

2018/19

ANNUAL PERFORMANCE PLAN

PROPERTY MANAGEMENT TRADING ENTITY



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

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2018/19

The 2018/19 Annual Performance Plan for the Property Management Trading Entity is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

For more information, please contact:
Governance, Risk and Compliance
Department of Public Works
Private Bag X65
Pretoria, 0001, South Africa
Tel: +27 12 4061178
Fax: +086 276 8966

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FOREWORD BY MINISTER



“ *By taking action and investing in those who need it, we can change the lives of our people now and in the future.* ”

The Policy Statement for the Property Management Trading Entity (PMTE) sets out policy priorities and areas of focus for the remainder of the five year cycle. As Minister of Public Works, I am driving far-reaching change to make a bigger difference in the lives of all South Africans. Our most vulnerable citizens are at the heart of all those changes. By taking action and investing in those who need it most, we can change the lives of our people now and in the future. The most significant areas for the PMTE includes the transformation of the construction and property sector by growing and developing Black Owned Businesses, while increasing the supply and availability of management and technical skills; job creation through the Expanded Public Works Programme; as well as, development of economic infrastructure network through Operation Phakisa and building capacity through the creation of internal strategic enablers.

The 2018/19 Annual Performance Plan (APP) of the PMTE is presented within the context of a low growth trap, - a cycle of persistently low economic growth that middle income economies cannot escape. Several years of slow growth have threatened to derail our progress in addressing the triple challenges of unemployment, poverty and inequality. There are two elements to Radical Economic Transformation that we have taken into consideration as part of our APP. The first relates to the need to ensure that the ownership, management and worker profile at all levels reflect the racial composition of the broader society; the second relates to the need to transform the sectoral composition of the economy to reflect a post-apartheid industrial economy built on a large stable and skilled middle class rather than a capital intensive economy based on a minerals energy complex.

Government is committed to building a development State that has the objective of actively intervening in the economy to drive investment in infrastructure, skills and technology and targeted areas to achieve a long-term vision of a higher value added labour absorptive and racially transformed economy. The strength of a developmental State is its ability to forge a common vision for the people and unite them behind

that vision as the organised philosophy of the nation so that they all pull toward the same direction. Radical Economic Transformation must distinguish itself by its ability to expand the productive forces, make the country prosperous and powerful and improve the living standards of the country's citizens as a whole especially those who are considered to be oppressed. We need to harness and provide leadership to private capital in pursuit of radical economic transformation agenda both to get out of the current period of slow growth as well as to achieve high industrialisation and inclusive growth. We need to adopt and implement growth-enabling policies. Economic growth in the South African economy slowed from 3% in 2012 to 0.3% in 2016, however, in the last year we have seen stronger economic activity largely driven by recovery in mining and agriculture and larger household consumption. The economy is finally growing but it is growing slowly, just below the rate of population growth, while the demand for public services are increasing. This has increased the pressure on our fiscal framework in the form of consistent budget deficits leading to our debt in GDP increasing steadily where we would prefer to stabilise it. We take our relative macro-economic stability for granted but it is a key asset for a developing country. Only a return to decent growth will create the conditions to get all our citizens working and provide Government with the resources to fulfil our social needs, invest in human capability and appropriate social and economic infrastructure.

Whilst looking at the year ahead, the APP takes into consideration the short to medium-term focus areas stemming from the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF) and the SONA 9-Point Plan, amongst others. Through the implementation of the APP, we will demonstrate to the public the impact we will make in transforming the property and construction industries, in reducing unemployment and improving the lives of the poor and vulnerable and increasing State-led infrastructure investment. One of the key objectives of the PMTE is to re-address spatial imbalances, as outlined in the NDP, by integrating Government infrastructure planning with

National, Provincial and Municipal spheres of Government to create efficiencies for planning and development.

The PMTE is in a position to contribute significantly toward cost containment, reducing waste, resource preservation and improving the composition of Government spending on accommodation as the largest real estate portfolio manager in southern Africa. The immovable assets portfolio, which comprises of some 29 322 land parcels on which some 93 943 (comprising of 35.6 million square metres) buildings and structures are located, has been conservatively costed at R139 billion as at 31 March 2017. Additional to this portfolio, the PMTE manages some 2 800 property leases contracted in from the private sector, which is comprised of approximately 6.3 million square metres of floor space, with an annual projected expenditure of approximately R4.2 billion.

These portfolios not only hold extensive benefits and opportunities in respect of Government's broader developmental agenda and socio-economic transformation, but when effectively optimised, also offer the potential to contribute significantly towards cost containment, waste reduction, resource preservation and improving the composition of Government spending on accommodation. The PMTE must therefore actively pursue more efficient practices of reducing the cost of doing business in order to lessen its fiscal burden. To realise the above benefits, requires continuous investment in the State's property portfolio to get it up to a standard where the potential value it holds could be leveraged.

Key to transformation agenda, is the Property Management Empowerment Policy, which aims to address the skewed patterns of ownership and break the inequitable access to property opportunities; actively directing the advancement of entities majority black-owned, managed and controlled; whilst creating an enabling environment and support for black-owned property enterprises. Other enabling factors include the procurement reform by National Treasury, which introduces more flexible legislation for preferential procurement strategies that support Government's socio-economic objectives and provide a platform to develop programmes for accelerating transformation. The PMTE has further engaged the private property sector, the Real Estate Investment Trusts (REITs) and the financial institutions with the aim of collaboratively developing a Sustainable Transformation Programme. Leveraging Government resources as an enabler, the programme will be positioned to assist new entrants with funding challenges and access to the market, and will not only benefit a few, but rather empower the larger population, particularly black people, women and youth.

Inclusive growth is required because all our social and economic challenges will be easier to address in the context of a rapidly expanding economy. A fast growing economy creates more opportunities for wealth and employment creation. Businesses see more demand for their products and services and invest accordingly. Workers see more work opportunities and higher wages, and consequently Government receives more tax revenue to fund social services and invest in human capabilities and economic infrastructure.

The outcomes of infrastructure development will continue to contribute to job creation, poverty alleviation and skills development and training. These infrastructure projects will subscribe to job creation targets as set by EPWP, and the relevant supply chain tender documents already make provision for the enforcement thereof. The PMTE has further identified mega projects that will have a significant impact on job creation and in consultation with the Presidential Infrastructure Coordinating Commission (PICC), a strategy is being developed to monitor and support this initiatives.

Operation Phakisa Oceans Economy is aimed at attracting investment in State Coastal Maritime infrastructure and properties, to expand businesses, create jobs, stimulate economic growth, generate revenue and ensure economic transformation. The PMTE is working with the four coastal provincial offices as well as the provincial development agencies in each of the Provinces to support the development of SMMEs and other potential businesses. In addition to the implementation of the repair programme across the 12 proclaimed fishing harbours, the PMTE will develop three new small harbours along the coastline of Kwa-Zulu Natal (Port Edward), Eastern Cape (Port St Johns) and Northern Cape (Port Nolloth) as nodal development points. The development of these nodal points, will assist in the formalisation of marine activities – including, fishing, mining and aquaculture farming in small and rural areas. The development is part of the Five-to-Ten Year Strategic Programme for Cooperation between Government and other strategic partners. The PMTE will develop Spatial and Economic Development Frameworks (SEDF) for the three identified new small harbours, where the aim is to identify long-term development plans of surrounding areas to create viable economic zones linked to the harbour infrastructure.

As part of the Turnaround Strategy and the drive towards improving service delivery, the successful operationalisation of a self-sustainable PMTE remains a critical strategic priority to build value to- and bring savings to the State. The PMTE will start the process to further disaggregate the IAR to identify surplus assets for disposals as a contributor to revenue generation, however, the increased accommodation charges through the user charges model based on actual accommodation occupied remains at the core of the PMTE's sustainability. Another critical success factor is the implementation of an Enterprise Resource Planning (ERP) system with an integrated end-to-end asset management capability in order to fully manage the property portfolio throughout the asset life cycle - including the IAR, lease management, and capital budgeting, amongst others. The system incorporates different modules and applications that are integrated to accomplish consolidated workflows. The PMTE has also piloted a New Facilities Management Delivery Model under the Turnaround Strategy that is based on an analysis of all maintenance services to fully understand the reasons for the inefficiencies and weaknesses present in the facilities management environment. The model will address mainly fragmented and manual systems, poor facility conditions, ballooning reactive maintenance expenditure and repeat audit findings. Well-functioning infrastructure provide a critical platform for economic development and effective and efficient service delivery.

The PMTE is committed to playing its part in necessary fiscal consolidation over the MTEF and has identified the realisation of increased levels of efficiency, prioritisation of expenditure and the maximisation of revenue as imperatives within the MTEF. At the same time, particular attention will be paid to maximising the empowerment and job creation initiatives. With this, I wish to extend words of gratitude to the Deputy Minister of Public Works, Mr. J. Cronin for his support, the Director-General, Advocate S Vukela, top management and the staff of the PMTE for their commitment to the tasks at

hand. Without your commitment and hard work, we would not have reached the milestones we have reached to date. I endorse this APP of PMTE as the roadmap for what we hope to achieve in the 2018/19 financial year.



Mr. T.W Nxesi, MP

Minister of Public Works

DIRECTOR-GENERAL'S OVERVIEW



“ *As part of the Turnaround strategy, the PMTE has been addressing various organisational and operational issues through the implementation of the Seven Year Business Improvement Plan.* ”

It is with pleasure that I present the 2018/19 Annual Performance Plan (APP) that encapsulates the activities that the PMTE will undertake to fulfil its responsibility of effectively managing the State's immovable assets.

In our rapidly changing global environment, South Africa is faced with some difficult choices. Slow economic growth is placing significant pressure on the fiscus and like all public sector institutions, the PMTE has been directly affected by the resource limitations. This has led to immense cost pressures on the daily operations of the PMTE, impacting on the quality of services and accommodation provided to user departments, as well as the overall operationalisation of the PMTE. In pursuit of improving delivery of services and reducing the cost of doing business, the successful operationalisation of a self-sustainable PMTE remains a critical strategic priority for the Department.

As part of the Turnaround strategy, the PMTE has been addressing various organisational and operational issues through the implementation of the Seven Year Business Improvement Plan. To this extent, and as part of enhancing efficiencies within the PMTE, a dedicated Operationalisation and Financial Sustainability Programme has been introduced with the focus of fully operationalising the PMTE, and devising and initiating plans to extract maximum value-for-money from the property portfolio. This will be achieved by amongst others: concretising potential revenue sources; arresting exorbitant expenditure and quantifying potential savings; and revising the PMTE's costing model to address historical funding challenges to become less reliant on the fiscus.

The Finance Model, the development of which is currently underway and anticipated to be completed during the 3rd quarter of the 2018/19 financial year, will be used as a tool to analyse and guide the revenue and expenditure components in order to accurately project the anticipated funding deficit or surplus over a multi-year period. As part of operationalising PMTE, further efficiency enhancement interventions include: the implementation of the new Enterprise Resource Planning

system; the Business Processes Review; building professional skills; and enhancing the operating model in line with the Infrastructure Delivery Management System (IDMS) as a best practice model for public sector infrastructure management, and the Standard for Infrastructure Delivery and Procurement Method (SIPDM) as required by National Treasury since 1 July 2017.

With the aim of setting South Africa on a new growth path, the President's 2018 State of the Nation Address has called for a renewed emphasis on accelerating transformation and the development of small business, township enterprises, and cooperatives. During the reporting period, the PMTE remains resolute in its commitment to deliver programmes that contribute towards the country's developmental agenda and targets inter alia:

- Increasing the procurement spend for bids awarded to designated groups to 75%;
- Implementing the newly approved Property Management Empowerment Policy and adhering to the new sector charter codes of good practice;
- Intensifying the number of leases awarded to BBBEE companies to 30% and facilities management term contracts to 35%;
- Incubating 297 contractors through the Contractor Incubator Programme;
- Commencing with implementation of the Property Incubator Programme; and
- Increasing the number of job opportunities created through labour intensive construction projects to 7511 and 1000 job opportunities through the letting of state coastal properties.

As part of our commitment to progressively contribute towards economic growth in small and rural towns and improving services to historically unserved communities, the PMTE commenced with integrated planning of infrastructure in both small towns and urban areas. This is mainly to ensure that infrastructure plans support integrated services across the different spheres of Government in order to facilitate

improved community access, as well as to stimulate economic activity. A Strategic Spatial Development Framework has been developed that includes a targeted selection of 40 urban and 40 rural Municipal precincts. The framework is aimed at improving the planning of precincts; reducing delays in project inception and the initiation of projects; as well as the development of small coastal towns.

Enabling user departments to adequately deliver services to the public, has been prioritised as crucial and involves accurately projecting demand by concretising their needs. Based on a client-centric approach, the PMTE is continuously working on improving service design to proactively respond to our user departments' accommodation requirements for better efficiency and higher returns on investment. To this extent, the PMTE has targeted the development of a Customer Relationship Management Strategy in an effort to improve communication channels with user departments. Based on the requirements of user department which is aligned with their service delivery strategies, the PMTE will balance the costs, opportunities and risks associated with acquisitions, development, deployment and disposal of State assets, and accordingly develop asset management strategies.

The National Development Plan places specific emphasis on the need for the country to grow faster and in a more inclusive manner, based on higher levels of capital spending in general, and public investment in particular. Whilst new infrastructure is required to support growth, considerable investment is required for the upkeep and adequate maintenance of existing infrastructure. Within the current economic context, the PMTE aims to balance the creation of new infrastructure and the maintenance of the existing portfolio to maximise the benefit of these assets over the life cycle. The PMTE has undertaken an analysis of all maintenance services to fully understand the reasons for the inefficiencies and weaknesses present in the facilities management environment through the Top 300 Programme. A maintenance plan has been developed, that indicates the total human hours and funding required to maintain critical engineering assets within the identified facilities. The approach is aimed at reducing the number of unscheduled maintenance incidents and cost thereof, whilst preserving the condition of the portfolio.

The PMTE has finalised a GRAP compliant IAR that provides reliable data to support business decisions and ensure accurate billing of accommodation. The IAR data is currently being migrated into an integrated asset management system to support property and facilities management programmes, including the payment of rates & taxes, billing & recoveries and capitalisation of completed projects. The next important step in the IAR Programme, is the physical verification and detailed technical analysis of critical components and linking the results to the individual properties to enable accurate and informed asset management. In this regard, the PMTE aims at assessing 15 031 buildings during the reporting period to determine the condition of significant components.

The PMTE is in the process of upscaling its Green Building programme in line with the commitments made towards sustainable building principles through the implementation of South Africa's Climate Change Mitigation Strategy,

Energy Efficiency Strategy, and the National Environmental Management Waste Act. Given the size of the portfolio, the PMTE's renewable energy and consumption strategies, present a significant opportunity towards environmental conservation and resource preservation, whilst stimulating the green economy through enterprise development and job creation. The Water Management Programme will further be enhanced with the introduction of water conservation and water demand management interventions to all facilities within the portfolio.

Given our current economic constraints, the PMTE acknowledges that every cost-effective and informed transaction can contribute towards alleviating pressures on the fiscus. With the immense contribution that the PMTE can play with regards to Government spending on accommodation, National Treasury has identified expenditure on leases as a priority cost containment measure. To this end, the PMTE has commenced renegotiating private leases with landlords, with a significant amount to be saved.

As is evident from the plans, programmes and performance targets articulated in this APP, the PMTE is committed to playing its part in necessary fiscal consolidation over the MTEF and has identified the realisation of increased levels of efficiency, prioritisation of expenditure, and the expansion of additional revenue sources as key principles of its strategic focus. I am confident that this APP provides the basis for achieving the PMTE's mandate of effectively managing the State's immovable assets and transforming the built environment.

“Umsebenzi wethu wokukhonza abantu baseNingizimu Afrika kungenzeka kuphela uma sisebenza ndawonye”



Advocate S Vukela
Director-General

OFFICIAL SIGN OFF

It is hereby certified that:

This Annual Performance Plan was developed by the management of the Property Management Trading Entity under the guidance of Minister T.W Nxesi, in line with the 2015-2020 Strategic Plan of the Property Management Trading Entity. It, therefore, accurately reflects the performance targets, which the Property Management Trading Entity will endeavour to achieve, given the resources made available in the budget for the 2018/19 financial year.



Mr I. Fazel
Governance, Risk and Compliance



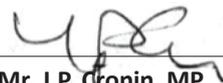
Ms R. Sadiki
Chief Financial Officer
Department of Public Works



Ms L. Bici
Act. Head of the Property Management Trading Entity



Adv. S. Vukela
Director General
Department of Public Works



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

Postscript

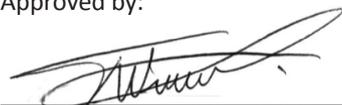
As the newly appointed Minister of Public Works I acknowledge the work of former Minister Nhleko and his team in developing this APP. For continuity and stability, it is important that we build on what has been done.

Additionally, our work in 2018/19 must reflect the changing political and economic environment. Under the leadership of President Ramaphosa economic indicators have already started improving. The priorities reflected in the State of the Nation Address and the Budget Speech point to a focus on anti-corruption and combatting state capture; economic

growth and employment; and nearer to home: a commitment to fully operationalising the PMTE to optimally manage State assets for cost savings, income generation, improved service to user departments and the public, and empowerment and job creation.

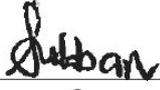
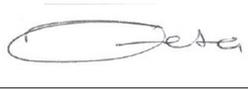
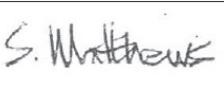
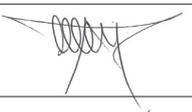
As we move into the detailed work of developing Operational Plans, these priorities will be addressed, as well as strengthening areas where impediments to implementation have been identified.

Approved by:



Mr. T.W Nxesi, MP
Minister of Public Works

SIGN OFF (MANCO)

MANCO MEMBERS	
	Ms S. Subban Real Estate Investment Services
	Mr M Sazona (Acting) User Demand Management
	Mr B. Mokhothu Construction Project Management
	Ms N.C Makhubele Real Estate Management Services
	Mr M.S. Thobakgale Small Harbours
	Ms S. Matthews Real Estate Information and Registry Services
	Mr S. Mdakane Facilities Management

Acronyms

ACRONYM	FULL DESCRIPTION
ASA	Agrément South Africa
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BEP	Built Environment Profession
C-AMP	Custodian Immovable Asset Management Plan
CBE	Council for the Built Environment
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIO	Chief Investment Officer
CIP	Contractor Incubator Programme
CPI	Consumer Price Index
CPO	Chief Procurement Officer
CTA	Cuban Technical Advisor
DAC	Department of Arts and Culture
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of South Africa
DCIO	Deputy Chief Investment Officer
DCOG	Department of Cooperative Governance
DCS	Department of Correctional Services
DEA	Department of Environmental Affairs
DG	Director General
DHA	Department of Home Affairs
DHS	Department of Human Settlements
DMS	Document Management System
DOD	Department of Defence
DOL	Department of Labour
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DPW	Department of Public Works
DRDLR	Department of Rural Development and Land Reform
DWS	Department of Water and Sanitation
ECSA	Engineering Council of South Africa
EIA	Environment Impact Assessment
EMP	Energy Management Plans
ENE	Estimates of National Expenditure
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
EXCO	Executive Management Committee
FDC	Fisheries Development Corporation
FM	Facilities Management
FTE	Full Time Equivalent
FY	Financial Year
GBCSA	Green Building Council of South Africa
GC	Government Component

ACRONYM	FULL DESCRIPTION
GDP	Gross Domestic Products
GEAR	Growth, Employment and Redistribution
GIAMA	Government Immovable Asset Management Act 19 of 2007
GRAP	Generally Recognised Accounting Practice
GVA	Gross Value Added
HCI	Human Capital Investment
HDI	Historically Disadvantaged Individual
HO	Head Office
HOD	Head of Department
HOSS	Head of Support Services
HR	Human Resources
IA	Implementing Agent
IAR	Immovable Asset Register
ICT	Information Communication & Technology Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IGR	Intergovernmental Relations
IKS	Indigenous Knowledge System
IPAP	Industrial Policy Action Plan
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
IP-VPN	Internet Protocol Virtual Private Network
ISS	Intenda Solution Suite
IT	Information Technology
LAB	Land Affairs Board
LOGIS	Logistical Information System
M&E	Monitoring and Evaluation
M&V	Measurement and Verification
MDG	Millennium Development Goal
MINTOP	Minister and Top Management
MIS	Management Information System
MOU	Memorandum of Understanding
MTBPS	Mid Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NGP	New Growth Path
NIAMM	National Immovable Asset Maintenance Management
NIMS	National Infrastructure Maintenance Strategy
NIP	National Infrastructure Plan
NT	National Treasury
OBB	Operation Bring Back
PFI	Project Finance Initiative
PFMA	Public Finance Management Act 1 of 1999
PICC	Presidential Infrastructure Coordinating Commission

ACRONYM	FULL DESCRIPTION
PIP	Property Incubator Programme
PMIS	Property Management Information System
PMO	Project Management Office
PMTE	Property Management Trading Entity
PPI	Producer Price Index
PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act 5 of 2000
PSA	Public Service Act, 1994 (Proclamation 103 of 1994)
PSLDVC	Provincial State Land Disposal and Vesting Committee
PSR	Public Service Regulations
REIRS	Real Estate Information and Registry Services
RSA	Republic of South Africa
SABS	South African Bureau of Standards
SACNASP	South Africa Council for Natural Scientific Professions
SAPS	South African Police Service
SASSA	South African Social Security Agency
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDG	Sustainable Development Goal
SDIF	Service Delivery Improvement Framework
SDIP	Service Delivery Improvement Programme
SEDF	Spatial and Economic Development Framework
SIP	Strategic Integrated Projects
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SLA	Service Level Agreement
SMME	Small, Medium and Micro-sized Enterprise
SMS	Senior Management Services
SOE	State-owned Entity
SONA	State of the Nation Address
SP	Strategic Plan
SPMC	State Property Management Corporation
State assets	Assets under the custodianship of the Minister of Public Works
TAU	Technical Assistance Unit (renamed Government Technical Advisory Centre)
ToR	Terms of Reference
TR19	Treasury Regulation 19
U-AMP	User Asset Management Plan
UDM	User Demand Management
UIF	Unemployment Insurance Fund
VPN	Virtual Private Network
WBS	Web-based Reporting Systems
WCS	Works Control System
WMU	Water Management Unit
WSP	Workplace Skills Plan



PART A

STRATEGIC OVERVIEW



1. VISION

Convenient access to dignified public services.

2. MISSION

Effective management of the State's immovable assets to contribute towards economic and social development and transformation of the built environment.

