department and PMTE.
Source/collection of data	Multiple systems across the Department (WCS, BAS, PMIS, Logis)
Method of calculation	None
Data limitations	Inaccurate system data
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	To ensure that the business and IT are aligned in respect to the service delivery objectives
Objective responsibility	Chief Director: Information Services

Objective title	To protect the interests of the Department by providing legal services
Short definition	To provide comprehensive legal and labour advisory services to the Department and PMTE in order to protect the rights and interests of the Department
Purpose/importance	To ensure that all litigation matters that are lodged against the Department are effectively managed so as to protect the rights and interests of the Department
Source/collection of data	Register book used for receiving legal processes (summons, applications), Updated Litigation Work-Book for all litigious matters which provides full particulars of each case.
Method of calculation	Percentage. Number of litigation cases attended to calculated as a percentage of the total number of litigation cases for the same period <u>Count the number of litigation cases managed</u> Total number of litigation cases received for the same period
Data limitations	None
Type of objective	Output
Calculation type	Non-Cumulative
Reporting cycle	Annual
New objective	No
Desired performance	All litigious matters are defended and or settled timeously
Objective responsibility	Chief Director: Legal Services

Programme 2: Intergovernmental Coordination

Objective title	To ensure integrated planning and coordination of concurrent functions
Short definition	To plan, monitor and report on the performance of concurrent functions within the public works sector.
Purpose/importance	To ensure effective coordination of service delivery within the sector with regard to the immovable asset register, construction and property management, the implementation of Government Immovable Asset Management Act (2007) and the reporting on performance information within the Public Works sector
Source/collection of data	Minutes of MinMEc and Technical MinMec Meetings, Minutes of Intergovernmental Task Team Meetings, Intergovernmental Policies and Strategies.
Method of calculation	A simple count of the interventions tabled at MinMec forums and adopted for the sector
Data limitations	None
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	Approved sector plans for identified concurrent areas
Objective responsibility	Chief Director Intergovernmental Coordination

Programme 3: Expanded Public Works Programme

Objective title	To monitor and evaluate the implementation of PEPs within the EPWP.
Short definition	To collate, monitor and report data on EPWP work opportunities created by Public Bodies. Public Bodies include the National Departments, Provinces, Municipalities and State-Owned Entities and Non State Entities
Purpose/importance	To track and report progress on the implementation of the EPWP Phase III targets. The EPWP Programme is a strategic intervention to provide work opportunities for the poor and unemployed.
Source/collection of data	EPWP Reporting System
Method of calculation	Simple count of annual EPWP reports developed
Data limitations	Inaccurate or incorrect work opportunities reported on the EPWP System
Type of objective	Outcome
Calculation type	Non -cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	One annual progress report developed for each year of implementation of the EPWP
Objective responsibility	Chief Director: EPWP Monitoring & Evaluation

Objective title	To support Non Profit Organisations (NPOs) to implement Public Employment Programmes within EPWP in the Non-State Sector (NSS)
Short definition	To co-ordinate, monitor and support the efficient implementation EPWP to create work opportunities in the Non-State Sector
Purpose/importance	The EPWP Programme is a strategic intervention to provide work opportunities for the poor and unemployed. The purpose of this objective is to co-ordinate and monitor the implementation of EPWP towards achieving the Non-State Sector targets as set out in the sector plan of the EPWP Phase III Business Plan.
Source/collection of data	Reports from intermediaries implementing the NSS: NPOs programmes showing the number of NPOs contracted.
Method of calculation	Simple count of the Non Profit Organisations providing services to communities as per EPWP principles
Data limitations	Inaccurate or incorrect work opportunities reported on the EPWP System
Type of objective	Outcome
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	300 Non Profit Organisations providing services to communities as per EPWP principles
Objective responsibility	Chief Director: EPWP Operations

Objective title	To support public bodies (Provinces and Municipalities) to implement Public Employment Programmes (PEPs) within EPWP in the Infrastructure, Social and Environment and Culture Sectors
Short definition	To co-ordinate, monitor and support the efficient utilisation of labour-intensive methods to implement EPWP to maximise the creation of work opportunities in the Infrastructure Social and Environment and Culture Sector programmes.
Purpose/importance	The EPWP Programme is a strategic intervention to provide work opportunities for the poor and unemployed. The purpose of this objective is to co-ordinate and monitor the implementation of EPWP towards achieving the Infrastructure, Social and Environment and Culture sector targets as set out in the respective Infrastructure, Social and Environment and Culture sector plans within the EPWP Phase III business plan.
Source/collection of data	EPWP Annexure Reports.
Method of calculation	Simple count of public bodies implementing Public Employment Programmes within EPWP in the Infrastructure, Social and Environment and Culture Sectors
Data limitations	Inaccurate or incorrect work opportunities reported on the EPWP System
Type of objective	Outcome
Calculation type	Non -cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	The desired performance should be the same as the targeted performance
Objective responsibility	Chief Director: EPWP Infrastructure

Objective title	To provide strategic guidance on sector convergence through the development of implementation frameworks
Short definition	To provide guidance on the implementation of convergence between sectors and other sectors in the EPWP, through the development of frameworks to manage the convergence.
Purpose/importance	To implement and manage the convergence of other sectors in relation to EPWP and ensure that EPWP creates policies to encourage convergence between sectors, especially at a local government level.
Source/collection of data	Reports and minutes from workshops conducted with stakeholders.
Method of calculation	A simple count of the number of projects implemented by public bodies as per the approved framework
Data limitations	None
Type of objective	Outcome
Calculation type	Non -cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	1 Project implemented annually by public bodies
Objective responsibility	Chief Director: Convergence and PEP-IMC Secretariat

Programme 4: Property and Construction Industry Policy and Research

Objective title	To research and develop policies and legislative prescripts for the construction and property sectors
Short definition	Various pieces of legislation to regulate the construction and property sectors and implementation guidelines to encourage transformation in the construction and property industries.
Purpose/importance	To regulate the construction and property sectors through the development of various pieces of legislation; and to transform the industries through the development of various guidelines to give effect to the implementation of programmes to promote transformation in the sectors
Source/collection of data	Current policies and legislation; research findings, quarterly and annual reports;
Method of calculation	Simple count of the number of legislative prescripts submitted to Parliament
Data limitations	Lack of inputs from stakeholder engagements and public consultation process
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	3 Legislative prescripts approved for submission to Parliament
Objective responsibility	Chief Director: Construction Policy Regulation and Chief Director: Property Policy Regulation

Programme 5: Prestige Policy

Objective title	To improve the delivery of services to Prestige clients
Short definition	To provide maintenance services on immovable assets to Prestige Clients in accordance with approved policy
Purpose/importance	To meet service delivery expectations of Prestige clients in the provision of maintenance services within the agreed timeframes and available budget
Source/collection of data	Needs assessments, Letter of allocation, 3 Year Infrastructure Programme for Prestige
Method of calculation	Percentage calculation. Simple count of the number of days taken to resolve maintenance breakdowns in the current year and express that as a percentage of the number of days taken to resolve maintenance breakdowns in the previous financial year <u>Count the average number of days taken to resolve maintenance breakdowns in the current financial year</u> Average number of days taken to resolve maintenance breakdowns in the previous financial year
Data limitations	Incomplete and inaccurate needs assessments, lack of condition assessments
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annual
New objective	Yes
Desired performance	100% of maintenance breakdowns resolved in agreed timeframes
Objective responsibility	National Coordinator: Prestige

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Notes

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SOUTH AFRICA WORKS BECAUSE OF PUBLIC WORKS

The 2015-20 Revised Strategic Plan for the Department of Public Works is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

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