3. VALUES

The Property Management Trading Entity's (PMTE's) values align with the values espoused in the Constitution. The core values that underpin the culture of the PMTE are:

- **Innovation:** by tirelessly seeking opportunities for service delivery improvement by thinking freely and not bound by old, non-functional, or limiting structures, rules and practices.
- **Integrity:** by consistently honouring our commitments, upholding ethical, honest behaviour through transparent communication.
- **Motivation:** by having an attitude that brings out 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

The PMTE has identified eight strategic outcome-oriented goals that define its direct service delivery responsibilities. The following strategic outcome-oriented goals, as reflected in the Revised Five Year Strategic Plan 2015-2020 (SP), remain unchanged:

Table 1: Strategic outcome-oriented goal 1

Strategic Goal 1	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 PMTE to achieve full stabilisation and improve efficiencies for rebuilding the PMTE by 2020 in a compliant manner
Programme Name	Programme 1: Administration
Justification	The implementation of the Turnaround Strategy is a prerequisite for the performance of the PMTE and is based on the need to address critical and foundational aspects and immediate improvements in the manner that core programmes are supported
Links	<p>The National Development Plan (NDP) highlights the need for 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, while prioritising the nation's developmental objectives.</p> <p>Finance and Supply Chain Management (SCM) functions are governed by the Public Finance Management Act 1 of 1999 (PFMA), Treasury Regulations, Generally Recognised Accounting Practice (GRAP), Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) and Broad-Based Black Economic Empowerment (BBBEE) legislation</p>
Related Strategic Objectives	<ul style="list-style-type: none"> To provide a compliant internal control and financial service To provide a compliant Supply Chain Management service

Table 2: Strategic outcome-oriented goal 2

Strategic Goal 2	To consolidate user demands that enable planning and budgeting
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning and budgeting
Programme Name	Programme 2: Real Estate Investment Services
Justification	Development depends on providing the right type of infrastructure, in the right place at the right times. Planning for user department's accommodation requirements is a fundamental activity in the development of the State's immovable asset portfolio
Links	<p>Outcome 12: An efficient, effective and development-oriented public service (Sub-outcome 4: Efficient and effective management and operations systems)</p> <p>Highlights the need for more functional workplaces, leading to improved responsiveness to the needs of service users</p>
Related strategic objectives	To ensure that the User Asset Management Plans (U-AMPs) are produced in compliance with relevant prescripts

Table 3: Strategic outcome-oriented goal 3

Strategic Goal 3	To increase the value of the State's immovable asset portfolio
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through informed investments
Programme Name	Programme 2: Real Estate Investment Services
Justification	To ensure optimal value for money and a better rate of return on investment in the State's immovable asset portfolio. Such investment has a multiplier effect throughout the economy, generating lasting economic, social and environmental benefits
Links	Outcome 6: An efficient, competitive and responsive economic infrastructure network (Sub-outcome 1: Regulation, funding and investment improved) Highlights the need to lay the foundations for improvements in productivity, including infrastructure delivery and services
Related strategic objectives	<ul style="list-style-type: none"> To inform asset management decisions through optimal investment solutions To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions

Table 4: Strategic outcome-oriented goal 4

Strategic Goal 4	To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government
Goal statement	To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning for spatial, economic and infrastructural integration in order to provide improved accommodation with specific reference to accessibility, quality and facility management for efficient service delivery to the country and its citizens
Programme Name	Programme 2: Real Estate Investment Services
Justification	Redress spatial imbalances, eliminate the silo approach to infrastructure development and create economies of scale whilst supporting improved service delivery
Links	Contribute towards the integration of spatial development plans of rural municipalities as per Outcome 7 (Sub-outcome 2) Support efficient and effective public service by improved, integrated and accessible infrastructure as per Outcome 12 (Sub-outcome 4)
Related strategic objectives	To direct precinct planning and development for national government in urban and rural areas

Table 5: Strategic outcome-oriented goal 5

Strategic Goal 5	To meet user departments' accommodation requirements as per the approved Infrastructure Programme Implementation Plan (IPIP)
Goal statement	To provide effective and efficient delivery of accommodation needs for Department of Public Works (DPW) and user departments through construction and other infrastructure improvement programmes. This entails new construction, upgrades, additions and refurbishment of infrastructure over a five year period
Programme name	Programme 3: Construction Project Management
Justification	The NDP identifies infrastructure investment as a key priority for South Africa to support socio-economic transformation and to build a new level of economic resilience in an increasingly challenging global environment. Construction is key in the achievement of this national objective
Links	Provide reasonable functional accommodation that facilitates the attainment of user departments' service delivery objectives as outlined in Outcome 12 (Sub-outcome 4)
Related strategic objectives	<ul style="list-style-type: none"> To develop detailed construction plans that direct the execution of construction projects To ensure that construction programmes are implemented according to approved criteria

Table 6: Strategic outcome-oriented goal 6

Strategic Goal 6	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Goal statement	To provide and manage the real estate portfolio in support of Government’s social, economic, functional and political objectives and reduce the PMTE’s financial dependency on Government
Programme Name	Programme 4: Real Estate Management Services
Justification	The PMTE is the primary provider of accommodation for Government departments and is the biggest land owner in the country. Through the optimal utilisation of its immovable asset base and sourcing accommodation through other means, the PMTE assists user departments to provide suitable, cost-effective and functional accommodation to the end user
Links	The provision of conducive accommodation enables user departments to improve service delivery and consumer satisfaction as outlined in Outcome 12
Related strategic objectives	<ul style="list-style-type: none"> • To provide functional leased accommodation for user departments • To optimise the utilisation of State owned buildings

Table 7: Strategic outcome-oriented goal 7

Strategic Goal 7	To provide reliable immovable asset information that informs investment decisions and portfolio management
Goal statement	To develop and manage a complete, accurate and compliant Immovable Asset Register (IAR) to meet service delivery objectives for the State, DPW and PMTE business requirements
Programme Name	Programme 5: Real Estate Information and Registry Services (REIRS)
Justification	A national immovable asset base is central to achieving socio-economic objectives as outlined in the NDP and performs a pivotal role in securing custody and control over the State’s immovable assets, hence the importance of control and compliance in the management of immovable asset information
Links	The IAR is maintained and managed in a manner that contributes to the national objective of good corporate governance practices as outlined in the NDP and governed by the PFMA, Treasury Regulations and the Government Immovable Asset Management Act 19 of 2007 (GIAMA)
Related strategic objectives	<ul style="list-style-type: none"> • To maintain a compliant IAR • To provide guidance and support to other custodians in the compilation of compliant IARs

Table 8: Strategic outcome-oriented goal 8

Strategic Goal 8	To ensure optimal performance of the State’s immovable asset portfolio
Goal statement	To ensure that immovable assets used by Government departments and the public are optimally utilised and maintained in a safe, secure, healthy and ergonomic environment, while contributing to job creation, skills development and poverty alleviation
Programme name	Programme 6: Facilities Management (FM)
Justification	Optimise the utilisation and performance of immovable assets under the custodianship of the Minister of Public Works through the implementation of a Maintenance and National Green Building Plan
Links	South Africa needs to invest and manage a strong infrastructure network designed to support the country’s long-term economic and social objectives as outlined in Outcomes 6 and 12
Related strategic objectives	<ul style="list-style-type: none"> • To manage maintenance programmes in accordance with an approved plan • To ensure resource efficiency in State-owned building

The strategic goals and strategic objectives of the PMTE are aligned to the following priority areas within the Medium Term Strategic Framework (2014-2019) (MTSF):

Table 9: Alignment between strategic outcome-oriented goals and MTSF priorities

MTSF priority	National outcome	Strategic outcome-oriented goal	Programme
Radical economic transformation, rapid economic growth and job creation ¹	12: An efficient and effective development-oriented Public Service ²	1: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Programmes 1, 2, 3, 4, 5, 6
	6: An efficient, competitive and responsive infrastructure network ³	2: To consolidate user demands that enables forward planning and budgeting	
	4 : Decent employment through inclusive economic growth ⁴	3: To increase the value of the State’s immovable asset portfolio	
	5: A skilled and capable workforce to support an inclusive growth path ⁵	5: To meet user department accommodation requirements as per the approved Infrastructure Programme Management Plan (IPMP)	
Rural development, land and agrarian reform and food security ⁶	7: Vibrant, equitable, sustainable rural communities contributing towards food security for all ⁷	6: To provide quality accommodation and contribute to the financial sustainability of the PMTE	Programmes 2, 3, 5, 6
	8: Sustainable human settlements and improved quality of household life ⁸	7: To provide reliable immovable asset information that informs investment decisions and portfolio management	
		8: To ensure optimal performance of the State’s immovable asset portfolio	
		4: To develop accommodation solutions in collaboration with the relevant spheres of Government	
		5: To meet user department accommodation requirements as per the approved IPMP	
		3: To increase the value of the State’s immovable asset portfolio.	
		7: To provide reliable immovable asset information that informs investment decisions and portfolio management	
		8: To ensure optimal performance of the State’s immovable asset portfolio	

¹ Medium Term Strategic Framework: Page 6.

² Medium Term Strategic Framework: Outcome 12, Sub-outcome 4: Page 15.

³ Medium Term Strategic Framework: Outcome 6, Sub-outcome 2: Page 12 and Sub-outcome 3: Page 19.

⁴ Medium Term Strategic Framework: Outcome 4, Sub-outcome 1: Page 8.

⁵ Medium Term Strategic Framework: Outcome 5, Sub-outcome 4: Page 16.

⁶ Medium Term Strategic Framework: Page 6.

⁷ Medium Term Strategic Framework: Outcome 7, Sub-outcome 1: Page: 4.

⁸ Medium Term Strategic Framework: Outcome 8, Sub-outcome 1: Page 8.

5. LINKS TO LONG TERM GOVERNMENT-WIDE PLANS

Directed by the NDP, Revised MTSF Chapters and the Performance Agreement between the President of the Republic of South Africa (RSA) and the Minister of Public Works, the Annual Performance Plan of the PMTE is guided by the priorities outlined in Outcomes 7 and 12 and indirectly guided by the priorities outlined in Outcomes 6, 8 and 10.

5.1 Direct links to the National Development Plan (NDP) and Medium Term Strategic Framework (MTSF)

Table 10: Inclusive rural economy

NDP Chapter & MTSF National Outcome	Chapter 6: An integrated and inclusive rural economy Outcome 7: Comprehensive rural development
Sub-outcome 1	Improved land administration and spatial planning for integrated development in rural areas⁹
MTSF action	Develop and implement spatial development plans as the basis to guide land use planning and development and to address spatial inequities, prioritising the 27 resource-poor district municipalities
Description	The apartheid legacy of spatially marginalising the poor resulted in people living far from job opportunities and major services. Rural development is a cross cutting mandate that requires significant institutional coordination for maximum impact. The Planning and Precinct Development Programme, in particular, ensures integrated planning of infrastructure and urban efficiencies by aligning and consolidating Government services to reduce costs associated with accessing public services, particularly by those who live in remote areas. The PMTE will be collaborating with sector departments and rural municipalities to coordinate infrastructure planning and ensure maximum positive impact in rural areas by making public services more accessible with a particular focus on public services that are provided by the South African Social Security Agency, Department of Home Affairs, Department of Labour, South African Police Services, Department of Basic Education and Department of Justice and Constitutional Development. The role of the PMTE is to unlock the potential of its collective asset base to stimulate the local economy in meeting the accommodation requirements of its user departments.
Medium Term Expenditure Framework (MTEF) Budget	R268.4 million
Related performance indicators	<ul style="list-style-type: none"> Number of Government Precinct Development Plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)

Table 11: Building a capable and developmental State

NDP Chapter & MTSF National Outcome	Chapter 13: Building a capable and developmental state Outcome 12: An efficient and effective development-oriented public service
Sub-outcome 3	Efficient and effective management and operations systems
MTSF action	Provide reasonable functional accommodation that facilitates the attainment of departments' service delivery objectives¹⁰
Description	The PMTE as the custodian of a significant portion of the State's immovable assets ensures that immovable assets that are utilised for delivering various Government services yield functional, economic and social benefits to the State. The PMTE provides office, functional and official residential accommodation and ensures optimal utilisation of immovable assets that contribute to improved service delivery. Through the development of the Custodian Asset Management (C-AMP) and the U-AMP as principal strategic planning instruments, the PMTE provides accommodation to user departments that promotes integration, accessibility, sustainability, environmental sensitivity, economic growth and social empowerment
MTEF Budget	The PMTE medium term budget allocation is R44 billion (user departments' capital budget, repair and maintenance, cleaning and gardening, private leases, rates and taxes)
Related performance indicators	<ul style="list-style-type: none"> Percentage of infrastructure projects completed within approved budget Percentage of infrastructure projects completed within agreed construction period Number of private leases reduced within the security cluster Percentage reduction of backlog in infrastructure projects

⁹ Revised Medium Term Strategic Framework: Outcome 7, Sub-outcome 1: Page 4.

¹⁰ Revised Medium Term Strategic Framework: Outcome 12, Sub-outcome 3: Page 13.

5.2 Indirect links to the National Development Plan (NDP) and MTSF

Table 12: Small Harbour Development

NDP Chapter & MTSF National Outcome	Chapter 4: Economic infrastructure Outcome 6: An efficient, competitive and responsive economic infrastructure network
Sub-outcome 3	Maintenance, strategic expansion, operational efficiency, capacity and competitiveness of logistics and transport infrastructure ensured
MTSF action	Enhance the performance of sea-ports and inland terminals, including initiatives in the National Infrastructure Plan (NIP)¹¹
Description	The PMTE as the State's infrastructure development organ will play a pivotal role in the development and modernisation of small harbours in order to stimulate South Africa's maritime economy. The PMTE, in collaboration with the Department of Environmental Affairs (DEA), the Department of Economic Development, the Department of Agriculture, Forestry and Fisheries (DAFF) and the South African Maritime Safety Authority, will develop these harbours and related State properties for economic development and revenue generation.
MTEF Budget	R89.6 million
Related performance indicators	<ul style="list-style-type: none"> • Number of Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns • Number of work opportunities created through the letting out of State coastal properties and small harbours

Table 13: Energy Savings

NDP Chapter & MTSF National Outcome	Chapter 5: Environmental sustainability Outcome 6: An efficient, competitive and responsive economic infrastructure network Outcome 10: Protected and enhanced environmental assets and natural resources
Sub-outcome 2 Sub-outcome 3	Reliable generation, transmission and distribution of energy ensured An effective climate change mitigation and adaptation response
MTSF action	Green Energy in support of the South African economy¹² Strategic policy or regulatory frameworks and programmes to promote a low carbon economy¹³
Description	In line with the National Climate Change Strategy and NDP, the PMTE has an obligation to reduce reliance on fossil-fuel based energy, such as electricity as well as to reduce the demand of the property portfolio on the national electricity grid. The PMTE, mainly through its Construction Project Management and Facilities Management Divisions will prioritise energy efficiency and use of renewable energy in the operation of its facilities. In addition all future construction and refurbishment projects shall be in line with the DPW's Green Building Policy
MTEF Budget	R216 000 000
Related performance indicators	<ul style="list-style-type: none"> • Reduction in energy consumption (kilowatt hours) in identified property portfolio • Number of kilowatt hours of renewable energy generated

Table 14: Water management

NDP Chapter & MTSF National Outcome	Chapter 5: Environmental sustainability Outcome 10: Protected and enhanced environmental assets and natural resources
Sub-outcome 1	Ecosystems are sustained and natural resources are used efficiently
MTSF action	Implement strategies for water conservation and demand management¹⁴
Description	Given the reality of the scarcity of water in South-Africa, numerous initiatives need to be executed to educate South Africans on water saving, as well as utilising water saving devices at workplaces and other institutions. The PMTE, mainly through its Construction Project Management and Facilities Management Divisions, provides the opportunity to focus on water savings by ensuring water supply security through its shared water saving projects and ensuring that the PMTE infrastructure programme includes water saving equipment for all future construction, refurbishment and Facilities Management projects (including unscheduled maintenance services)
MTEF Budget	R103.6 million
Related performance indicators	<ul style="list-style-type: none"> • Reduction in water consumption (kilolitres) in identified property portfolio

¹¹ Medium Term Strategic Framework: Outcome 6, Sub-outcome 3: Page 24.

¹² Medium Term Strategic Framework: Outcome 6, Sub-outcome 2: Page 14.

¹³ Medium Term Strategic Framework: Outcome 10, Sub-outcome 3: Page 9.

¹⁴ Medium Term Strategic Framework: Outcome 10, Sub-outcome 1: Page 5.

Table 15: Transforming human settlements

NDP Chapter & MTSF National Outcome	Chapter 8: Transforming human settlement and the national space economy Outcome 8: Sustainable human settlements and improved quality of household life.
Sub-outcome 1	Adequate housing and improved quality living environments
MTSF action	Fast track release of well-located land for housing and human settlements, targeting poor and lower middle income households¹⁵
Description	Many South Africans continue to survive without basic services in informal settlements. Individuals who have jobs find it difficult to access subsidised houses on the one hand and mortgage products from commercial banks on the other. It is for this reason that Government is creating human settlements that allow South Africans to access social and economic opportunities close to where they live. The PMTE supports the Department of Human Settlements in the development of human settlements in an adequate, safe, affordable and sustainable manner by releasing well located land and properties. In addition, the PMTE collaborates with relevant national departments, such as Human Settlements, Rural Development and Land Reform and Cooperative Governance and Traditional Affairs to integrate infrastructure plans and ensure maximum impact.
MTEF Budget	-
Related performance indicators	<ul style="list-style-type: none"> • Percentage of responsive disposal requests processed by 31 March • Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer

5.3 IMPLEMENTING DIRECTIVES FROM THE SONA NINE POINT PLAN

The SONA Nine Point Plan was developed to accelerate the growth of the economy by an additional 0.8 percentage points in the short term and one percentage point in the medium to long-term. The Plan includes five drivers of economic growth and job creation namely: revitalisation of agriculture and the agro-processing value chain; effective implementation of a higher order IPAP; advancing beneficiation or adding value to South Africa’s mineral wealth; unlocking the potential of SMMEs, cooperatives, township and rural enterprises; as well as growing the oceans economy. The three enablers of the Nine Point Plan revolve around resolving the energy challenge; managing workplace conflict and scaling up private sector investment. The ninth point of the Plan is cross cutting and includes targeted interventions in ICT, transport infrastructure, science and technology and water. The Nine Point Plan is aimed at stimulating the growth of the country’s economy and act as a catalyst for the realisation of the NDP and MTSF outcomes.

It is well known that there is a direct correlation between infrastructure and building or accessing markets, workforce productivity and general economic growth and social development. Large infrastructure projects typically involve significant expenditure during construction and potentially also during maintenance operations, increasing aggregate demand. As the custodian of the largest property portfolio in the country, the PMTE has a significant role to play by optimising the State’s immovable assets and leased portfolios to support Government’s broader developmental agenda and socio-economic transformation. In response to the SONA directives, the PMTE has incorporated the following priorities into its Plan:

5.3.1 Resource Efficiency

a) Energy Efficiency

In line with the commitments made toward Sustainable Building principles through the implementation of South Africa’s Climate Change Mitigation Strategy, Energy Efficiency Strategy, National Environmental Management Waste Act (waste reduction and recycling), the PMTE is in a process of upscaling the implementation of its Green Building programme.

South Africa has an abundance of natural resources from which renewable energy can be harnessed. Given the size of the property portfolio a renewable energy strategy incorporating Solar PV, Solar Hot Water, Biogas, Cogen and Waste-to-Energy presents a significant opportunity to transform the portfolio, and the business model of the PMTE beyond the reliance on fossil fuel based energy, while stimulating the green economy through contribution to local industrial designation, Broad Based Black Economic (BBBE), enterprise development and job creation, Research and Development (R&D). Accordingly, the PMTE will develop a Solar PV strategy with a financial, legal and technical business case. Given that the rollout of renewable energy will require significant capital investment, request has been made to various local and international institutions such as the Green Climate Fund (GCF) through relevant government departments. In the meantime, solar PV pilot projects have been implemented at the Union Buildings and Robben Island in the past year and feasibility studies are underway to unlock biogas and waste-to-energy opportunities. Renewable energy interventions will include Power Purchase Agreements through small-scale power producers specific to identified facilities. The PMTE continues to work with various other Government Departments including the Departments of Energy, Environmental Affairs, Science and Technology, Water and Sanitation, Trade and Industry and Monitoring and Evaluation in the Presidency.

¹⁵ Medium Term Strategic Framework: Outcome 8, Sub-outcome 1: Page 9.

This work stream is linked to assistance by Government Technical Advisory Centre (GTAC) at National Treasury, on the delivery of flagship pilot projects in Renewable Energy, Solar Water Geysers and development of a Business Case for the establishment of internal capacity and function within PMTE on Green Building and Resource Efficiency. This will be done through creation of an entity similar to a Super Resources Services function (Super ESCO) model to drive market growth and development, including contributing to income generation for the PMTE. This process will include international benchmarking with countries that have successfully rolled out this model or similar i.e. India, Indonesia, and Germany.

Creation of industry partnerships and cooperation is critical for the success of the Green Building programme. Accordingly, the PMTE continues to work with various other Government Departments, international agencies in the sector, and industry, including the Green Building Council of South Africa (GBCSA). In this regard, a Green Building Sector Accord will be entered into during the 2018/19 financial year, building on the Green Economy Accord, which is championed by the Department of Economic Development.

b) Water Efficiency

South Africa is currently facing a multi-faceted water crisis. With the trends in population growth, its attributes, and continuous pollution of the available water sources, there is bound to be increased pressure on the available water probably resulting in increased conflict over its allocation and a further stress on this resource leading to scarcity. The PMTE will introduce interventions across the immovable asset portfolio that will result in reduced water losses and reduced pressure on the public water supply network.

To this end, a Shared Savings Programme for water was initiated to reduce water wastage and increase water use efficiency at all State-owned properties. The process includes the audit of the current utilisation, baseline calculations, water efficiency measures and operational and maintenance procedures to ensure water savings are realised. A savings of 3 347 496 kl in water consumption was realised in the 2016/17 financial year for identified properties within the immovable asset portfolio. The PMTE will further enhance the programme with the introduction of water conservation and water demand management interventions to all facilities within the immovable asset portfolio which accounts for approximately 84 000 facilities including correctional services, army bases, SAPS facilities and border posts etc. This will further include measures to reduce losses in the purification process, the facilities' distribution system, the consumption at the end points and ultimately measures to reduce the consumption by the consumers. The Water Savings Programme is targeting a total of 20 million kilolitres water savings over the next 5 years, which will directly result in a reduction in expenditure in water utility as well.

c) Waste Management

The PMTE as the custodian and manager of a significant portion of National Government's immovable assets complies with the National Environmental Management Act (Act No. 107 of 1998) and the National Environmental Management Act: Waste Act (Act No. 59 of 2008) including the National Waste Management Strategy implementation. Through the Waste Management Programme, the PMTE promotes waste minimisation, re-use, recycling and recovery of waste with special focus to divert waste from landfill sites. The PMTE aims to reduce the monthly refuse tariff paid to municipalities for all State-owned facilities by 10% by implementing waste separation at source projects. The projects are designed to encourage participation by SMME waste companies.

The initiatives planned for the 2018/19 financial year are:

- Implementation of a waste awareness project at all Regional Offices
- Implementation of the waste separation at source project at various Regional Offices
- Conduct a situational analysis study for baseline information at 110 pre-selected State-owned facilities
- Research on e-waste management will be conducted for the identification, quantification and examination of current practices of e-waste in State-owned buildings

The PMTE will ensure the continuous monitoring of the waste separation at source projects and will report on waste tonnages per category collected, recycled, re-used to South African Waste Information Centre as part of legal compliance.

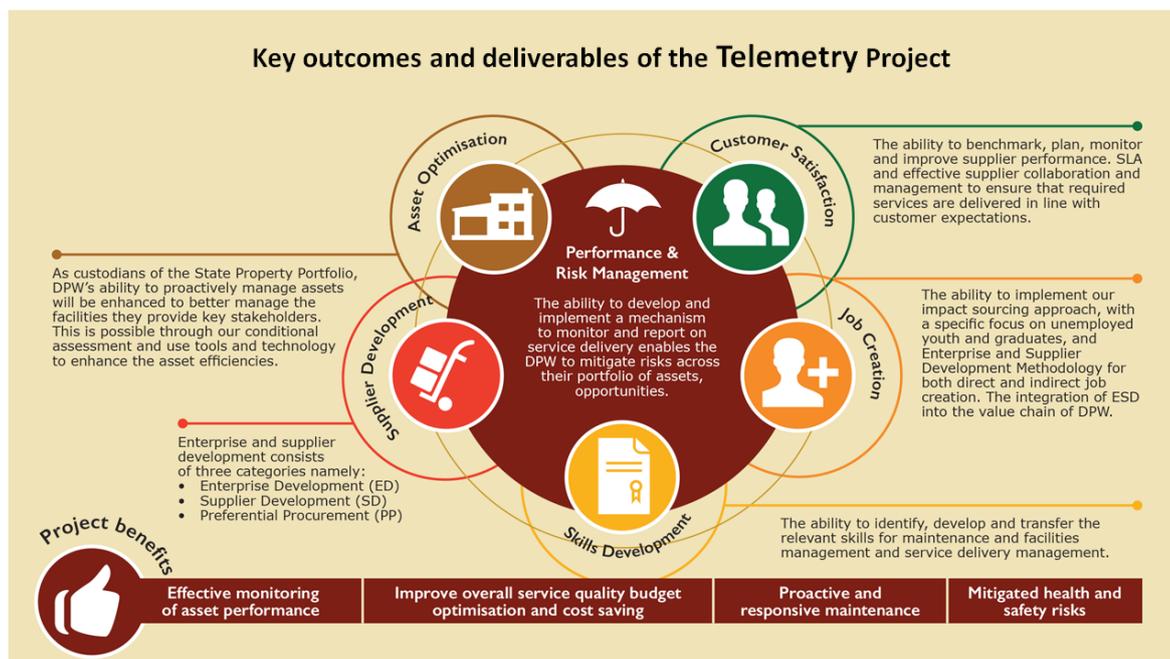
d) Telemetry Services

Telemetry (Machine to Machine) Services relate to the wireless transmission and reception of measured quantities for the purpose of remotely monitoring environmental conditions or equipment parameters. Through the use of the telemetry solution, the PMTE will be in a better position to proactively manage its immovable asset portfolio. The incorporation of the measurement of energy and water devices as part of the telemetry solution will enhance the monitoring and evaluation of the savings that will be realised by these efficiency programmes. The Telemetry Managed Services project, which includes the Telemetry Managed Service Centre (TMSC) is divided into five key areas:

- Maintenance monitoring and reporting for HVAC, lifts and boilers.
- Utilities (energy and water savings) monitoring and reporting
- Contractor/supplier performance monitoring and reporting
- Integration of various savings and telemetry data into ARCHIBUS
- KPI definition and Dashboard creation within ARCHIBUS

The figure below provides a summary of the key outcomes and deliverables of the Telemetry Project:

Figure 1: Key outcomes of the Telemetry Project



The key project deliverables include:

- Establish protocols and reports for evaluation of Energy and Water monitoring and savings - with trend analysis and value adding analytics
- High level condition assessments with project management support for maintenance programme
- Map key performance indicators and develop reporting protocols
- Resource mapping for HVAC, lifts and boilers, SLA monitoring and targeted improvements in performance from service providers
- Establish broader SCM protocols to extend monitoring of a wider base of service providers
- Skills Development Programme to upgrade skills and capability of all stakeholder
- Improve insight into delivery failure and interventions required for customer satisfaction improvement.

5.3.2 Transformation of the property and construction sectors

5.3.2.1 Property Sector Empowerment

SONA 2018 further called for Radical Economic Transformation, specifically with regard to improving the position of black women and communities in the economy, ensuring that they are owners, managers, producers and financiers. This will require a strong and capable State that opens the path to inclusive economic growth and development. Although transformation of the construction and property sector has started in earnest and is gaining momentum, the pace of transformation is slow. The PMTE plans to promote transformation and skills development through the implementation of the recently approved Property Empowerment Policy and adhering to the new sector codes to accelerate change in racial and gender composition within the property sectors. The policy is

applicable to the PMTE as well as to all private and public sector institutions, doing business with the Government as it pertains to the mandates and functions covered by the policy.

The Property Empowerment Policy directs the structural transformation of the property sector, in as far as doing business with government, in order to create an enabling, conducive and equitable environment for black-owned enterprises to economically thrive and continually improve skills and capabilities. It represents a focused and deliberate effort to identify, attract, assess and confirm qualifying black-owned enterprises to do business with the Government. The policy is designed specifically to focus on uplifting and progressing Black-owned enterprises in the following areas:

- Acquisition / buying / purchasing of properties
- Disposals
- Facilities Management
- Leasehold/Leased Portfolio
- Management of Municipal Accounts
- Management 3rd Party Contracts/Surplus
- Portfolio Property Professionals

A Property Incubator Programme (PIP) aims to empower black property entrepreneurs who have been historical disadvantages, a lack of skill and equity, and insufficient cash flow. The Programme will be optimised to increase access to opportunities for Emerging and Medium Enterprises (EMEs) and Qualifying Small Enterprises (QSEs).

The PMTE has also partnered with the private property sector, the Real Estate Investment Trusts (REITs) and the financial institutions to collaboratively craft a Sustainable Transformation Programme, which was launched in 2016. Leveraging Government resources as an enabler, the programme is positioned to assist new entrants with funding

challenges and access to the market, and will not only benefit a few, but rather empower the larger population. In addition, the PMTE aims to attract, develop and retain young professionals to enhance its operations.

These initiatives are supported by the implementation of the procurement reform of National Treasury, which introduces more flexible legislation for preferential procurement strategies that support Government's socio-economic objectives and provide a platform to develop programmes for accelerating transformation. The PMTE will further ensure that the disposal of land and properties will be informed by community development and the transformation agenda to address the socio-economic challenges.

5.3.2.2 Job Creation

The PMTE created a total of 8 959 work opportunities in the 2016/17 financial year, within the construction and maintenance programmes, through the use of labour-intensive construction methods. The outcomes of infrastructure development will continue to contribute to job creation, poverty alleviation and skills development and training. The PMTE's infrastructure programme is expected to contribute to the creation of a further 7 511 EPWP work opportunities in 2018/19 financial year and 24 731 work opportunities over the MTEF. These infrastructure projects will subscribe to job creation targets as set by the EPWP and provided for in the relevant supply chain tender documentation. The PMTE has further identified infrastructure projects that will have a significant impact on job creation and in consultation with PICC a strategy is being developed to monitor and support this initiative.

Skills development remains a pressing concern in the current South African economy, and the built environment is no exception. The industry needs to invest in training from the bottom to increase safety and to mitigate risks that are reliant on a well-educated and skilled workforce. Skills development is integral to the sustainable growth and development of the SMME sector, hence the PMTE provides smaller companies with the required resources to provide employees with the development and training opportunities they need. In addition, to the current training programmes, such as the Young Professionals Programme (YPP) and Contractor Incubator Programme (CIP), the PMTE will continue to engage with national departments to participate in skills development of youth in the built environment. One such programme that has been identified is the 'War on Leaks' Programme initiated by the Department of Water and Sanitation. The Programme will follow a three-phased approach that will include the recruitment, training and deployment of the plumbers, artisans and water agents for the rebuilding of broken pipes and other infrastructure. The PMTE will create opportunities for prospective water agents, artisans and plumbers to participate in facilities management projects to meet the practical experience required by graduates.

5.3.2.3 Promoting the development of Small, Medium and Emerging Enterprises

The implementation of PPPFA and the new SCM policy will ensure local beneficiation and contribute to the creation of sustainable opportunities. This intervention will strive to develop a sustainable economy and State infrastructure and ensure income generating opportunities for communities. SMMEs have received significant attention and investment from the PMTE with approximately 94% of scheduled maintenance contracts awarded to SMMEs in the 2016/17 financial year. In order to promote transformation within the built environment and to ensure inclusive economic growth, the PMTE leverages all procurement spend to advance designated groups as categorised in the Preferential Procurement Regulations, 2017. The new procurement regulations of 2017 that came into effect on 1 April 2017 has already been implemented by the PMTE. When soliciting quotations and tenders the PMTE implements prequalification criteria whereby only tenderers holding a particular BEE rating are allowed to tender. Bids are also designated for Emerging Micro Enterprises (EME's) and Qualifying Small Enterprise (QSE's) and suppliers of designated groups such as black people, youth, women, people with disabilities, people living in rural or underdeveloped areas or townships and military veterans.

The local beneficiation policy will improve socio-economic infrastructure with emphasis on the use of local content and local companies, which is at the heart of socio-economic transformation, integrated and inclusive rural economy. The PMTE will also continue implement the Contractor and Property Incubation Programmes by identifying emerging contractors, providing support and any other feasible interventions necessary to advance them. The enforcement of mandatory sub-contracting to people within the designated groups is applied for all tenders that are greater than R30 million. This will augur well for businesses holding lower Construction Industry Development Board (CIDB) grades, particularly within the construction and infrastructure environment, to get more work thereby qualifying them to improve their grading.

5.3.3 Operations Phakisa Oceans Economy

Operation Phakisa is an initiative of the South African Government designed to fast track the implementation of solutions on critical development issues. This is a unique initiative to address issues highlighted in the National Development Plan (NDP) 2030 such as poverty, unemployment and inequality. Operation Phakisa is an innovative and pioneering approach to translate detailed plans into concrete results through dedicated delivery and collaboration. Through Operation Phakisa, Government aims to implement priority programmes better, faster and more effectively. It is estimated that the oceans economy has the potential to contribute up to R177 billion to Gross Domestic Product (GDP) by 2033 (compared to R54 billion in 2010) and create approximately 1 million jobs (compared to 316 000 in 2010).

The PMTE hosted investor conferences in different Provinces during 2017/18 aimed at attracting investment into the newly identified small harbours and State coastal properties. Subsequent to the investor conferences, extensive interdepartmental consultations were held to determine suitable State owned coastal properties for letting out and development. This informed a high level plan and road map for the development of small harbours outlines as follows:

- Utilising the SEDF's to develop a proclaimed harbours plans focusing on Rehabilitation, Upgrade and introduction of new services and commercialisation
- Identification, preparation and implementation of plans for all remaining small harbours along South Africa's coastline focussing on upgrade and introduction of new services and commercialisation plans
- Small Harbours to be incorporated and integrated with National Coastline projects / programmes in line with Ocean Economy: Operation Phakisa

The approved high level plan is intended to achieve the following developmental trajectory pillars:

- Development of small harbours in pursuance of objects of the NDP
- SMME development
- Community involvement
- Skills Development and Training
- Job Creation

It is envisaged that the letting out of State-owned coastal properties will create over 1 000 stable jobs directly linked to approved projects in the same timeframe and influence the creation of over 2 000 work opportunities through secondary activities linked to identified projects. The PMTE is working closely with the Department of Planning, Monitoring and Evaluation to finalise the Operation Phakisa: Oceans Economy Small Harbours and Coastline Delivery Laboratory proposal document. As part of this process the PMTE will validate and extend stakeholder engagements to local communities in preparation of Laboratory discussion documents. Convening the small harbours planning Lab to produce 3 feet plans for three prioritised Harbours as nodal development points before June 2018.

6. LEGISLATIVE AND OTHER MANDATES

By virtue of the devolution of the roles and responsibilities from the Department of Public Works to the PMTE, the PMTE's mandate is, consequently, shaped by the legislative and other mandates which direct the Department's functions. In this regard, the following legislative and other mandates must be noted.

6.1 Constitutional mandates

The PMTE has been established to manage and improve the real estate management services on behalf the Department of Public Works and is therefore bound by the Constitutional mandate of the Department, as provided in Schedule 4, Part A, of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) [Constitution], i.e.: Functional Areas of Concurrent National and Provincial Legislative Competence.

In executing its mandate, the PMTE also observe the principles of Cooperative Government and intergovernmental relations as provided for in Section 41 of the Constitution.

6.2 Legislative mandates

The legislative mandates for the PMTE 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 Agrément South Africa Act, 2015 (Act No. 11 of 2015) establishes Agrément South Africa (ASA) as a juristic person and make the Public Finance Management Act, 1999 applicable to it. ASA is mandated to, among others, 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. The legislation will come into operation on a date to be proclaimed by the President.

- vi. 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 limited resources; and
- vii. Other Acts, placing specific responsibilities on the PMTE, as listed in Annexure A.

6.3 Policy mandates

The Policy mandates which guide the PMTE in the discharge of its functions are derived from the following:

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

The White Paper (1997) documented the challenges faced by the Department and continues to serve as an overarching policy framework for the Department's restructuring process. The aim of the White Paper is to establish a durable strategy setting out key Departmental programmes and demonstrating how the country's broader socio-economic objectives would be met in part through expanded investments in public works. 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 and construction programme management.

6.3.2 Department of Public Works 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. The Policy articulates Government's commitment to the objectives of development; growth and the democratisation of society derives from the mandate of the Reconstruction and Development Programme. Furthermore it sets vision of a construction industry policy and strategy that promotes stability, fosters economic growth and international competitiveness, creates sustainable employment, and address historic imbalances as it generates new industry development.

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 (BBBEE) 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 learnerships, 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 NGP and the Industrial Policy Action Plan (IPAP) by promoting, *inter alia*, sustainable development, reducing greenhouse gas emissions, promoting energy efficiency, stimulating new green industries, etc.

6.4 Relevant court rulings

While there were no court rulings that were relevant to the PMTE in the previous financial year, the court rulings reflected in the Revised Strategic Plan (2015-2020) remain relevant and include the following:

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, which was put on hold pending the conclusion of the litigation process, which effectively lasted for a year.

Judgement: The judgement reinforces the fact that the PFMA 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 South African Police Service (SAPS). The lease for the relevant premises had expired and the Respondent owed rental on the property. Consequently, the Respondent was locked out of the premises, and police officers had to work from official vehicles. Post the eviction order being granted the matter has been resolved between the parties. The Department effected outstanding rental owed and tendered the legal costs of the applicant. The Department is currently in occupation of the applicant premises.

Judgement: The implication of the judgment is that the backlog in the leasing portfolio is impeding service delivery of user departments.

7. UPDATED SITUATIONAL ANALYSIS

7.1 External environment

The South African economy has registered tremendous progress over the past two decade, boosting living standards and lifting millions out of poverty nationwide. However, the country is struggling to escape a low growth trap which has seen the country recording an average GDP growth of 0.8% over the last three years. At the same time, the economy is only projected to grow by 1.4% in 2018 and 1.6% in 2019. In all instances, these growth rates are significantly less than the world average (3.9%) and the average for sub-Saharan Africa (3.3% in 2018 and 3.5% in 2019).

Coupled with the low growth, South Africa is still a highly unequal society, where not all South Africans benefit from the economy. Previous gains are being eroded by a decline in the economy's labour absorption capacity, which has resulted in employment creation being insufficient to accommodate an expanding labour force.

Persistent structural unemployment, which has greatly affected the unskilled and inexperienced youth and young adults, has also contributed to growing poverty and inequality. As a result, ensuring a better future for all South Africans will require increased access to higher education, stronger and faster labour market, deeper participation in regional markets and a regulatory framework that fosters entrepreneurship and allows small businesses to thrive.

Whilst Government must continue to play a significant developmental role, the country has significant fiscal constraints including a relatively large budget deficit, a rising debt burden and rising debt servicing costs. This has resulted in limited funds to expand existing programmes, highlighting the need to improve efficiencies to ensure that Government can fulfil its developmental role.

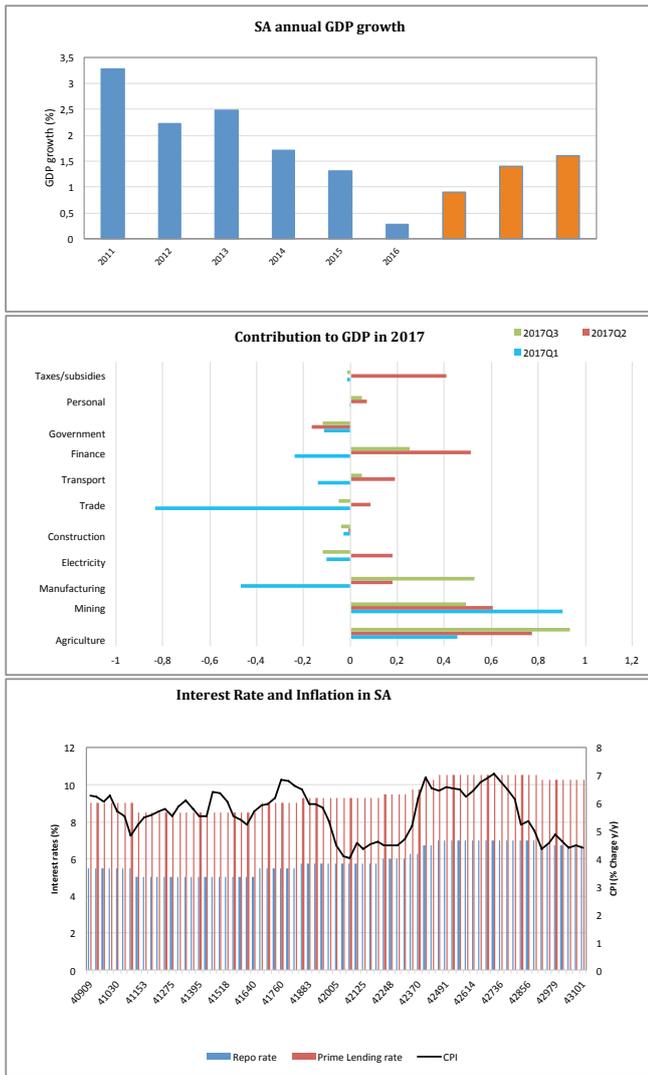
7.1.1 Economic overview

The International Monetary Fund (IMF) estimates global economic growth for 2017 at 3.7%, which is an improvement from the 3.1% growth realised in 2016. The growth in 2017 was broadly balanced, with Europe and Asia having performed above expectations. The increase in global growth is expected to continue in the mid-term, with estimates for 2018 and 2019 having been revised, in January 2018, to 3.9% for both years. Stabilising commodity prices, increases in energy and fuel costs and a rise in the utilisation of productive capacity are expected to increase global inflation moderately over the short term. Monetary policy in advanced economies is also expected to remain largely supportive of the growth in the short term. In addition, the

proposed tax reforms in the United States (US) are expected to have a positive growth effect for the country (US), which is expected to boost global growth.

Locally, the South African economy experienced a quarterly increase of 2% in GDP (measured by production) in the third quarter of 2017, following a 2.5% increase in the first quarter of 2017. This acceleration led to the SARB revising its full year gross domestic product (GDP) growth estimate for 2017 from 0.7% to 0.9% for 2017. The figures below give an overview of South Africa's GDP growth, inflation, and interest rates.

Figure 2: South African Gross Domestic Product



Overview

As at end of the third quarter of 2017, the increase in GDP over the three quarters measured 1% when compared to the first 3 quarters of 2016. This was an improvement compared to the 0.1% growth for the same period in 2016, but still lower than the 2015 value. At an annual level, as shown in the graph alongside forecasts by the South African Reserve Bank suggest an improvement in growth for 2017. Forecasts for the next three years have also been revised upwards, to 1.3%, 1.9% and 2% for 2018, 2019 and 2020

At a sector level, the primary sector had the highest contribution to growth at 1.4%; agricultural and mining industries contributed 0.9% and 0.5% respectively. Manufacturing also added 0.5% to growth, which was the sector's highest contribution since June of 2016. General government; electricity gas and water; and the trade, catering and accommodation sectors performed the worst throughout the first three quarters of the year.

Of note is the construction sector, which has had no impact on overall growth for the past seven quarters, as it contributed minimally to growth.

The Consumer Price Index (CPI) measured 4.7% year on year in December 2017, following 4.6% reported in November. Despite continued increase in international oil prices, inflation forecasts are within the target band. The South African Reserve Bank's forecasts inflation to average 4.6% in 2018 and 5.1% in 2019; which are both downwards revisions from earlier forecasts. Reserve bank expect between two or three interest rate hikes to have occurred by 2019. If this policy route is pursued, growth prospects could be constrained.

7.1.2 Public Finance Overview

Government debt is a key variable that is closely monitored by credit rating agencies and is a crucial aspect of the fiscal framework. In instances of high debt levels, the State's prospects for matching future budget deficits become constrained; which may lead to subdued allocations towards critical programmes. In monetary terms the gross loan debt of Government measured R2.32 trillion at end of March 2017, an overall increase of 88% over a period of 5 years, and 50.7% of GDP. As at October 2017, Government debt for the 2017/2018 financial year was estimated at R2.53 trillion, which will be 54.2% of GDP. The high Government debt has resulted in high debt servicing costs, claiming 11.2% of overall Government expenditure and 3.5% of GDP; which is

the highest seen in 11 years. On the other hand, downgrades by credit rating agencies can potentially increase the cost of borrowing for Government as its risk profile increases.

The figures below show the budget balance, total gross loan debt and debt service costs as a percentage of GDP over time. The last four years are estimates from the Medium Term Budget Policy Statement (MTBPS). The relatively high debt level also exerts more pressure on Government to engage in revenue generation and collection initiatives which will create additional revenue streams, that is, beyond the traditional revenue from tax collections.

Figure 3: Government budget and budget deficit

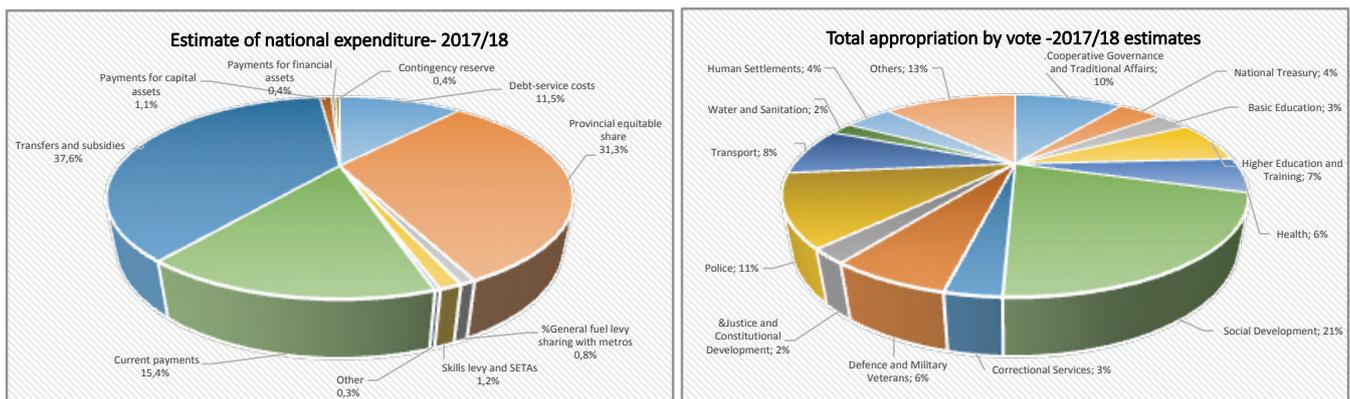


For two consecutive years, the South African Revenue Services (SARS) has broken the trillion mark, collecting net revenue of R1.144 trillion, after refunds of R222.4 billion for the 2016/17 fiscal year. The collected amount was R300 000 above the revised estimate announced in the 2016/2017 budget, although the total collection was still below total government expenditure, prompting further borrowings. Furthermore, the compound annual growth rate (CAGR) in revenue over the last five years has been 8.9%. This growth is however not enough to match Government-funding requirements as debt in the same period has grown at a rate (CAGR) of 13.5%.

At sector level, the financial sector remained the highest contributor, contributing 49.7% of the total net revenue. Community and social services, and manufacturing sectors contributed 15.3% and 10.5% respectively. The mining sector contributed 1.2% to the overall revenue basket; collection from the mining sector benefited largely from improved commodity prices. Given the current growth trajectory, tax collections are likely to be negatively impacted. The poor performance of the secondary and tertiary sectors is likely to transfer into tax collections from these sectors; whether through PIT, CIT, VAT or any other form of tax.

The figures below show the composition of Government expenditure across the various expenditure items for the 2017/18 financial year. The chart on the left of figure 3 shows how the total R1.409 trillion estimate of national expenditure is composed. The chart on the right shows how the R767 billion which is appropriated by votes is distributed across the various Departments. The large expenditure items are on Departments within the Social Protection, Community and Human Development and the Justice, Crime Prevention and Security clusters.

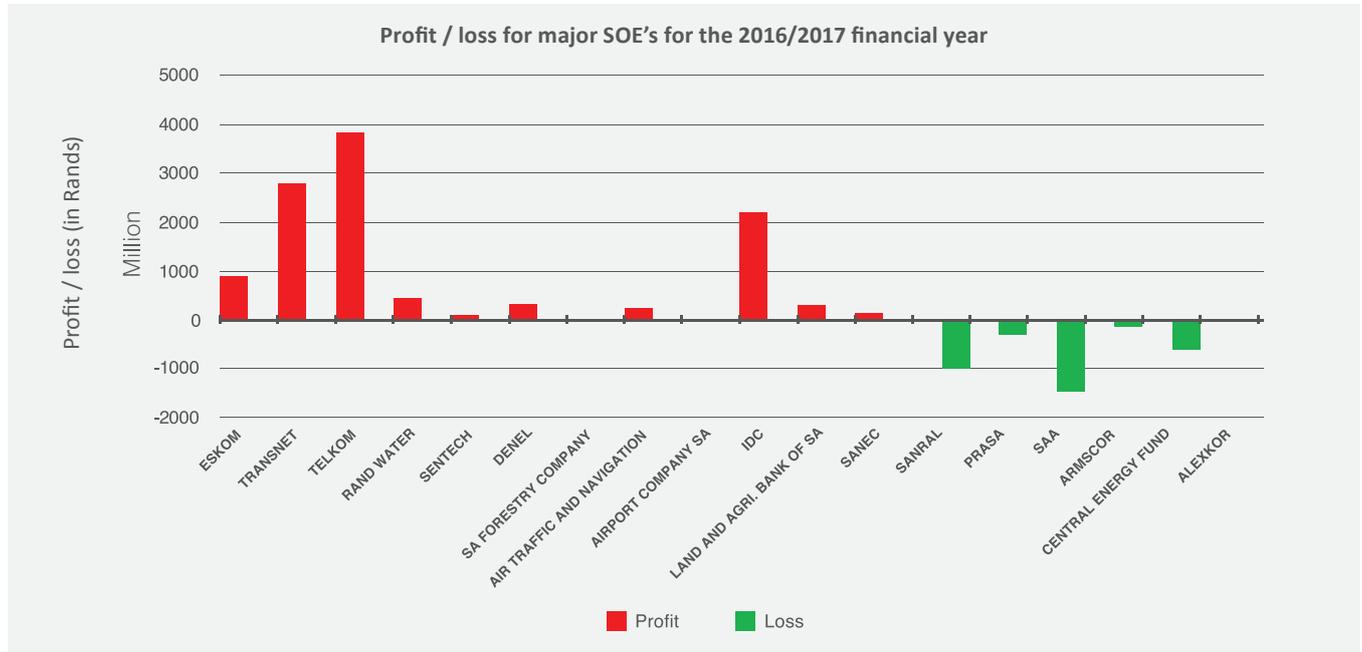
Figure 4: Composition of Government expenditure across the various expenditure items



Public entities have an important role to play in transforming the South African economy. To contribute to national development, they need to have efficient governance structures and to be financially sustainable. Government's efforts to reform State-owned Companies are expected to bear fruit over the medium-term. Eskom and Transnet are the largest entities by revenue generated. Eskom has the highest revenue of R177 billion; their profit dropped from

R5,151 million (2015/2016) financial year to R888 million (2016/2017) financial year. The figure below shows the profit earned or losses incurred by some of the major State-owned Entities in the 2016/17 financial year. From the figure, it is clear that there are mixed results amongst the entities. The losses incurred by other entities exert a further strain on the Government budget as the expected contribution from these entities is not being realised.

Figure 5: Profit/Loss of major SOE's for the 2016/17 financial year



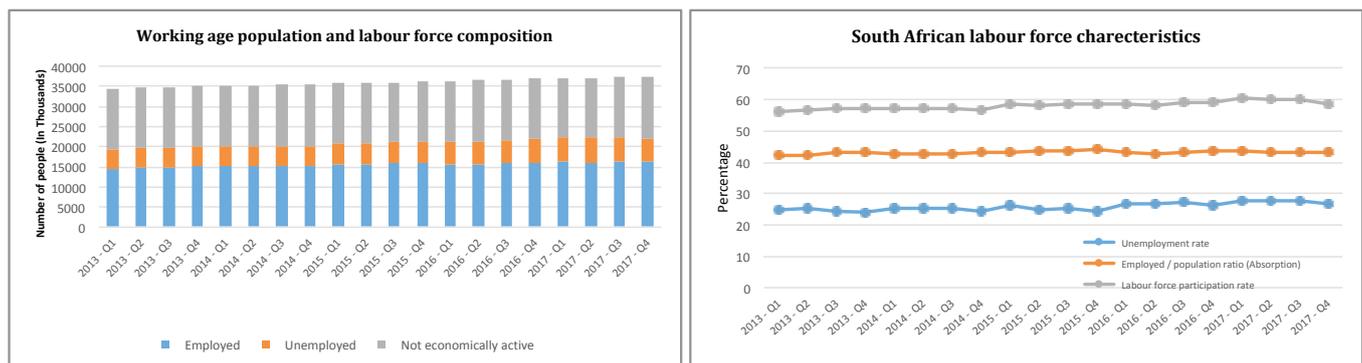
7.1.3 Labour market perspective

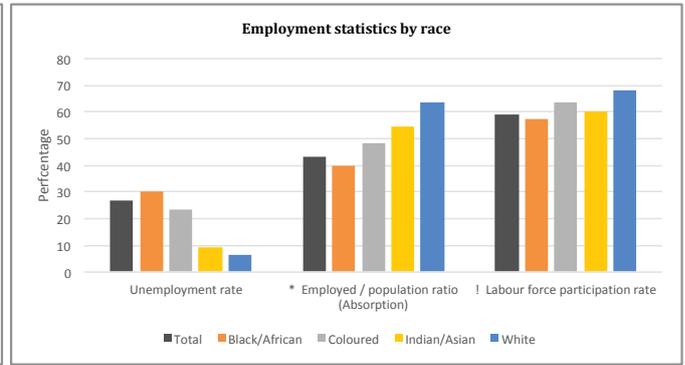
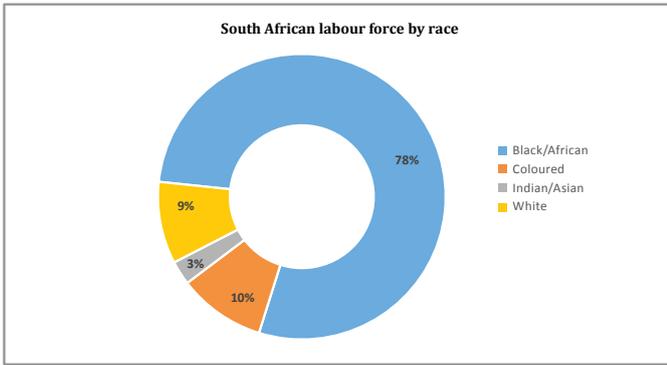
As a developing country, job creation is fundamental for the alleviation of poverty and reduction of inequality. Accordingly, the National Development Plan (NDP) has set an employment target of 24 million jobs by 2030. As at end of the fourth quarter of 2017, the total number of employed people as reported by Statistics South Africa was 16.2 million. The formal sector employs the most people at 11.2 million, with the remaining individuals employed by informal sector (2.8 million), agricultural sector (849 000) and private households (1.3 million). The unemployment rate was estimated at 26.7% as at the end of the fourth quarter of 2017, which is a 1% decline from the previous quarter. In comparison to the same period last year, the unemployment rate increased by 0,2% which is still a

concern given the existing trade-off between employment and economic growth.

The figures below show the labour characteristics for the working age population over five years. Employment growth has been slow over the given period, whilst the labour force (employed and unemployed) has grown at a faster rate; which result in a significant increase in unemployment. Africans make up the largest share of the labour force, thus the high unemployment rate experienced by the group has a huge impact on the country. In addition, labour force participation and absorption are the lowest for African, which can be indicative of discouraged workers.

Figure 6: Population and labour force breakdown





The figures below show the breakdown of employment by gender and industry, as well as selected construction industry employment trends. The tertiary sector based industries, namely community and social services; trade; and finance employ a large share of the population. Gender inequality is more prominent in the construction, transport, utilities and mining sectors; where the proportion of men employed is very high compared to women.

is 8.4% of the total country's employment. By Province, Gauteng had the highest number (4 991 000) of individuals employed in the construction sector, followed by KwaZulu-Natal (2 513 000) and Western Cape with (2 492 000). The bottom right chart also shows the nature of jobs held by people employed in the sector. Over the past 5 years, there has been a slight increase in the number of elementary and craftsmen jobs in the sector; whilst in the same period there has been no real growth in the number of professionals, technicians and managers.

Of interest is the construction sector, with employment of about 1 390 000 people in the fourth quarter of 2017; which

Figure 7: Breakdown of employment by gender, industry and race



7.1.4 Built Environment Professional Councils

All sectors of the economy, that is, public and private sectors, are increasingly seeking quality assured professionals in the field of engineering. The Department of Public Works, through the Council for Built Environment (CBE) is responsible for the regulation of the six professional councils within the engineering and built environment sector. The councils in the built environment exist to monitor the professionals within the architecture, engineering, landscape architecture,

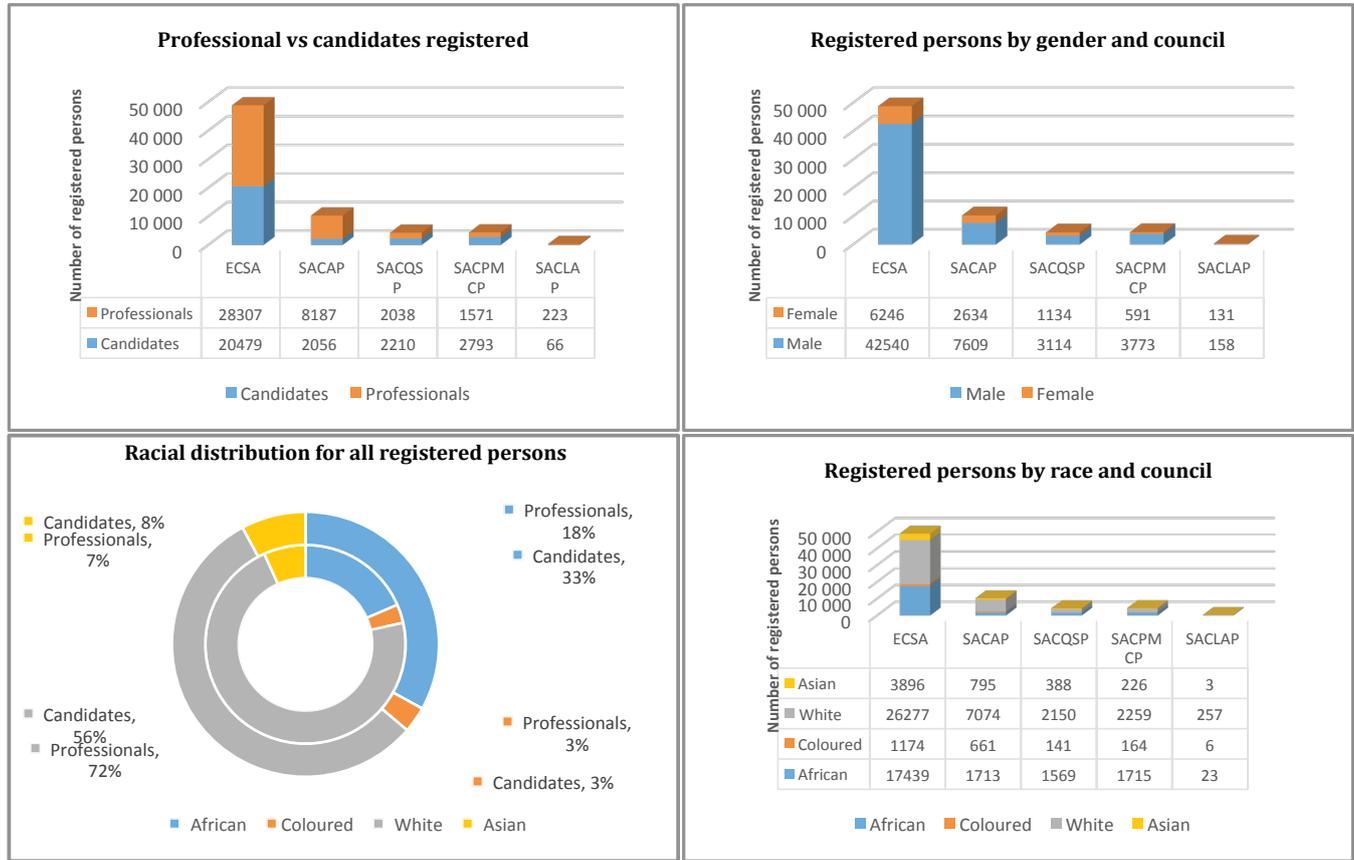
project and construction management, property valuation and quantity disciplines.

The figures below show registration statistics within the CBE councils based on the latest available data. The five councils which were analysed had about 40 000 professionals and 28 000 candidates, with the Engineering Council of South Africa (ECSA) accounting for 72% of the analysed registered people.

In general, the professions in this industry are still white and male dominated. Men account for 89% and 77% of all registered professionals and candidates respectively. Whites account for 72% and 56% of professionals and candidates respectively. The number of candidates registered indicate a

slight improvement in terms of equality when compared to the differences in the number of professionals. The councils need to be monitored and supported to ensure that there is a good rollover of candidates to professionals to transform the industry.

Figure 8: Registration statistics by category, race and gender

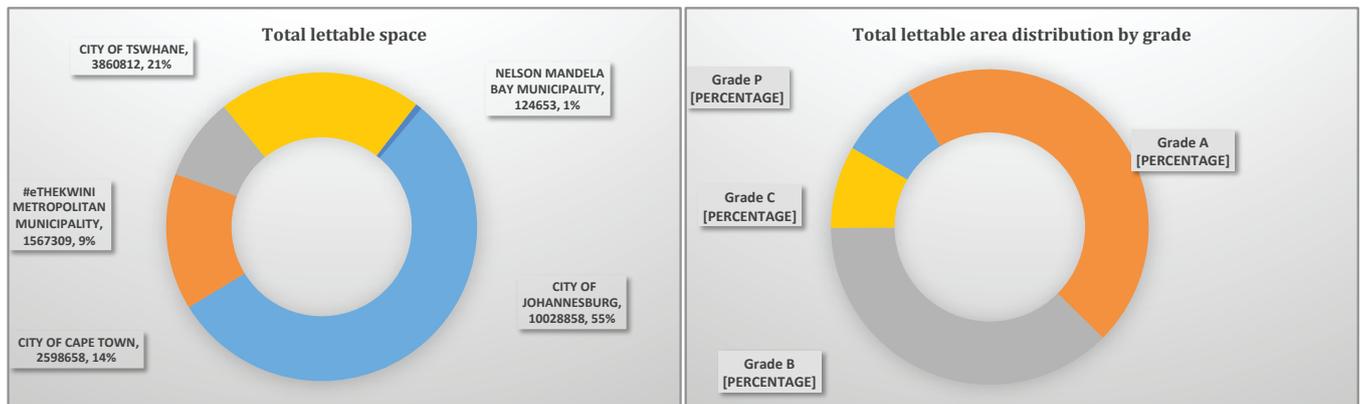


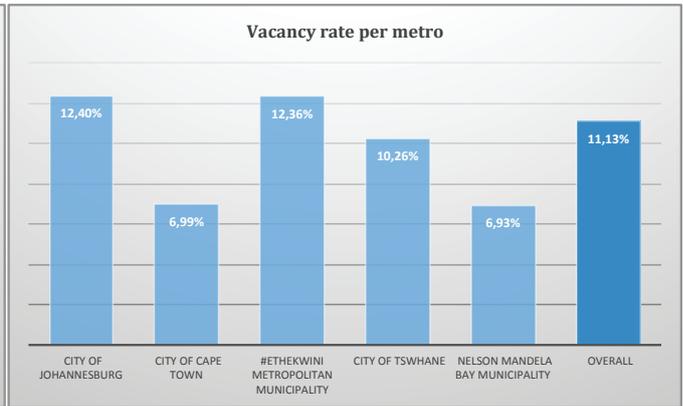
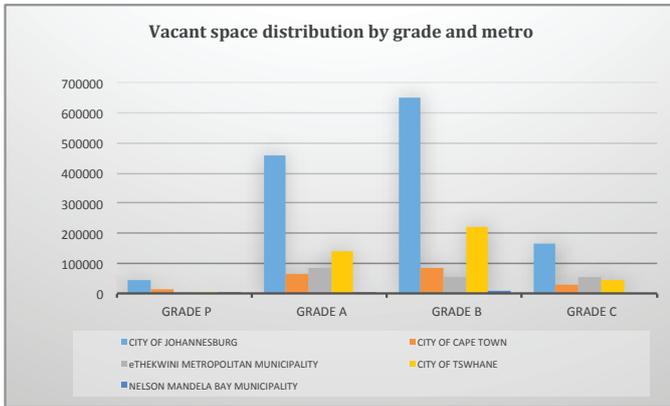
7.1.5 Property sector

The following figures show total office space and vacancy rates in major metropolitan areas as at the end of the fourth quarter of 2017, as reported by SAPOA. Johannesburg has the largest space, taking up 55% of total space. The highest supply of space is for Grade A offices (46%), followed by grade B (38%). The overall (average) office vacancy rate

measured at 11.1% in the fourth quarter of 2017. Although an improvement, from the second quarter's vacancy, this rate is still fairly high. The City of Johannesburg and eThek-wini have the highest vacancy rates of the metros; 12.4% for both metros. This is largely due to the inner cities' vacancy, Johannesburg CBD and Durban CBD.

Figure 9: Total office space and vacancy rate in major metropolitan areas

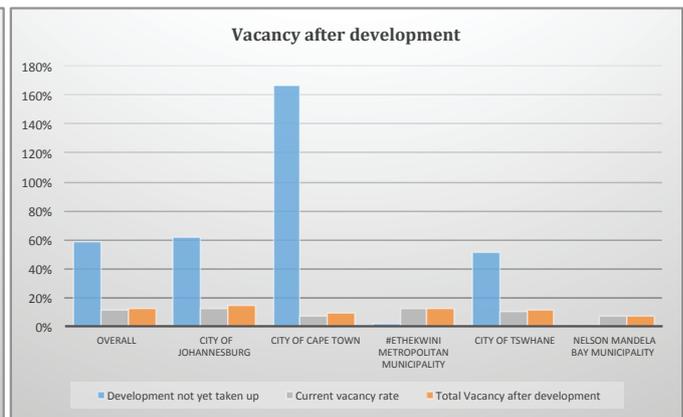
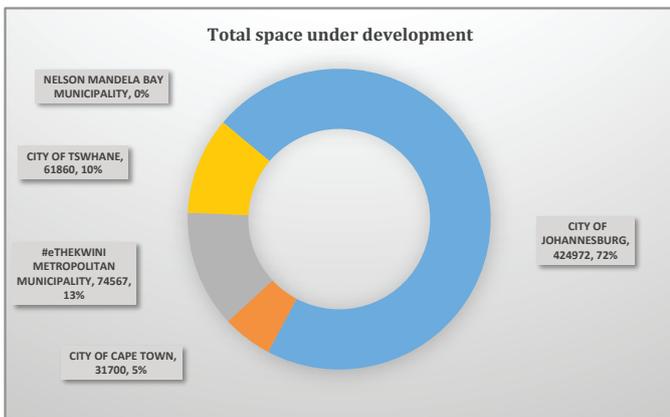




The figures below show the total space committed to development as reported in the fourth quarter. The total space being developed was 593 000 square metres. The highest space being developed is in the City of Johannesburg (425 000 square metres), with Sandton taking up 46% of the total space under development in the metro. Between the second and fourth quarter of 2017, about 114 000 square

metres of space was concluded in Sandton. In the same period vacancy rate in the node increased from 13% to 14%; which is high given that the node is a commercial hub in the country. The chart on the right shows the percentage of developments not yet taken up and how this space will increase current vacancy rates after the construction, holding other things constant.

Figure 10: Total office space and vacancy rate in major metropolitan areas



Over the past years, Real Estate Investment Trusts (REITs) have been doing well compared to other assets types; namely bonds, equity and cash. However, yearly performance measured at 13.5% as at the end of December was far lower than the return on equity of 21%. The performance of REITs is important as it indicates the investment climate in the listed sector, and can be useful when making investment decisions; and the PMTE can leverage on this information deciding on its revenue generation strategy. On a sector level, Residential REITs, as an emerging area in South Africa are expected to grow.

government. According to the research, the commercial sector leads the progress in transformation whilst the retail sector is lagging behind. On average the property sector achieved a level 4 B-BBEE recognition. Although this is an improvement from the previous score, it still shows a lag in transformation. The more focused areas, namely Skills Development, Management Control, Employment Equity and Economic Development did not perform well. It is important to note that the first three focus areas are interrelated and thus it is difficult to achieve one without the other. Low performance in these areas is a result of the under-representation of blacks and women in all levels of management.

Rental growth has been slightly low in the last quarter, with office rental estimated at 2% year on year. Given the current economic climate, vacancy is likely to persist in the short-term, which will further exerts downward pressure on market rentals.

In an effort to transform their portfolio, Redefine, a major landlord in the leasehold portfolio of the PMTE, sold its stake in Delta to a black women led consortium. The sale consisted of Redefine’s entire holding of 162 million shares at R9 per share. The transaction is positive for both companies and also drives the transformation agenda within the property sector. Another transformation oriented transaction was by Emira, a listed REIT, which sold 5% of its stake to two black owned entities. The transaction was valued at R364.2 million.

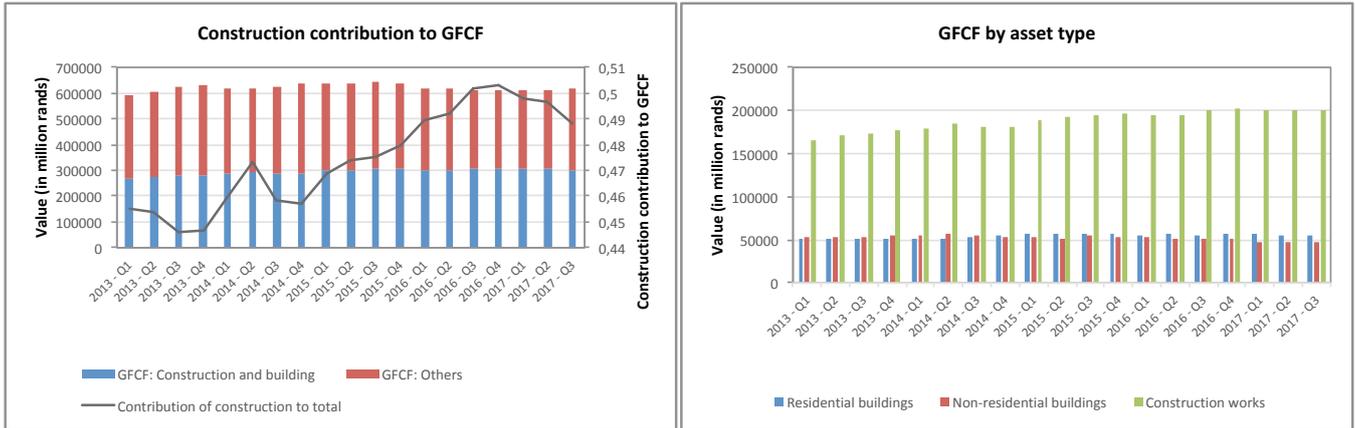
Commitment to transformation varies across all sectors, the Property Sector Charter Council (PSCC) released their latest report on the state of transformation. The analysis was based on a sample of 72 companies, which is comprised of the large players within the sector. The sample includes institutional investors, large private companies, collective investment schemes, listed property entities and

7.1.5 Construction sector

Growth in the construction sector decreased by 1.1% in the third quarter of 2017; in the same quarter, the contribution of the sector was 0% to GDP growth, similar to the preceding two quarters. The contribution to the country's gross fixed capital formation (GFCF) from the building (residential and non-residential) and construction works measures around 50%, as shown in the figures below. This is a significant contribution to overall GFCF as this indicates that the building and construction sector contributes roughly 9% of expenditure on GDP.

The "GFCF by asset type" chart provides a breakdown of GFCF by the three main asset types. Construction works is the main contributor to the overall GFCF, with general Government contributing on average around 60% in the construction works asset class. This highlights the role Government is playing through infrastructure development in addressing poverty and economic growth. This also shows the position in which the Government is in; which can be utilized to effect changes to employment and transformation targets in the sector and country as a whole.

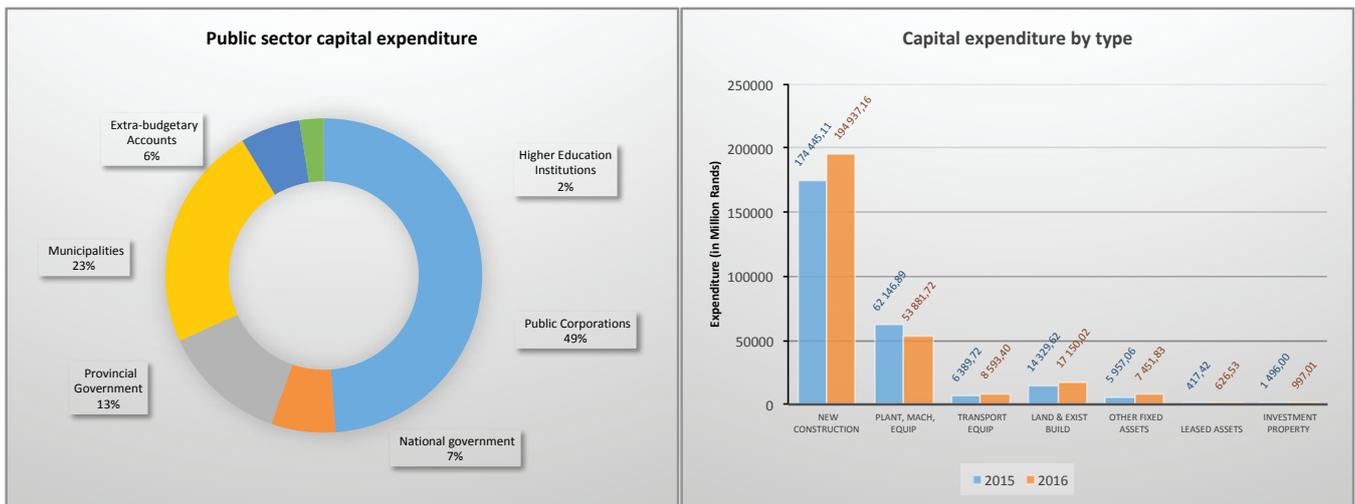
Figure 11: Gross fixed capital formation by asset



The figures below show public sector capital expenditure for the financial year ended in 2016 based on information published by Statistics South Africa. Public corporations have the highest expenditure, of which Transnet and Eskom are the highest spending entities. Eskom alone accounts for 53% of the entities' expenditure, followed by Transnet with 24%.

The highest expenditure is mainly on new constructions, which is directly within the construction sector. Financial viability of public enterprises is crucial as their ability or lack thereof to undertake large projects will have a large impact on employment and national output.

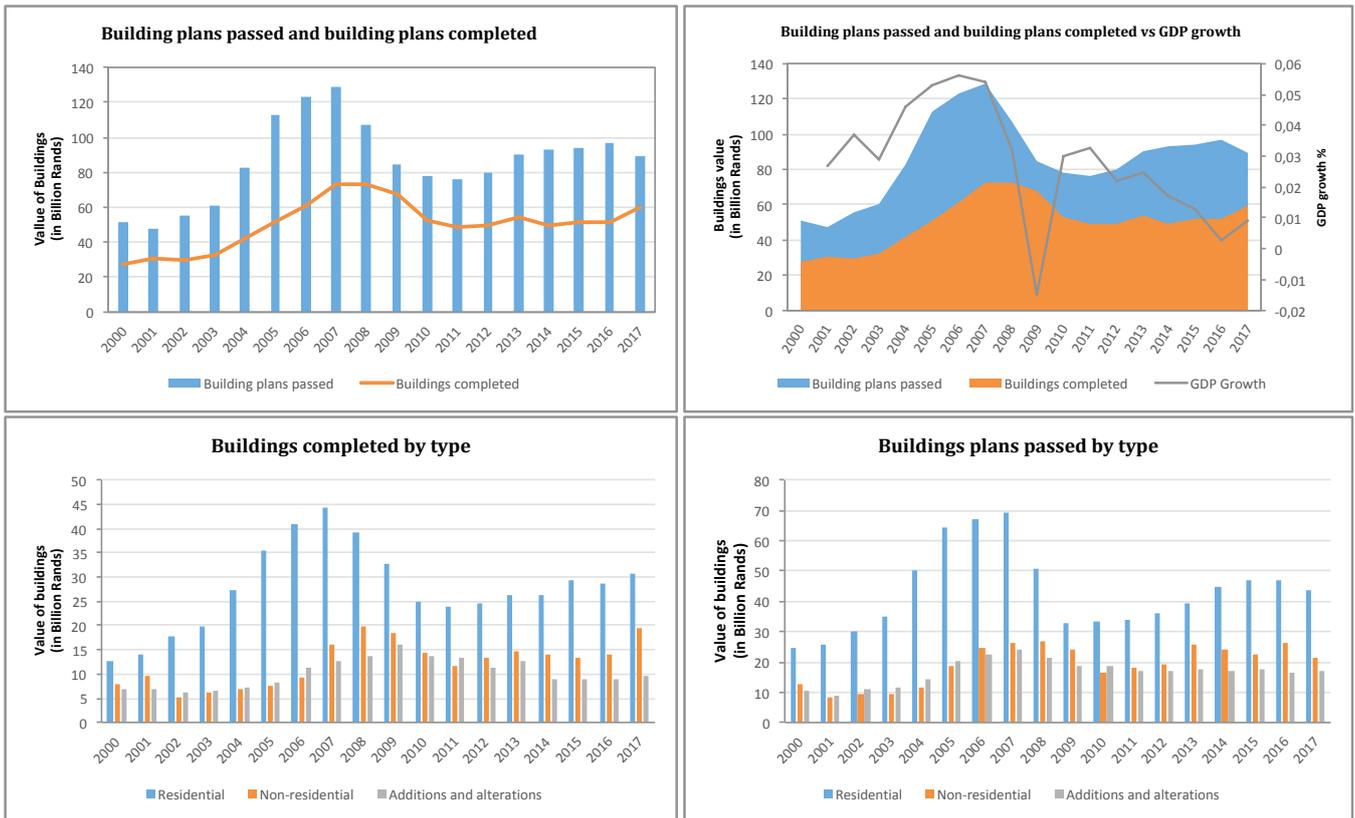
Figure 12: Summary of capital expenditure



The charts below show the number of building plans submitted and buildings reported as complete by larger municipalities as reported by Statistics South Africa. The overall (cumulative) value of building plans passed from January to the end of November 2017 decreased by 9% relative to the corresponding period in 2016. The top-right chart shows how building plans passed and completed buildings move in relation to GDP growth.

The value of residential building plans passed from January to November is R43.75 billion, which is a decrease of 7.3% compared to the same period in 2016. The value of residential buildings completed in the same period increased by 7.4%

Figure 13: Number of building plans submitted and buildings reported as completed by larger municipalities

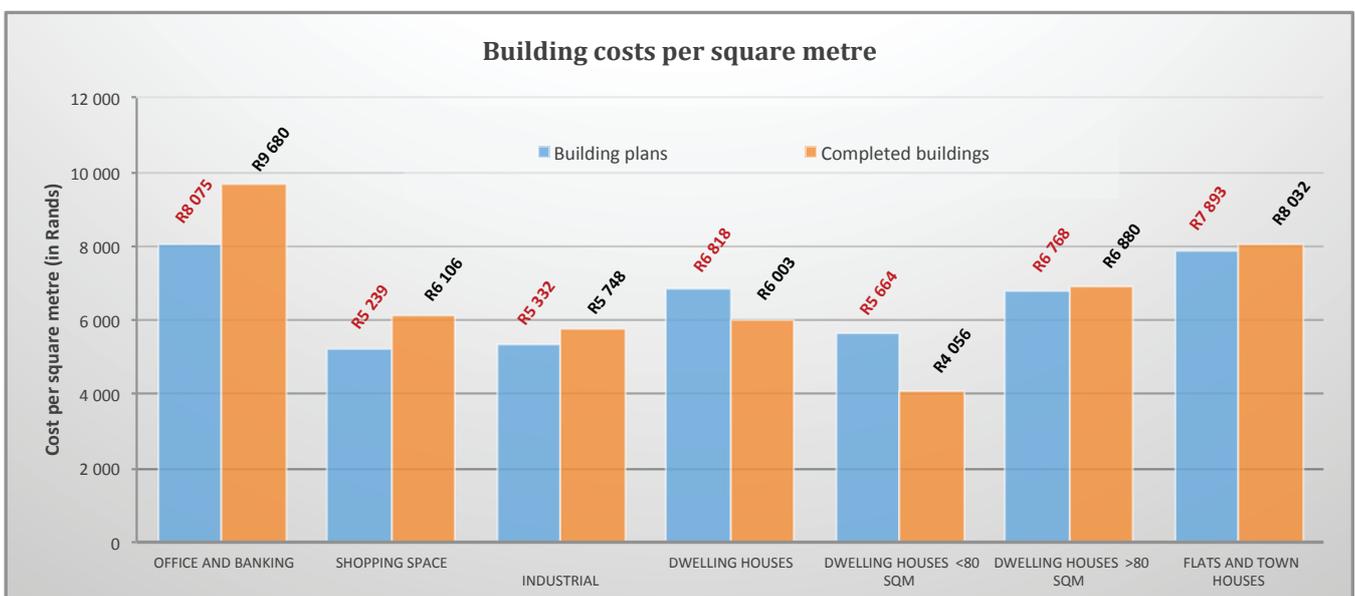


For the same period, the value of non-residential building plans passed also decreased by 18.7%, from R26.12 billion in 2016 (January to November) to R21.23 billion for the same period in 2017. The reduction in building plans is indicative of the stagnant incomes faced by households in 2017, and will have a negative impact on construction work (value of completed buildings) in the near future. The 2017 reduction in interest rates by the reserve bank, coupled with recent moderate inflation might provide a boost to the sector as borrowing and building costs decrease, although this might take time before manifesting. In addition, given the lag

between GDP growth and building plans passed as showed in the top-right graph above, an increased in the value of plans passed may be expected, following the slight increase in GDP.

The figure below shows the average national building costs as reported by Statistics South Africa in August 2017, using information reported by large municipalities. Nationally, it would cost R9 680.03 per square metre to build office and banking space; this was closely followed by shopping space at R8 213.10 per square metre.

Figure 14: Building costs per square metre



Research conducted by the Construction Industry Development Board (CIDB) in collaboration with Public Works found that labour intensive methods of construction were least costly when compared to plant and equipment based projects. The research also found that building cost increase, was on average, 1% above the CPI; although the Building Cost Index (BCI) by the Bureau of Economic Research is a much closer approximate of building cost growth.

Although growth in the construction sector has been subdued, there are a number of initiatives which are

expected to improve growth in the sector. The increase in social infrastructure spend by Government, including investment in housing, schools and roads, creates an opportunity for growth in the sector. The residential sector, despite being under pressure, is also a regular contributor to construction, given the continuous growth in population. Given, the recent GDP growth rates and moderate inflation, the sector can expect positive growth in the near term – particularly residential buildings. Public entities such as Eskom and Transnet are also engaged in long-term projects which are a boost to the economy.

7.1.5 Supplier market perspective

The CIDB maintains a record of registered contractors, which are categorised by work class and grade. The majority of registered contractors are within the General Building and Civil Engineering classes. Grading is determined by the contractor's capability to carry works (tenders) of varying amounts, with the highest being grade 9. The majority of contractors have a grading below 5, that is, they only have capacity to carry works not exceeding R6.5 million. According to the CIDB's construction monitor, 97% of contractors registered as grade 2 to 4 are black owned (where ownership refers to over 50% control). In addition, black owned contractors account for 88% of grade 5 and 6 contractors; 75% for grade 7; and about 40% for grade 9.

The tables below show various transformation values for the entities registered with the CIDB. The first table shows the number of entities registered with the CIDB by grading level and percentage of black ownership. The data suggests that there is a high number of firms which are completely black-owned, although 80% of these firms are designated at level 5 and below; that is, they cannot take on tenders exceeding R6.5 million. The second table shows the registered contractors by B-BBEE status and grading designation. Only a fraction of all registered contractors indicated empowerment levels. It is evident from the table that entities with good B-BBEE levels have low grading levels.

Table 16: Transformation values for the entities registered with the CIDB

Black Ownership	Contractor grading designation								Total
	2	3	4	5	6	7	8	9	
0% Ownership	156	91	207	124	220	192	106	73	1169
1% - 25%	6	3	10	7	16	19	23	11	95
26% - 50%	18	17	38	17	51	54	34	14	243
51% - 75%	16	25	62	35	53	42	32	6	271
76% - 99%	4	2	9	10	12	10	14	1	62
100% ownership	432	1617	9	972	1192	701	213	51	11013
Total	4542	1755	2251	1165	1544	1018	422	156	12853

Contractor grading	Contractor grading designation								Total
	1	2	3	4	5	6	7	8	
2	805	26	991	110	2	1			1935
3	299	16	395	62	1		1	1	775
4	312	53	487	78	7	3		1	941
5	149	41	242	49	5	2	1	2	491
6	208	119	255	51	14	4	5	2	658
7	140	114	137	44	12	12	4	14	477
8	25	53	62	37	15	7	4	8	211
9	3	27	26	15	4	5	1	2	83
Total	1941	449	2595	446	60	34	16	30	5571

7.2 External factors influencing service delivery

The PMTE's external environment presents a number of threats and opportunities that the PMTE needs to respond to. Key threats influencing the PMTE's service delivery include, but are not limited to:

- The constrained financial position of the PMTE
- A reduction in infrastructure budgets of user departments
- Revenue generation and cost saving initiatives
- The high costs of leased accommodation
- The increasing cost of maintenance and new construction activities
- Saving costs through the implementation of the green building framework
- The slow pace of transformation within the construction and property sectors

Taking cognisance of these external factors and the PMTE's portfolio of assets and projects the following opportunities exist for the PMTE to positively influence its external environment.

- Pursue infrastructure development techniques that promote labour intensive construction
- The development of small harbours and state coastal properties
- Spatial targeting to support the national development plan priorities.
- Increasing market opportunities for black industrialists
- Availing property for social-economic development

The following section elaborates on these factors and response of the PMTE.

Having registered GDP growth rates of average 3% between 2010 and 2013, the economy is currently in a low growth trap, sitting at average GDP growth of 1% since then. This is in line with global challenges and economic reforms in trading countries, weakened investments, falling commodity prices and recently weakened demand and business confidence. Limited fiscal space and higher interest payments have increased public debt. Although the South African economy may be out of a technical recession, the projected rate of growth is not high enough to reduce unemployment, poverty and inequality in a marked way. The economy is still vulnerable to external shocks and funding shortfalls. The funding shortfall of approximately R48.2-billion necessitated a VAT hike mainly due to the failure by the South African Revenue Service to hit tax collection targets. The initial shortfall of R50.8-billion announced by in the October 2017 Medium-Term Budget Policy Statement (MTBPS) was revised down since a reduction in loan redemptions, and some R3-billion in additional tax collection since last year. Other tough decisions taken in the 2018 Budget Speech include the R85-billion reduction in Government expenditure over the next three years funded by cuts at national level of R53-billion, but also reductions in the transfers to provinces and local government, R5.2-billion and R3.2-billion respectively.

As is the case with all other public sector institutions, the PMTE has been directly affected by the tight fiscal environment that has resulted in limited State resources. The 2016/17 allocation was cut by R250 million on augmentation and R92 million on infrastructure projects, while the 2017/18 allocation was cut by R114 million on augmentation, R76 million on infrastructure projects and R77 million on compensation of employees. A further reduction of R257 million has been effected over the MTEF period as per the 2018 Estimates of National Expenditure (ENE). These budget cuts have directly resulted in cost pressures on the daily operations of the PMTE, which affects the quality of the accommodation provided to user departments (i.e. backlog repair and refurbishment projects) and the overall operationalisation of the PMTE.

The PMTE is mid-stream of the seven year Turnaround Strategy focusing on the enhancement of efficiencies within the institution. This can only be achieved if key drivers such as the systems, business processes and professional skills are fundamentally revised and enhanced to support the new operating model of the PMTE. Such transformation initiatives will require an increase in resources to bring about improvements in the shortest possible time. The funding constraints experienced due to national and international dynamics will slow down the pace at which planned improvements can be institutionalized.

The PMTE has not yet been repositioned as a fully operationalised trading entity where potential revenue sources are effectively optimised. This fundamental switch to function like a commercially focused enterprise will take more time to fully establish in a manner that will ensure long-term sustainability. Since the client base of the PMTE is fundamentally public sector departments and institutions, the revenue generating capacity of the PMTE is constrained due to prevailing affordability criteria of the National Revenue Fund.

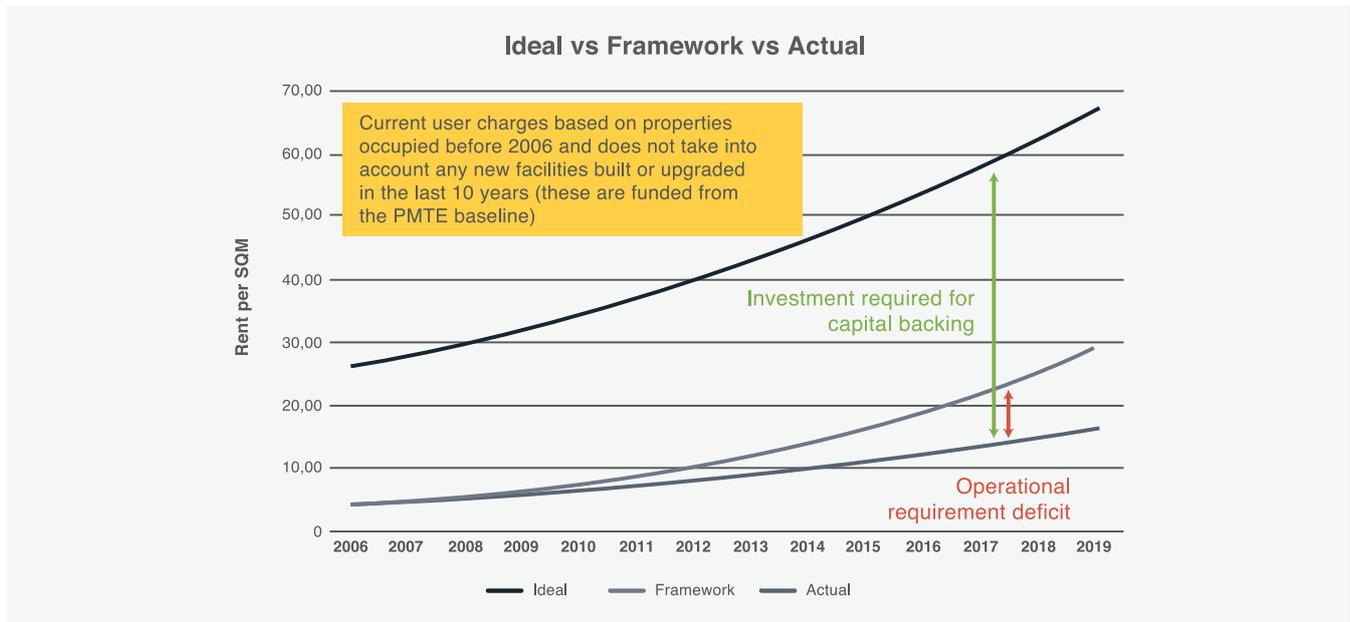
7.2.1 CONSTRAINED FINANCIAL POSITION OF THE PMTE

The reduction in infrastructure budgets of the PMTE and user departments poses a risk to the PMTE with regard to the development, repair, refurbishment and maintenance of the immovable asset portfolio. Consequently, the upkeep of the immovable asset portfolio of the PMTE is not affordable as it is not adequately funded in the baseline of the PMTE or the user departments'. The funding challenges can be attributed to the historic determination of the baselines that were devolved from the Department of Public Works to user departments in 2006 in line with PFMA immovable asset reforms. The PMTE developed a "Framework for the Devolution of Budgets and Introduction of Accommodation Charges" which was approved by National Treasury in January 2006 and implemented on 1 April 2006. The calculation of the amounts devolved to user departments in

2006 were based on the information in the IAR at that time, and in particular the floor space which user departments were then occupying. The 2006 accommodation charges were calculated per user department per facility type. Based on the calculations, the charges proved to be unaffordable to the fiscus. The total amount had to fit within the baseline of the Budget Vote of the Department of Public Works. The

devolved accommodation related budgets would be returned by user departments in the form of accommodation charges. The PMTE as custodian/landlord would pay property rates and carry out maintenance and rehabilitation, and major refurbishment or replacement of existing State-owned properties utilising the accommodation charges collected from user departments.

Figure 15: Growing accommodation charges funding gap



As part of the Devolution Framework agreed to with National Treasury then, this significantly reduced baseline tariff of R4.74/m² for office buildings had to increase annually by 15%. This resulted in a substantial reduction in the rate per facility type. An office building should have been charged at R26/m², but was charged at R4.74/m². The 2006 tariff of R26/m² was based on operational requirements only, i.e. maintaining the portfolio. This tariff did not accommodate the capital requirement to do periodic refurbishment and rehabilitation. As part of the Devolution Framework, it was envisaged that this amount should grow by 15% year-on-year to reach sustainability by 2017. The actual growth was only 10% on average (5% over the last 5 years) which gave rise to a funding gap of R2 billion in the 2017/18 financial year. The devolved baseline of R1.4 billion growing at the rate of 15% for 11 years would have been R6.5 billion (versus R4.5 billion in 2017/18 baseline). The R4.74/m² growing at the rate of 15% over 11 years would have been R22.05/m² versus R14.23/m² in 2017/18 baseline, which translates to a R7.82/m² shortfall on office buildings only.

The accommodation charges currently being recovered from user departments represents a funding gap for the upkeep of entire portfolio. This has resulted in a repair and refurbishment backlog and consequently to the deterioration in the condition of portfolio. The financial impact of addressing the condition of the portfolio to an acceptable level to operate in a sustainable manner will be significant to the PMTE. This tariff does also not take the growth in the immovable assets portfolio into consideration through the IAR Rebuild Programme (where properties

under the custodianship of the PMTE were confirmed) and the Infrastructure Build Programme (user department accommodation take-up). Since the 2006 devolution, the extent of the portfolio increased from 24 million square metres to 38 million square metres. This represents a growth of 58% in properties to be maintained for which no funding was provided.

Furthermore, the ownership of all State owned properties are allocated in terms of the Custodial Framework. There are six (6) National Custodians and nine (9) Provincial Custodians. In terms of the Immovable Assets Sector Specific Guide issued by the Accountant General, where any immovable assets are identified but cannot be allocated to a specific Custodian, they will be deemed to be allocated to the national Public Works. The funding gap to provide accommodation services is therefore a Sector wide issue and not only a challenge faced by the National Department.

Based on a pilot of 13 properties in Pretoria, it is estimated that a capital investment of approximately R650 million is required for uplifting the condition of these facilities to an appropriate level, excluding operating costs (rates/maintenance etc.). The significance of the funding gap is clear when considering that the 2017/18 accommodation charges revenue for the entire portfolio (93 943 buildings and structures) was only R4.5 billion. Furthermore, per an extrapolated Asset Replacement Value analysis performed based on industry best practices for the entire property portfolio, a substantial capital injection will be required to uplift the condition of the portfolio. In response to the

budget pressures that the PMTE is facing, a comprehensive revenue strategy is being developed to address the funding requirements. In view of the substantial capital requirements in the current fiscal constraints facing government, the PMTE will in the short to medium term will assess the options of outsourcing the capital intensive engineering components such as Boilers, HVAC systems with a view to derive operational and resource efficiencies.

There will be a continuous emphasis on income-generation through appropriate deployment of vacant properties and disposal of land on a remunerated basis. This will be in support of government objectives (e.g. integrated human settlement and other socio-economic purposes) with opportunities for sharing in the returns of development in order to unlock the potential in the portfolio, whilst targeting the overall improvement in the performance of the immovable assets. In addition, the PMTE will focus on developing optimal investment solutions and managing the performance of the portfolio, underpinned by a number of additional value and performance-enhancing initiatives such as:

- The progressive implementation of the NIAMM Framework so as to ensure the asset portfolio derives the intended returns;
- The alignment of annual rental escalation rates to the Consumer Price Index (CPI), reducing rentals to market-related amounts and opting for permanent solutions where possible;
- Develop, maintain and operate State-owned buildings to ensure energy efficiency and water savings;

- Facilities management and maintenance improvements;
- Utilisation of unoccupied properties;
- Fast-track the processing of numerous requests from other sectors within Government, and the private sector, for disposal of land under the custodianship of the PMTE if such assets are available to be disposed

The PMTE will develop and enhance immovable asset policies towards a consolidated immovable asset management framework. This will include the development of key instruments to support of PMTE's income generating requirements, augment financial resources to facilitate sustainability and improve life cycle funding for the immovable asset portfolio. Where policies have been developed, such as the NIAMM Framework, these will be promoted to ensure implementation and realisation of intended asset portfolio returns. These and other interventions to cut costs cannot be maintained indefinitely, as they cannot in isolation ensure sustainability of the PMTE. As a result, the PMTE will establish a dedicated unit that will be responsible for identifying and incubating new revenue generation strategies in support of the optimal utilization of the immovable asset portfolio. These strategies need to accumulate a significant amount of funding for the immediate capital investment required to improve the condition of the property portfolio. It therefore remains imperative that any revenues accruing to the PMTE through the implementation of these strategies be retained by the PMTE.

7.2.2 REDUCTION IN INFRASTRUCTURE BUDGETS OF USER DEPARTMENTS

Investment in social and economic infrastructure plays an important role in increasing the productivity of labour and business and thus the achievement of higher growth rates. Thus, Government's role in the economic and social wellbeing of communities (and the country at large) is crucial, particularly through capital expenditure and investments. The PMTE directly impacts efficiency and effectiveness of all user departments by providing accommodation that meets service delivery expectations, eradicating infrastructure backlogs, effectively managing the State's immovable assets whilst contributing towards economic and social development in the country. Due to the persistently low economic growth, the austerity measures implemented

by the National Treasury has impacted the infrastructure programme of the PMTE and user departments. This has led to capital infrastructure budgets being significantly reduced requiring a reprioritisation of future infrastructure projects thus negatively impacting the roll out of the infrastructure programme. A reduction in capital expenditure will limit positive socio-economic impacts considering that this is a key driver for economic growth. The table below indicates the original infrastructure budget of R 2.8bn which was reduced to R2.1bn thereby leaving the PMTE with a deficit of R677m. While every effort is being made to mitigate these risks, these challenges are likely to remain significant over the Medium-Term Expenditure Framework (MTEF) period.

Table 17: Transformation values for the entities registered with the CIDB

USER DEPARTMENT	ORIGIINAL ALLOCATION AS AT OCTOBER 2016	NUMBER OF PROJECTS PLANNED FOR IMPLEMENTATION	REVISED ALLOCATION AS AT JUNE 2017	REVISED NUMBER OF PROJECTS IMPLEMENTED
Agriculture, Forestry and Fisheries	R44 420 241	11	R20 797 732	11
Correctional Services	R777 882 693	130	R260 810 150	43
Defence	R315 931 721	58	R253 857 524	75
Home Affairs	R58 817 135	14	R20 185 979	18
Justice	R889 961 025	265	R451 309 897	148
Rural Development	R4 158 431	7	R2 482 280	6
SAPS	R700 811 802	187	R524 764 771	211

As a result of the reduced infrastructure budget, only those infrastructure projects that are on site or on tender can be funded and only a few strategically important projects will commence, but even these projects will have to be strictly monitored to stay within the limited budget. Furthermore, the reduction of the infrastructure budget implies that less money will become available to do ongoing maintenance and

capital refurbishment for State facilities; hence, the number of unscheduled maintenance is likely to increase. This will require the PMTE to identify opportunities for alternative funding sources to undertake maintenance. This will include partnerships with Original Equipment Manufacturers (OEM) for vendor financing of capital refurbishment and maintenance.

7.2.3 REVENUE GENERATION AND COST SAVING INITIATIVES

The current challenging economic and fiscal environment requires all spheres of Government to intensify expenditure efficiency and cost saving efforts. The PMTE will continue to implement specific cost containment measures on the procurement of goods and services, consumption of water and energy, marketing of non-core and non-strategic vacant State-owned properties at market-related prices for letting to private tenants, lease renegotiations, ensuring implementation of debt collection as per the Revenue Management Policy and day-to-day maintenance requests. A revenue generating strategy will be developed to ensure the future financial sustainability of the PMTE. This will address the current liquidity gap including the reduction in the bank overdraft. The incubating of new revenue opportunities will receive focused attention through the establishment of a dedicated unit that will drive the identification and incubation of new revenue initiatives.

User departments are expected to utilise accommodation more cost-effectively and to help reduce the cost of accommodation. Therefore, quality enhancements in Government accommodation are expected to be achieved over time through the gradual application of fully self-sustaining accommodation charges; additional capital amounts and proceeds of property disposals allocated for rehabilitation and new investments; and savings achieved through reprioritisation and more efficient use of available accommodation. The User Asset Management Plans (U-AMPs) and Custodian Asset Management Plans (C-AMPs) ensure the effective utilization of State immovable assets for various capital, refurbishment and maintenance projects and a uniform approach for budgetary programmes. In this regard, the IAR remains core to the business of PMTE. It serves as the primary catalyst for enabling investment decisions and portfolio management.

The IAR will provide a clear picture of the State's assets, the condition and the value of the immovable assets; which are currently collectively valued at R139 billion as at 31 March 2017. The immovable asset portfolio not only holds extensive benefits and opportunities in respect of Government's broader developmental agenda and socio-economic transformation, but when effectively optimised, also offer the potential to contribute significantly towards cost containment, reducing waste, resource preservation and improving the composition of Government spending on accommodation. To realise this, continuous investment

in the State's property portfolio is required to get it up to a standard where the potential value it holds could be leveraged particularly in cases where properties are not optimally utilised. These properties include mainly residential, commercial, office and vacant land. As the PMTE improves the condition of the State-owned properties, more can be let-out to third parties in order to generate further revenue. By reducing the vacancy rate on the excess State-owned properties, the PMTE will reduce its security requirements, prevent vandalism and illegal occupation of these State-owned properties.

The PMTE has commenced with a process of identifying State-owned properties that have been unlawfully invaded or encroached upon or that are not utilised for its intended purpose. This process will include the development of a strategy to deal with illegally occupation to either, regularize lease agreements or evict occupants where there are criminal and fraudulent activities. Eviction cases will be dealt with as part of the Operation Bring Back programme which has been launched by the Department and the Public Works Sector to specifically deal with a) identifying, b) investigating and c) recovery of State properties unlawfully transferred to the detriment of the State. This includes State properties that have been:

- disposed of by means other than through a proper transfer;
- transferred to another state custodian, private individuals, companies, trusts;
- transferred incorrectly/unlawfully (incorrect property transferred)
- occupied unlawfully or encroached upon; or
- sold and transferred at below market value.

The revenue generation and cost saving initiatives identified within the PMTE, will be supported through the review of critical internal policies and procedures to ensure alignment with stipulations in National Treasury's cost containment measures. In addition, an extensive exercise has been conducted to reprioritise the baseline allocation so that critical areas of delivery are effectively resourced. The introduction of the National Treasury G-Commerce platform for procurement from transversal contracts as well as the implementation of the State Information Technology Agency (SITA) buyers portal will contribute significantly to enhancing efficiencies within supply chain and reaping the benefits of cost savings through economies of scale buying.

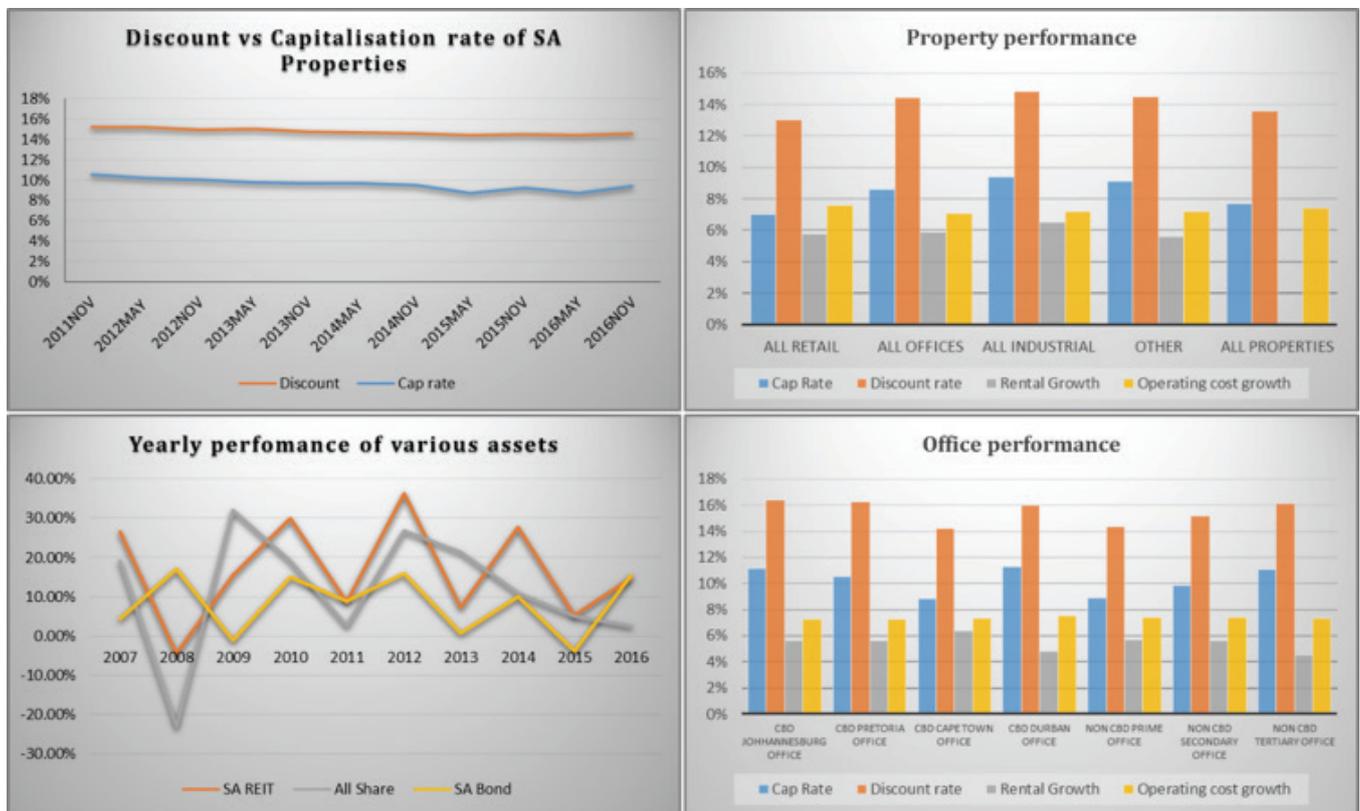
7.2.4 CONTAINING THE COSTS OF LEASED ACCOMMODATION

The PMTE will continue performing valuations to determine whether the rentals offered by landlords are market related, aligning annual rental escalation rates to the Consumer Price Index (CPI), reducing rentals to market-related amounts and opting for permanent solutions where possible. This is in line with the objectives as set out in the Turnaround Strategy as well as the pronouncements of the 2018 Budget Speech to reduce costs within the scope of fiscal consolidation measures announced by the National Treasury. As part of achieving efficiencies within the leasing environment, the PMTE established the Technical and Executive Negotiation Teams.

The figure below illustrates various performance and growth variables in the property sector. Overall discount rates have been around 14% over the last 4 years, indicating

high perceived risk in the property market. Industrial and office properties have the highest discount rates compared to the other sub-sectors, indicative of high risk in these areas. From these charts, one can see the high performance for the listed Real Estate Investment Trusts (REITs), which has been slightly above the other asset classes. The high returns in South African REITs have been largely driven by income returns; as property price growth or appreciation has been volatile in the recent past. The office sector has on average, registered rental growth rates above inflation. Escalation rates in major CBDs averaged between 8% and 10% over a 5 year period. Rental escalation, operating cost growth, discount and other rates are important inputs that inform the PMTE's policy framework to enable various investment decisions.

Figure 16: Performance and growth variables in the property sector



In the office sector, overall vacancy rate will inform the PMTE's strategy to optimise the portfolio through cost saving for rentals (negotiations for new and existing leases) in these areas. The National Treasury has approved a deviation for the renegotiation of leases that will target landlords on a portfolio by portfolio basis to reduce cost. To this end, the PMTE is in the process of renegotiating leases with the landlords to bring about the required savings to the fiscus. It is projected that the renegotiation of leases project will realise savings of approximately R200 million per annum. As part of the lease renegotiations an improved process will be followed to renew leases. This process, which has been developed in consultation with the Special Investigation Unit (SIU) and National Treasury to ensure that it is compliant in terms of regulations and legislations, also brings about efficiency in the time required to procure

leased accommodation. Landlords are required to provide a maintenance plan and tenant installation allowance whilst ensuring that the quality of accommodation is maintained.

The PMTE will establish a panel of landlords that will provide information such as the location, size of building, grading and number of parking bays on properties available for leasing to the PMTE. Landlords will be appointed through a competitive bidding process and shortlisted per province. The PMTE will source information from the panels using an IT leasing portal to obtain market-related rentals for accommodation currently available in the market. This will be done in a specific location without engaging in lengthy tender processes; negotiate rentals, escalations, and terms and conditions that are advantageous for the user departments; enter into long-term lease agreements;

as well as review lease rentals within a three-year period. This can be used to match the user department's needs against what is available in the market, as well as against Government stock. The panel process will not only enhance service delivery, but will also ensure that the pillars of procurement as contained in the procurement regulations

7.2.5 MANAGING THE INCREASING COST OF MAINTENANCE AND NEW CONSTRUCTION ACTIVITIES

The recent ratings agency downgrades of South Africa will have a ripple effect on the built environment sector and the cost of infrastructure development. The fiscal constraints having translated in austerity measures necessitate budget cuts and reprioritization negatively impacting potential suppliers/service providers as opportunities for tendering are now limited. This does not augur well for economic growth and job creation. In an environment where there are limited work opportunities, competition becomes key but this could also lead to collusion and price fixing between service providers, which creates a risk of overpaying for services.

Costs related to maintenance and new construction activities have continued to rise due to the following amongst other reasons:

- The delay in planning and design processes lead to delays in the appointment of contractors which subsequently result in adjusted prices and further deterioration of facilities where maintenance is required.
- Construction work stoppages and delays due to legal disputes or termination of contracts, which require the appointment of replacement contractors after a protracted negotiation or procurement process.
- Lack of standardised drawings of State-owned buildings serving the same service delivery purposes

In an effort to reduce the costs related to maintenance and new construction activities the PMTE will continue to improve on the turnaround time for finalising plans, designs and drawings in ensuring that projects move efficiently to construction stage in the value chain. A team of professionals will review cost estimates to ensure that they are in line with approved norms and standards. The PMTE will also work on producing standardised drawings for facilities across user department portfolios. The procurement reform process will enhance the ability of PMTE to better assess the capacity of consultants and contractors through a prequalification process structured through the built environment professions panels. Emerging consultants and contractors will be enrolled in incubation programmes thus matching them with infrastructure projects at their level of capacity and expertise.

are complied with. The PMTE also remains intent on finding an appropriate balance between the utilisation of the State-owned immovable asset portfolio and leased-in accommodation, and where positive opportunities present themselves, the PMTE may acquire readily available stock for its portfolio.

7.2.6 SAVING COSTS THROUGH THE IMPLEMENTATION OF THE GREEN BUILDING FRAMEWORK

The Green Building Framework and Policy sets out the principles by which the PMTE will develop, maintain and operate State-owned buildings to reduce the impact on the environment, including energy efficiency and water savings. The Green Building Policy also lays the basis for job creation (green jobs), growing the Green Building economic contribution, up-skilling and training of participants, contributing to local manufacturing and the development of improved working and living conditions.

For the 2018/19 financial year, the PMTE will undertake the following key initiatives towards the achievement of Sustainable Development Goals (SDGs) and climate change mitigation commitments:

- Resource efficiency flagship projects, integrating water, energy and waste initiatives to deepen impact and produce best practise case studies for each user department;
- Ongoing deployment of localised resource efficient projects that will provide sustainable jobs in rural and vulnerable communities;
- Trilateral participation in the securing and roll out of a nationwide energy efficiency in public buildings project, integrating the work of the unit across all spheres of Government, in collaboration with the Department of Environmental Affairs (DEA) and the Department of Energy (DOE);
- Continue to build internal capacity to provide a complete utility management and resource efficiency offering as part of PMTE's total facilities management aims.

7.2.7 TRANSFORMATION OF THE CONSTRUCTION AND PROPERTY SECTORS

One of the main objectives of the NDP is to unite South Africans of all races and class around programmes aimed at eliminating poverty and reducing the inequality gap. The high levels of unemployment and the lack of transformation in the property and construction sectors are due to the exclusion of certain groups of the population from select professions which has further widened the levels of inequality. SONA 2018 further called for markets to be opened up to new black entrants and investment in the development of businesses in townships and rural areas. South Africa needs transformation that opens a path to inclusive economic growth and development. Although transformation of the construction and property sector has started in earnest and is gaining momentum, the pace of transformation is slow. According to a recent survey by the Property Sector Charter Council (PSCC), the sector has an overall broad-based black economic empowerment (B-BBEE) level 4 rating. The survey also highlights that management control, skills development, employment equity and economic development are the areas still lagging behind.

The PMTE currently manages the largest real estate portfolio in southern Africa, which hold extensive benefits and opportunities in respect of Government's broader developmental agenda and socio-economic transformation. The immovable assets portfolio, which comprises of some 29 322 land parcels on which some 93 943 (comprising of 35.6 million square metres) buildings and structures are located, has been conservatively costed at R139 billion as at 31 March 2017. Additional to this portfolio, the PMTE also manages some 2 621 property leases contracted in from the private sector which comprises of approximately 6.3 million square metres of floor space, with an annual projected expenditure of approximately R4.2 billion.

The PMTE plans to promote transformation and skills development by complying with Property Management Empowerment Policy and adhering to the new sector charter codes of good practice in qualitatively assessing its investment decisions and processes. The Property Empowerment Policy aims to address the skewed patterns of ownership and break the inequitable access to property opportunities; actively directing the advancement of entities majority black-owned, managed and controlled; whilst

creating an enabling environment and support for black-owned property enterprises. Leasing of properties to black-owned as well as to women and youth-owned companies will increase the participation of previously disadvantaged groups within the sector. The PMTE will also increase opportunities for black owned companies in the database of landlords for leased in properties which will be utilised by both National and Provincial Departments of Public Works in order to ensure alignment within the sector.

The PMTE has also engaged the private property sector, REITs and the financial institutions to collaboratively craft a Sustainable Transformation Programme that was launched in 2016. The programme is designed to assist new entrants gain access to the property market in order to empower the larger population, with emphasis on black people, women and youth. Designated groups will be further advanced through the implementation of the Preferential Procurement Regulations, 2017. The National Treasury procurement reform provides preferential procurement strategies that support Government's socio-economic objectives and creates a platform to develop programmes for accelerating transformation with the emphasis being on the use of local content and local companies. All procurement opportunities, within the PMTE, will be maximized to advance and promote the designated groups within these sectors. The incubator programmes will be optimised to provide Emerging and Medium Enterprises (EMEs) and QSEs with better access to opportunities. In addition, the PMTE aims to attract, develop and retain young professionals, who will add efficiency to its operations.

New and amended CIDB Regulations will be introduced as a measure to support the transformation agenda while the downgrading of contractors will be suspended, within applicable parameters. The tender value limits, which have not been adjusted since November 2008 are also under review as this restricts the value of work that registered contractors may undertake in the public sector. The CIDB will also regularly review and revise the grading tender value limits in order to restore the market share in various grades and positive spin offs for contractors to gain access to work opportunities and progress to the next grades. A complete review of the CIDB grading criteria is also being undertaken.

7.2.8 INFRASTRUCTURE DEVELOPMENT THAT PROMOTES LABOUR INTENSIVE CONSTRUCTION

Notwithstanding the democratic achievements realised in South Africa, it has become increasingly evident that job creation, which is a primary source of income redistribution, remains inadequate. It is widely recognised that the present growth trajectory fails to reverse the unemployment crisis in the labour market; provides inadequate resources for the necessary expansion in social service delivery; and yields insufficient progress toward an equitable distribution of income and wealth. The PMTE will contribute towards a sustainable economy and State infrastructure that will progressively improve the quality of life of all South Africans. The focused outcome of infrastructure development will be on job creation, poverty eradication and income generation through an EPWP approach, particularly in the areas of brick

laying, painting, plastering excavating, wet services etc. The physical provision of infrastructure is as important as the upliftment of the beneficiary communities. The PMTE will therefore continue to prioritise labour intensive projects within construction, maintenance, green building services, which are expected to create approximately 7 511 work opportunities in the 2018/19 financial year. In addition, the PMTE has identified infrastructure projects that will have a significant impact on job creation and in consultation with PICC a strategy is being developed to monitor and support these initiatives. All labour intensive projects will subscribe to job creation targets as set by EPWP and the relevant supply chain tender documents already make provision for the enforcement thereof.

7.2.9 DEVELOPMENT OF SMALL HARBOURS AND STATE COASTAL PROPERTIES

The PMTE aims to attract investments through the letting out of State coastal properties which will also create long-term jobs as well as short term work opportunities directly linked to approved projects and through secondary activities linked to identified projects. The PMTE will be implementing a Letting Out Framework which will allow for rentals to be based on a percentage of turnover and will also ensure higher revenue generation from State coastal properties.

Small local and medium businesses will be empowered through the letting out of State coastal property by

enforcing minimum requirements for engagement to each approved project. With regard to national companies who have submitted business proposals and project proposals, a stipulated percentage of share ownership should be availed to interested local small businesses and cooperatives. All approved business proposals must ensure the utilisation of local suppliers and local labour as well as indicate skills development initiatives.

Figure 17: Map of SA coastline showing state coastal properties



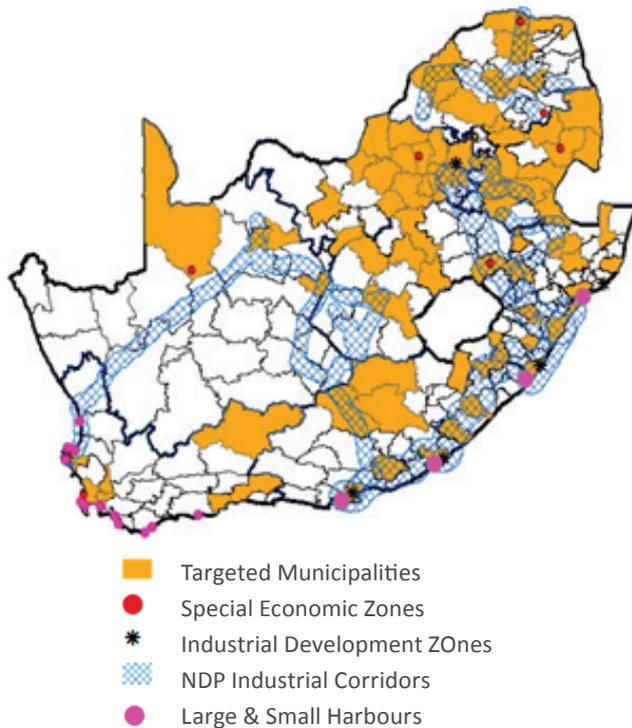
In order to keep the harbours in optimum working condition, the PMTE is currently conducting a repair programme across the 12 proclaimed fishing harbours to the value of R300 million which continue to play a key role in supporting both the industrial and small scale fisheries. Fishing harbours have a critical key role to play to support fishing communities to retain their way of life by capturing more value from their catch by means accessing processing and retail opportunities, service industry opportunities, and by providing entry to opportunities in other value chains such as tourism. The removal of sunken vessels is underway at all 12 proclaimed fishing harbours with the Environmental Impact Assessments (EIAs) have been completed. The dredging work will commence once the necessary approval of dumping sites from the Department of Environmental Affairs has obtained. The repair programme which promotes the use of local labour and SMMEs, includes critical capital expenditure projects as well as a portion for maintenance of the harbours, however, the repair and maintenance programme like most other infrastructure programmes will be affected by budget cuts.

The PMTE is working with the four coastal provincial offices as well as the provincial development agencies in each of the Provinces to support the development of SMMEs and other potential businesses. In addition to the projects identified for development through Operation Phakisa, the PMTE will develop Spatial and Economic Development Frameworks (SEDF) for the three identified new small harbours, along the coastline of Kwa-Zulu Natal (Port Edward), Eastern Cape (Port St Johns) and Northern Cape (Port Nolloth). The harbours will be developed under the Five-to-Ten Year Strategic Programme for Cooperation between Government and other strategic partners. The aim is to ensure alignment with the long-term development plans of surrounding areas to create viable economic zones linked to the development of the new harbours. The development of these harbours, will assist in the formalisation of marine activities including, fishing, mining and aquaculture farming in small and rural areas. These initiatives can only be successful through mobilisation of communities in and around coastal properties in order to ensure full participation by local communities and stakeholder grouping.

7.2.10 SPATIAL TARGETING TO SUPPORT THE NATIONAL DEVELOPMENT PLAN PRIORITIES

The PMTE will support economic development through infrastructure development in targeted municipalities that are aligned with NDP priorities including Special Economic Zones, Industrial Development Zones, Industrial Corridors, large and small harbours.

Figure 18: Performance and growth variables in the property sector



Many rural areas still face massive service underdevelopment, including poor road infrastructure, a lack of basic services like running water, primary healthcare, sanitation and electricity. One of the key objectives of the PMTE is to re-address spatial imbalances, as outlined in the NDP, by integrating Government infrastructure planning with

national, provincial and municipal spheres of Government to create efficiencies for planning and development. Precinct Plans will promote safe, secure and accessible Government facilities as well as invariably reduce the leased portfolio and cost towards a Government estate concept whilst moving toward revenue generation. South Africa has 226 local municipalities and eight metros that must comply with Development Planning Legislation including SPLUMA.

The PMTE has completed a Strategic Spatial Development Framework, with identified precinct developments, in collaboration with other spheres of Government. The Framework provides a guide for the selection of the 40 urban and 40 rural precincts that have been identified for development. The PMTE has aligned these precinct development plans to the 27 prioritised municipalities of the Department of Rural Development and Land Reform (DRDLR) as well as other identified municipal IDPs and SDFs in order to develop a project pipeline for rural precinct development. Further alignment has been created with National Treasury Cities Support and Neighbourhood Development Programme.

Many municipal areas in South Africa today have a combination of urban centres, rural villages and traditional authority areas within their boundaries. Urban areas are the engine rooms of the economy with more than 60% of the country's population dependant on social and economic services located in the eight metropolitan centres. Revitalisation of the urban fabric in an established area will provide for optimal use of land, which is a scarce resource. By developing accommodation solutions for user departments in well planned and well managed Government precincts, efficiencies for Government are created by reduction in the lease portfolio and through the sharing of facilities. The PMTE will increase the number of projects in pre-planning phase to ensure a pipeline of projects planned for implementation in the outer years of MTEF.

7.2.11 INCREASING MARKET OPPORTUNITIES FOR BLACK INDUSTRIALISTS

The newly launched Black Industrialists Programme constitutes a major part of Government's broad industrialisation initiative for expansion of South Africa's industrial base and injection of a new entrepreneurial dynamism in the economy. The programme is a key part of Government's broad industrialisation initiatives to expand the industrial base and ensure the participation of black industrialists in the manufacturing activities and the economy.

Given the PMTE's role in infrastructure development at a time when the private sector construction industry is in a downward cycle, the PMTE has an opportunity to provide to support the entry of black businesses into strategic and targeted industrial sectors and value chains. With an infrastructure budget of approximately R44 billion over the MTEF (including the infrastructure budgets of user departments), the PMTE can make a significant impact

not only on the purchasing and bargaining power in terms of materials, but also income support in terms of labour spend. The PMTE will therefore leverage its buying power in infrastructure commodity to maximise opportunities for specific designated groups as defined in the Preferential Procurement Regulations. To this end various programmes have been initiated, e.g. Panels for Professional Service Providers (PSPs), CIP, PIP, Total Facilities Management that will contribute toward the Industrialisation Programme through maintenance and construction of critical Government infrastructure. As part of the specification within the construction contract, service providers are encouraged to make use of locally manufactured material. Further, the PMTE will identify available immovable assets (land and vacant buildings) for development in proactive support of empowerment opportunities. This will be implemented through the PPPFA and the new SCM policy that supports local beneficiation. This intervention

will strive to develop a sustainable economy and State infrastructure that will progressively improve the lives of all South Africans. Through the Green Building Programme, the PMTE is working with the Department of Trade and Industry on the designation of energy efficiency consumables i.e.

energy efficient lightbulbs for local manufacturing which has potential to support Black Industrialist Programme. A report in this regard will be issued by DTI on the commitments of 2018/19 financial year.

7.2.12 AVAILING PROPERTIES FOR SOCIO-ECONOMIC DEVELOPMENT

The PMTE is better positioned to make informed investment decisions and leverage the portfolio for optimum utilisation of its immovable assets having completed the first phase of the Asset Register Enhancement Programme. An analysis of the IAR has commenced to segment the immovable asset portfolio in order to determine the optimum utilisation thereof, whilst unlocking value and development potential. Key to this initiative will be the development of a strategy for the utilisation of the approximately 4% unutilised buildings and 35% vacant land parcels. The PMTE manages a substantial and complex property portfolio, which is frequently leveraged for the achievement of Government's socio-economic objectives. Available options will include, inter alia, those properties that could benefit Government programmes such as human settlements, land reform and the emerging requirement for student accommodation. This also includes enhancing opportunities for letting to the public and private sectors (with the view on generating income to sustain the portfolio), as well as availing properties to a

variety of emerging entrepreneurs in the construction and property sectors. Where properties are identified as having no utilisation potential, a disposal or leasing out option will be considered.

In this regard, the PMTE is involved in a number of programmes for the disposal of strategically located land parcels to the Department of Human Settlements (DHS) and the DRDLR. In addition, land and other utilised properties can be availed for health care and educational facilities to assist in addressing the increasing of demand for the social infrastructure amenities. This allows for the PMTE to make a meaningful contribution towards addressing the backlog of housing, health care and educational facilities in the country. The disposal and transfer of land parcels to the respective Departments will assist in the delivery of social infrastructure projects to local communities and transformation of the farming sector and rural development.

7.3 Internal environment

7.3.1 BUSINESS IMPROVEMENT INITIATIVES WITHIN THE PMTE

As the custodian of the State's immovable assets under the Department of Public Works, the key objective of the PMTE is to optimise its asset portfolio to ensure effective and efficient cost saving service delivery in line with the developmental objectives of the NDP. In providing and managing suitable and accessible accommodation, the PMTE impacts on the efficiencies of user departments and consequently the effective delivery of services to the public. The current challenging economic and budgetary environment though, requires all spheres of Government to intensify expenditure efficiency and cost saving efforts. This poses a risk to not only ultimate benefit realisation, but also to basic service delivery since

significant investment in the State's property portfolio is still required to get it up to a standard where the potential value it holds could be leveraged. The PMTE is therefore actively pursuing more efficient practices to reduce the cost of doing business to lessen its fiscal burden. These include a Business Improvement Programme that embodies the 7 Year Turnaround Strategy as well as a process to improve various policies, processes, and systems to ensure that an enabling context is in place. The following sections highlight the key actions with regard to its Business Improvement Programme as well as its policies, processes, and systems.

The Turnaround Strategy is at the centre of efforts to improve performance across the PMTE. Phase II of the Turnaround Plan (Efficiency Enhancement) is driven largely by improvements in internal control, management practices and systems. The 2019/20 financial will mark the end of Phase II of the Seven-Year Business Improvement Programme and sets the basis for sustainability and growth of the Department. The operationalisation of the PMTE is at the centre of the Business Improvement Programme to institute efficiencies and cost effectiveness in the provision of professional property management services to the State.

7.3.1.1 OPERATIONALISATION OF THE PMTE

As part of the Turnaround Strategy and the drive towards improving service delivery, the successful operationalisation of the PMTE remains a critical strategic priority to build value to- and bring savings to the State. The PMTE currently manages the largest Real Estate portfolio in South Africa, which was the core business of the Department of Public Works prior to the separation of functions. As a catalyst, the effective optimisation of this portfolio holds extensive benefits and opportunities in respect of Government's broader developmental agenda and socio-economic transformation.

Propelled by the solid foundation established during the Stabilisation Phase of the Turnaround, significant progress have been made with regard to operationalising the PMTE. These include inter alia: the finalisation of a complete and credible Immovable Asset Register for the State, improvements in audit outcomes, savings with the renegotiation of leases; the development of a maintenance strategy that aims to improve the condition of properties, improvement in turnaround times for delivery of infrastructure projects and better meeting the requirements of user departments whilst contributing towards socio-economic priorities, particularly empowerment and job creation.

In terms of complying with the conditions attached to the National Treasury approval for the PMTE in 2006, the PMTE now accounts separately from the main account on the GRAP basis of accounting. For revenue and expenditure, the PMTE now transacts from a separate PMG bank account recorded against the detailed budget that has been split from the Department from the 2015/16 financial year in line with the PMTE's new programme structure that has been approved by National Treasury. All functions have been transferred, and the PMTE has finalised its organisational structure in consultation with the DPSA and National Treasury and placements have been concluded. Key strategic positions have been filled and various technical and skilled professionals have been appointed.

To ensure operational improvement, the PMTE will implemented functional accountability through a model where Functional Heads at regional level have an indirect reporting line to the Functional Head at Head Office and a direct reporting line to the Regional Manager. The Department of Public Works continues to render support and enabling services to the PMTE through a shared services model. Subsequent to the finalisation of the organisational structures, a delegation framework has been developed and approved. The PMTE PERSAL systems capability has been established in consultation with the relevant external stakeholders and it has been in operation since 1 April 2017.

Operationalising the PMTE as a "fully-fledged" trading entity however, can only be achieved once key efficiency drivers, such as the systems, business processes and people skills are fundamentally revised and enhanced to support the new operating model of the PMTE. In evaluating and tracking progress towards meeting requirements for trading entities as per National Treasury Regulation 19, the following operational areas have been prioritised in order for the PMTE to become fully-compliant with the requirements for trading entities:

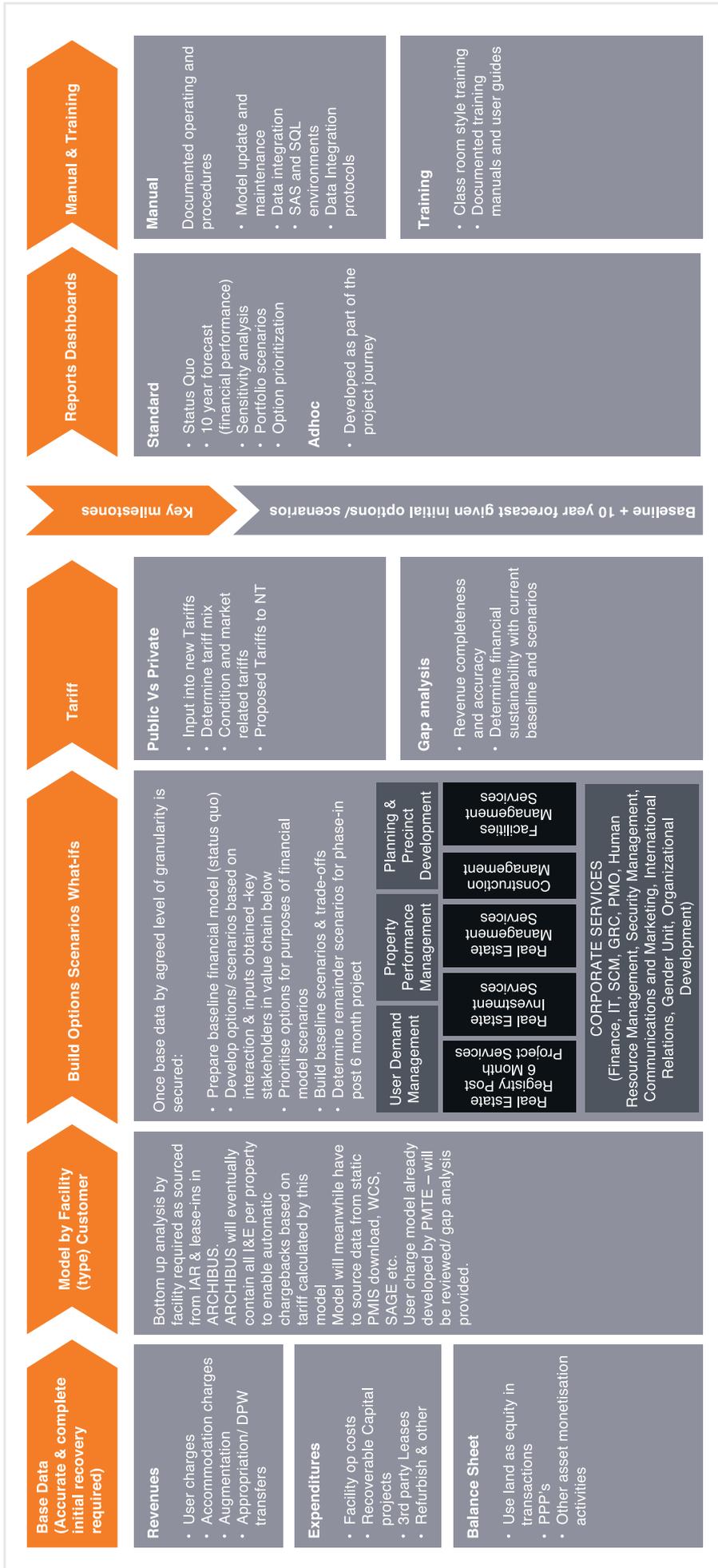
7.3.1.1.1 PMTE Finance Model

The 2007 DPW business case for the PMTE sets out a number of objectives with respect to enhanced revenue and expenditure management in order to promote the self-sustainability of the PMTE and ensure compliance with the conditional approval of the Trading Entity. The Finance Model will be used as a tool to analyse and guide the revenue and expenditure components of the PMTE towards financial sustainability over an agreed timeframe. The ideal accommodation charges/ tariff structure as determined by the User Charges Model will feed into the Finance Model, which is currently being designed and implemented. Receiving the appropriate accommodation charges from user departments for actual accommodation occupied will be instrumental in closing the funding gap of the PMTE's revenue. It is also key to enable the PMTE to carry out its legal obligation and mandate. The Finance Model will be used as a tool to analyse and guide the revenue and expenditure components in order to accurately project the anticipated funding deficit or surplus over a multi-year period. This analysis will be used to identify the most appropriate tariff

structures and potential efficiency enhancements with regards to both the revenue and expenditure components of the PMTE. The model shall be enabled by an IT solution, which will consist of basic dashboards for use by management for decision-making and to update scenarios. The financial model shall include the following key attributes:

- i. Projection of revenue and expenditure items for a period of at least ten (10) years
- ii. Future years covered by the MTEF shall reflect indicative budgets provided by National Treasury
- iii. Future years which are beyond the MTEF period shall be reflected at actual projected forecasts (where these exist), or agreed to escalation rates
- iv. Utilisation of information from (existing) systems/ databases where transactions are captured
- v. Different financial outcome scenarios based on changes/ alternatives to key revenue streams and expenditure items
- vi. Revenue generating strategies shall be incorporated into the model as inputs and scenarios

Figure 19: Process flow for the development of the finance model



7.3.1.1.2 Itemised billing for accommodation charges

The IAR was developed to meet compliance and reporting requirements in terms of PFMA and GRAP, however, modern immovable asset registers need to provide more detail than what is required to meet the basic accounting criteria. The IAR must have a common and accurate dataset used to inform decision-making in the areas of services planning, risks assessments, asset lifecycle planning and investment prioritisation. Componentised immovable asset registers not only satisfy accounting requirements, but also provide data on aspects such as physical asset characteristics and capacity, failure mode status, criticality rating and remaining useful life. It is important for the PMTE to conduct a detailed technical analysis to assess the condition of the immovable asset portfolio at a sub-component level and link the results of the assessment to the existing information on individual properties on the IAR.

The PMTE is responsible for an extensive property portfolio which comprises of approximately 29 322 registered and unregistered land parcels on which there are approximately 93 943 improvements (buildings and structures). These are located throughout the country and utilised by 52 user departments. At the end of the 2016/17 financial period user departments have confirmed occupation of 64,400 of these properties which approximates 70% of the total occupation. The immovable assets have been valued at R139 billion as at 31 March 2017 (from a reported value of R3 billion in the 2012/13 financial year). Periodic deeds downloads and reconciliation processes are required to identify additional immovable assets that must from part of the IAR which impacts on the property portfolio. To ensure appropriate levels of integration throughout the PMTE, the IAR data is currently being migrated into an integrated asset management system to effectively support asset management, property and facilities management programmes, including the payment of rates & taxes, billing & recoveries and capitalisation of completed projects.

Further enhancements to the existing IAR are required to improve facilities management and most importantly to implement itemised billing. Itemised billing will be used as the mechanism to recover the true cost of running and maintaining each property based on the appropriate tariff structures determined by the user charges model according to industry standards. User departments will therefore be invoiced based on the actual type, condition and extent of accommodation occupied. Itemised billing will entail the following:

- A listing of properties occupied;
- Confirmed extent of occupation per property;
- Accommodation type;
- Grading of the accommodation;
- Rate applicable (As determined per the user charge model);
- Charge (cost) per property; and
- Invoice total (for multiple properties).

The PMTE currently invoices user departments on the basis of budgets devolved to them in 2006 irrespective of

current occupation, through a simple invoicing system. To manage the process from a user department and PMTE perspective, invoices are issued quarterly in advance. Since the only acceptable audit evidence to support the payment of accommodation charges, is itemised billing, the PMTE is only receiving the payments after the exemption was approved by National Treasury. The delays on recovery of accommodation charges also impact negatively on the cash management of the PMTE as well as its financial sustainability.

For the effective implementation of the user charge model, accurate and consistent building and components performance information is required as a key driver of this model. User Charge model which is built on best practice, mathematical, financial and investment principles allows for whole life cycle costing of building. It is also useful for understanding and forecasting refurbishment capital needs and timing, total outflow pay-out profile and quantum, potential revenue and condition of property and components over time. In consultation with the National Treasury, the user charges model will be used as the basis for levying appropriate accommodation charges for the 52 user departments that occupy State-owned assets as a way of generating the required income to maintain the condition of the property portfolio. In addition, the PMTE will require consensus with National Treasury on the appropriate tariff structure for State-owned accommodation. This will also have a major impact on the current operating model of the PMTE and the budget structure of the user departments. As an immediate intervention to drive this process, an intra PMTE Project Steering Committee has been established which will be chaired by the Accounting Officer.

Due to the extent of the property portfolio and the complexities involved, itemised billing cannot be achieved in a short space of time. The PMTE plans to deal with the extensive portfolio using a phased approach spanning a five year period. To this end, the PMTE has received an exemption from National Treasury to implement itemised billing. The PMTE plans to introduce itemised billing from 1 April 2018 for the smaller user departments by billing them according to an average rate that can be revised annually. The focus will then move to the larger departments, which are more complex and have bigger budgetary implications. Eventually all user departments will be billed according to approved tariffs applicable per property grade.

7.3.1.1.3 Trading Account Overdraft

The central rationale for a trading account is to allow for the retention and deployment of surplus revenue hence trading accounts are not meant to be in overdraft, however, historical debts of user departments which are still outstanding, directly contribute to the PMTE's inability to eliminate the bank overdraft.

The current operating model of the PMTE gives rise to a revolving overdraft. This is attributed to the timing delay between the payment of third party contractual obligations and the eventual recovery of those amounts from user departments. The process that is followed to recover

monies relating to private leases, municipal services, user infrastructure spending (capital allocation) and other recoverable infrastructure projects gave rise to a 60 to 90 day delay with regard to the matching of the initial payment and the eventual recovery. As there are no other significant revenue sources that can augment the cash flow requirements of the PMTE, this contributed significantly to the overdrawn bank account of the trading entity. Notwithstanding this, the overdraft has increased over time thus indicating that the costs associated with the provision

of accommodation services are greater than the revenue received for the provision of accommodation.

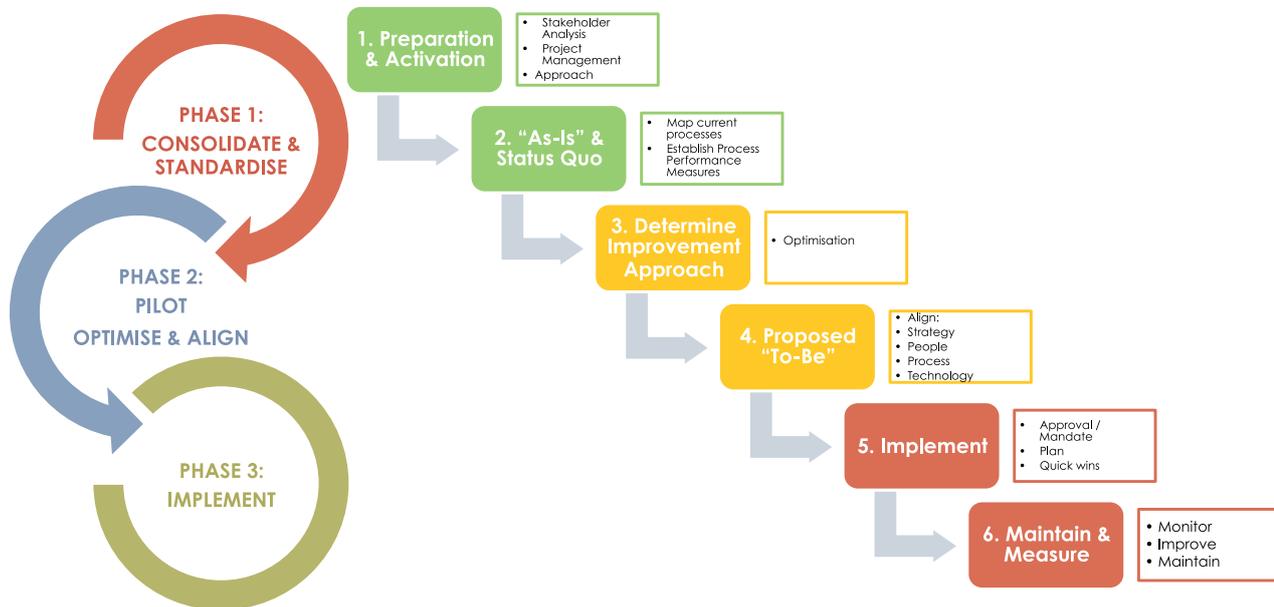
While the current planned move for accommodation related charges to be paid in advance should contribute to the reduction in the overdraft, it may not extinguish it. The PMTE will therefore develop a strategy in consultation with the National Treasury to eliminate overdraft within a specified period of time.

7.3.1.1.4 Business Process Review

The PMTE Business Process Review has commenced and focusses on the consolidation of all existing business processes in each of the PMTE programmes, evaluation thereof, the mapping of new processes, piloting and eventual implementation. The operationalisation of the PMTE is key to unlocking effectiveness and efficiency in the delivery of core services. To this extent, the business processes are being aligned towards the PMTE’s strategy and business model. This includes the development of procedures required to support the business and results in Standard Operating Procedures for each line function. Improving the maturity of the current processes within the PMTE constitutes a significant step in enhancing the efficiencies of the Department.

The approach is aligned with the Department of Public Service and Administration’s (DPSA’s) Business Process Management Framework for the public service and the Toolkit on SOPs. The programme covers PMTE activities countrywide; assimilates all disciplines contained in the 6 PMTE Programmes; and ensures alignment with various other initiatives aimed at improving service delivery such as National Treasury’s procurement reform, the internal SCM reforms, the implementation of the Integrated Technology Platform, and the capitation of the new PMTE structure.

Figure 20: Business process management framework



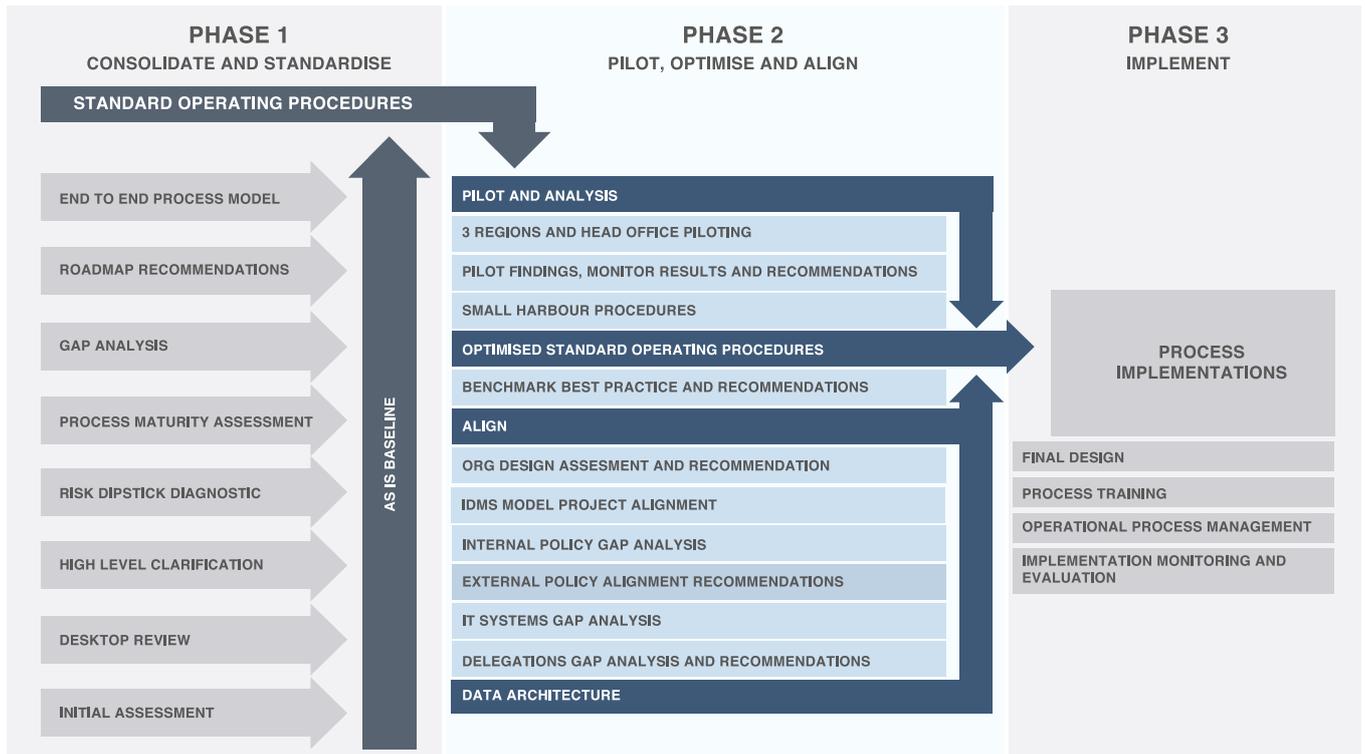
In line with the above-mentioned approach, Phase 1 has been concluded on 31 January 2018 and comprised:

- the conclusion of a process risk & maturity assessment for the PMTE;
- the completion of an initial process GAP analysis for the PMTE;
- the mapping of an End-to-End business process model for the PMTE;
- the consolidation, standardisation and completion of initial Standard Operating Procedures for all 6 PMTE programmes; and

- the completion of a Roadmap Recommendation Framework

Phase 2 has commenced and will continue during the first part of the 2018/19 financial year. Its focus will be on the optimisation of processes through benchmarking and piloting, as well as strategy, policy, delivery model and ICT alignment. This will be followed by the final process design, approval and eventual implementation through a sustainable operational process management framework that facilitates continuous improvement. Phase 3 is anticipated to be completed by the end of the 3rd quarter of 2018/19.

Figure 21: Business process review programme overview

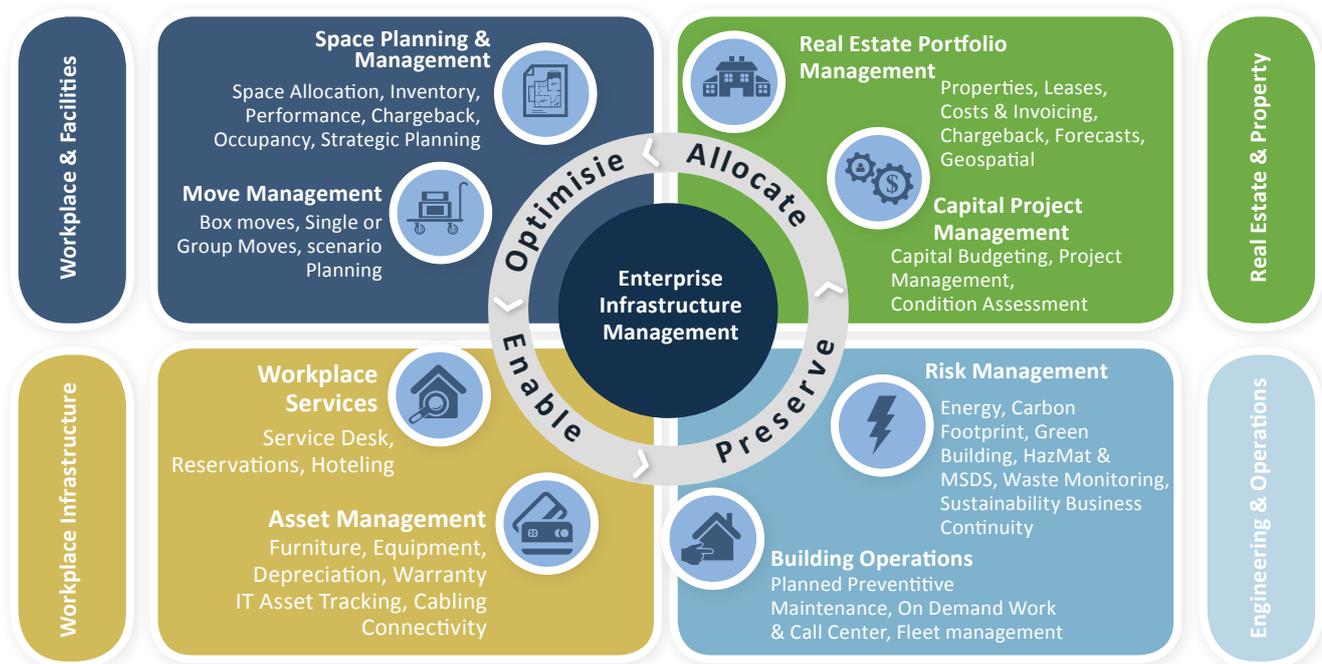


7.3.1.1.5 Business systems

The PMTE has acquired an ERP system with an integrated end-to-end asset management capability in order to fully manage the property portfolio throughout the asset life cycle - including the immovable asset management, movable assets, project management, lease management, investments, maintenance, disposals, procurement and capital budgeting modules amongst others. It is also

anticipated that the various modules available on the systems will allow for interfaces to be developed with external systems such as PERSAL and the central supplier database. The different modules and applications will be integrated to accomplish consolidated workflows including ARCHIBUS, SAGE, GIS, mobile apps and SAS. Below is a summary of the ARCHIBUS Total Suite:

Figure 22: Archibus and application modules – total suite



The following modules are being tested for implementation pending the IAR/PMIS data reconciliation process:

- i. Immovable Asset Register where the IAR data has been uploaded during the 2017/18 financial year
- ii. Payments module for variable payments
- iii. Facilities management call centre module, including mobile application
- iv. GIS integration
- v. Lease-in module is dependent on integration to SAGE and finalization of Master Database (MDB) data with information on leases
- vi. Movable asset module is dependent on the implementation of the SAGE procurement functionality.

The PMTE has been experiencing challenges with the implementation of ARCHIBUS and SAGE X3 as a common integrated platform. The ARCHIBUS implementation date of 01 April 2017, for the Leasing and Facilities Management modules, has not been achieved and the processes to finalise development of the modules could not be met due to the differences between the ARCHIBUS IAR data and the PMIS data. The integration of modules is a complex undertaking that will need to be constantly monitored until the systems are bedded down and are able to directly contribute to internal controls and GRAP compliant reporting. Interim management systems and reporting need to be maintained until the larger system is integrated and fully functional. The PMTE has brought in capacity, for the next two years, to assist with the customisation and operationalization of the new system to cater for business requirements.

ARCHIBUS LEASING-IN MODULE

Currently, the PMTE makes use of a PMIS lease system where the payment of leases captured on the PMIS are processed through the SAGE accounting system however, the PMIS rental payments are not consistent with lease agreements. Controls in PMIS are less comprehensive than that offered by other systems, as such unauthorised changes impacting the integrity of the leases leads to over and under payments to landlords. An analysis on payments will be performed on a monthly basis in order to identify errors on incorrectly captured lease details and the PMIS system will be updated accordingly. This will be further addressed as part of the implementation of the ARCHIBUS system, which will be managed centrally by Head Office. The system follows a strict verification and approval phases for changes to lease data where all lease payments will be automated. The system as a whole will protect the integrity of the lease data and improve the accuracy of payments to landlords and the accounting of such transactions due to the automation of payments. The implementation of ARCHIBUS has been underway, the lease data has been migrated to ARCHIBUS. The lease data imported into ARCHIBUS will be verified to confirm the accuracy and completeness of the data. Once this is confirmed, a parallel run will be facilitated to ensure that ARCHIBUS payments are aligned to PMIS. If any differences are noted, these will be investigated and resolved. Once the parallel run has proved satisfactory in terms of accurate payments, the ARCHIBUS system lease module will go live which will generate accurate management and financial reports and dashboards to inform management decisions. Contract management will be optimised through system

alerts, which will serve as triggers of contract management actions such as lease renewals, terminations, suspensions, etc.

ARCHIBUS FACILITIES MANAGEMENT MODULE

The facilities management services are currently managed on manual unintegrated systems. The use of manual systems, among other reasons, has resulted in lack of proper preventative maintenance, poor response times to user departments' complaints and lack of financial controls of maintenance expenditure. It has also resulted in financial exposure for PMTE in the form of accruals and provisions for unscheduled maintenance as reported in the Annual Financial Statement of 2016/17. The componentisation of the IAR as a pre-requisite to launching a comprehensive facilities management module emerged as a business process gap during the implementation/testing phase of ARCHIBUS. It is envisaged that ARCHIBUS facilities management module, once implemented, will handle the following operations:

- Maintenance planning: this will allow for the requirements of user departments to be defined for scheduled and unscheduled maintenance.
- Incident logging and works order automation: The incident logging and works order automation modules will integrate processes required across each service through a single platform.
- Condition assessment: The Conditions Assessment Module will provide the criticality rating to ensure standardisation of immovable asset conditions.

TELEMETRY SOLUTION

Machine to Machine communication has been piloted to improve remote visibility of prioritised facilities within the Top 300 Programme. The Telemetry solution has been implemented to ensure functional built environment management. The project includes:

- Development of a central command centre with real-time remote visibility of critical shared services of each facility (Energy and Water, Lifts; HVAC and Boilers);
- Central validation of existing agreements with service providers within prioritised facilities prior to the execution of services (quality, turn-around and cost);
- Real-time monitoring of the Resource Efficiency Programme through Shared Savings Contracts.

SAGE FINANCIAL MANAGEMENT SYSTEM

The operationalization of the PMTE requires reconceptualization of integration between operations, billing and accounting functions within the business. SAGE is a financial management system for accounts payable, accounts receivable, budgeting and procurement. ARCHIBUS interfaces the payment files to SAGE for seamless integration. The SAGE system, which has been implemented in 2014, will be enhanced for additional GRAP requirements including the Procurement module, which will be implemented to interface to the ARCHIBUS movable assets and project module. The Enterprise Systems Business (ESB) solution is being implemented as an integration layer between SAGE and ARCHIBUS. This will assist in improving data management and seamless interfacing between systems.

The ERP system will provide business intelligence using proactive dashboards and decision support systems through the complementary implementation of business analytics and data mining using SAS which will ultimately allow for real-time management of immovable assets and activity based costing with GRAP reporting.

7.3.1.1.6 Capacitation and Professionalization

The PMTE has developed a capacity intervention programme to build technical capacity across core functions of PMTE. The capacity-building programme is categorised as follows:

- Providing training and development support to employees that qualify to enrol as candidates under different professional and engineering councils. This will ensure that all officials that are employed in technical and project management functions get registered.
- Providing training and development opportunities to graduates that are not in the employ of public works that qualify to enrol as candidates under different for professional and engineering councils. This will give an opportunity to graduates in technical professions and engineering fields who are registered as candidates in general and the youth in particular to gain access to the infrastructure industry at occupation specification dispensation levels. It will also contribute to reducing youth unemployment.
- Providing an opportunity for bursary holders in technical, professional and engineering fields to proceed to continue serving the PMTE thus sustaining capacity needed in the long-term.

The capacity-building programme will culminate into a fully operational Public Works Academy (Virtual Academy) with the first intake of more than 70 including technical candidates. The purpose of the National Department of Public Works Academy is to:

- i. Address the professional registration of Project and Programme Managers and its Property Management staff.
- ii. Offer the opportunity to staff to obtain formal academic qualifications through a carefully selected range of South African and international universities, and
- iii. Offer skills programme that are designed to enhance key competencies of staff in their areas of practice as part of the continual professional development programme.

Through the National Department of Public Works Academy, the PMTE will:

- i. Establish and maintain a culture of excellence in the delivery of the infrastructure development and property management mandates of the sector, and thereby enhancing the capacity of the sector to make meaningful contributions to public service delivery in South Africa, and;
- ii. To demonstrably contribute to the development of scarce and critical skills in the public sector, and in so doing to respond to the national call to develop the delivery capacity of the State.

Other initiatives being implemented to support technical capacity include seconded professionals from the Development Bank of South Africa (DBSA) that have been deployed to various areas of the business; Cuban Professionals have been recruited and deployed in to various Regional Offices to support with PMTE develop conditional assessments for facilities maintenance programme. Through these interventions the PMTE was able to reduce the ratio of projects to project managers to a reasonable percentage although the ratio does not comply with industry norm of 1 Project Manager to 10 projects. In addition, there are ongoing initiatives to insource retired professionals to participate in the mentoring of candidates within the capacity building programme and contribute to service delivery improvement initiatives carried throughout the PMTE.

7.3.1.1.7 Improvement in Audit Outcomes

The PMTE has demonstrated improvement with regard to financial and compliance audits since the 2011/12 financial year, when it was besieged by negative audit outcomes. Despite the progress made since then, the audit opinion of the PMTE regressed, in 2016/17, to an adverse opinion mainly as a result of errors identified in the measurement of property, plant and equipment that could not be corrected due to the pervasiveness and extent thereof. Although the methodology of measuring property, plant and equipment was accepted, the PMTE was unable to apply the methodology consistently and accurately. The financial audit findings relating to the previous year were effectively resolved, however the non-compliance findings increased from 7 in 2015/16 to 9 in 2016/17 and no improvements were noted in the audit of performance information. In addition, the PMTE was required for the first time, in the 2016/17 financial year, to fully comply with Standards of GRAP for the functions that was transferred from the main account in 2013/14 due to the expiry of the transitional provisions contained in Directive 2 issued by the Accounting Standards Board (ASB). An audit action plan has since been put in place to proactively manage the reoccurrence of audit findings from the prior years. Furthermore, the PTME will ensure that the IAR is thoroughly reviewed for validity and accuracy and all GRAP principles are fully adhered to when implementing the accounting policies related to immovable assets. Greater attention will be given to the reporting on predetermined objectives to ensure further improvement in the audit outcome.

7.3.1.2 IMPROVED LEASE MANAGEMENT

The PMTE faced a substantial backlog in renewing expired leases because of the protracted goods and services procurement framework. In an effort to reduce the backlog, the National Treasury issued special leasing dispensations 1 and 2 to enable the PMTE to expedite the renewal of expired leases. Through the special dispensations, which allowed for renegotiations with landlords, 2021 leases were renewed and brought to market related rates with a reduction in escalation rates from as high as 10% to the prescribed 5.5% and 6%. The special dispensations resulted in significant savings for the PMTE.

The PMTE has since been working with the Office of the Chief Procurement Officer (OCPO) within the National Treasury on a number of projects, which includes developing a Leasing and Letting Framework to streamline leases procured at national and provincial levels. The Framework informs the development of standards for leasing and letting in the public sector, to be approved by National Treasury. The effective date of the standards will be determined by National Treasury once approved. The current average turnaround time to procure a lease is 36 months however, with the implementation of the new reforms, the anticipated time will be reduced to eight (8) months, showing an improvement of approximately 78%. The PMTE has also implemented a NBAC for leases, which has been an effective and turnkey solution in terms of improving the procurement of leases.

7.3.1.3 TOTAL FACILITIES MANAGEMENT REVAMP

The maintenance of the immovable asset portfolio is significantly under-funded from both a capital and operational expenditure perspective. In order to optimise the limited budget across such an extensive portfolio will require the PMTE to implement trade-offs such that the Service Delivery Standards are tiered and optimised according to asset class significance and growth prospects. The execution of the facilities management function is premised upon five major business process:

- Immovable Asset Register Structure (including componentisation, depreciation, appreciation of components),
- Incident logging and Resolution,
- Conditions assessment,
- Preventative Maintenance,
- Repair and Refurbishment project management.

The National Immovable Asset Maintenance Management Standard (NIMMS) complements the Infrastructure Delivery Management Standard (IDMS) by specifying asset care requirements for immovable assets through the lifecycle, and by establishing standards for organisational arrangements, competences and requirements for professionals involved with asset lifecycle activities. Lifecycle activities addressed in this standard include the planning for and execution of maintenance, renewal or replacement, decommissioning and disposal of assets. In line with the NIMMS requirements, the PMTE launched a Top 300 Programme as an integrated approach to firstly deliver on key facilities management outputs for an initial 300 priority facilities and secondly to pilot the Facilities Management Delivery Model with core elements of facilities management that will be rolled-out for entire property portfolio.

The PMTE's maintenance strategy includes a combination of planned, preventative maintenance and reactive maintenance solutions with the following core elements:

a) Service Level Tiers:

The extensive property portfolio of the PMTE requires maintenance service levels to be tiered according to the various property classes. In order to manage the limited maintenance budget, an effective Maintenance Strategy,

informed by the service levels, is required to ensure that State-owned properties will be maintained to an appropriate standard including the effective control of associated finance and risk. These strategies have a direct influence on the user charges, which takes into consideration the true cost of running and maintaining each property. The three classifications of maintenance includes:

- Total Facilities Management – This type of maintenance is provided on a turnkey basis single service provider for a single facility. This type of service is expensive and is suitable for complex facilities e.g. military bases, prisons etc.
- Critical Component Planned Preventative maintenance Programme – This is a combination of schedule maintenance plans and repair and refurbishment programme designed to ensure upkeep of components that are critical to the availability and business continuity of a facility such as water treatment plants, lifts, HVAC systems. Furthermore, statutory compliance requirements necessitate a focused maintenance and budgeting approach to ensure full functionality of these components. As part of the critical component programme, the PMTE will focus on improving the implementation of scheduled maintenance (term contracts) in order to standardise the operations and maintenance of critical components.
- Reactive Maintenance – This is a response mechanism to address unplanned breakdowns within a facility. Due to the non-strategic nature and locations of some properties, this type of maintenance presents an entry-level response by the PMTE to service the user department.

b) Conditions Assessments

The PMTE has developed the Conditions Assessment Guidelines and is reviewing the criticality rating to ensure standardisation on the execution of asset conditions assessment across the property portfolio. The guidelines have been utilised as basis for developing a user requirement document to determine the level of customisation required to operationalise the conditions assessment module on the ERP system.

c) Repair and Refurbishment Programme

Through the critical component programme, the PMTE has completed preliminary works that show that specific and focused repair and refurbishment interventions need to be prioritised in 2018/19 for Water Treatment Plants, Boilers, and Lifts etc. The Repair and Refurbishment Programme will be prioritised to alleviate immediate operations and maintenance challenges to support the availability of critical components. The implementation of the Projects module on the ERP system will improve the execution and coordination of repair and refurbishment interventions within the PMTE.

7.3.1.4 SUPPLY CHAIN MANAGEMENT (SCM) REFORMS

The supply chain reforms aligned to the seven-year turnaround strategy is progressing in accordance with its continuum of development which started with correction of

inefficiencies to stabilisation and ultimately standardization and optimization. The phases of correction and stabilisation have been concluded and various strategies are being implemented to steer supply chain towards standardisation and optimisation. A project to review all SCM business processes and to develop standard operating procedures is currently underway in order to ensure the trajectory towards standardisation remains on track. This review has been necessitated to ensure that the PMTE is able to adopt and respond to the public sector SCM reforms being pursued by National Treasury as this is currently changing the SCM landscape. The new structure for SCM was developed as part of the reform agenda and establishes three core business streams, which are acquisition infrastructure, acquisition property and facilities and acquisition goods and services.

SCM is of strategic importance as a key mechanism to enable policy implementation in the procurement of accommodation for Government. Previously all procurement was done under a common umbrella without due cognisance of the specialised procurement requirements for leases, construction contractors and facilities management. The PMTE has therefore been working closely with National Treasury in moulding a new SCM dispensation to ensure a clear differentiation between the core streams for goods and services and infrastructure and property. In addition to the leasing panels of preapproved landlords and real estate agents, the PMTE is establishing panels of built environment professionals to facilitate appointment of project consultants aligned to the Standards for Infrastructure Procurement and Delivery Management (SIPDM).

Internally, a number of system changes are being made to ensure a more efficient and effective methodology is adopted for procurement and to assist with providing reliable data for reporting purposes. These include optimal utilisation of the National Treasury Central Supplier Database and the use of the gCommerce portal for procurement. An internal electronic quotation tracking system has been implemented and will be rolled out to all Regional Offices. The implementation of an electronic tender system and contract management system has been delayed due to challenges with the proposed ARCHIBUS software system. The end-to-end procurement system development and implementation, which is estimated for completion in 2018/19, will address the challenge of long turnaround times and its impact on user departments.

7.3.1.5 EXPEDITING INFRASTRUCTURE DELIVERY

The PMTE is proactively dealing with challenges in respect of infrastructure backlogs, non-adherence to capital commitments directives and the lack of capacity to deliver projects within time, budget and quality. In this regard, the PMTE has established capacity to oversee the process, manage backlogs in the planning and delivery phases, and to subject identified projects to intensive Monitoring & Evaluation (M&E) processes. Internal and external interventions have been initiated to ensure integration and consolidation of U-AMP, C-AMP, IPMPs and IPIPs in planning. IPMPs and IPIPs for five major user departments have been completed.

The Standard for Infrastructure Procurement and Delivery Management (SIPDM - 2015) states that IDMS is now a "Government IDMS" and the implementation thereof must be institutionalised for the PMTE, Public Works Sector and user departments. National Treasury is reviewing and aligning IDMS with SIPDM including the implementation tools, which will inform the new IDMS implementation. The IDMS is the Government's model of choice for the management of public sector infrastructure delivery. It is an integral part of the public sector and more specifically, the planning and service delivery systems. The core of the IDMS comprises of the legislative and regulatory requirements for asset management, planning and budgeting, and infrastructure procurement, all of which are linked and interrelated.

The PMTE has incorporated the IDMS into its Service Delivery Model. The mainstreaming and streamlining of departmental programmes in line with the Service Delivery Model has commenced. Internal and external engagements have been initiated to ensure integration and consolidation of U-AMP, C-AMP, IPMPs and IPIPs into the planning of infrastructure programmes. The implementation of the standard will ensure progress towards the full implementation of IDMS. Panels with registered professions (quantity surveyors, engineers, and architects) will be established to commence batch tendering for IDMS implementation.

The PMTE has also been utilising implementing agents to reduce the workload of project managers and fast-track the delivery of construction projects (capital and planned maintenance). In order for all the PMTE functional areas to participate holistically in IDMS, the following key success factors have to be in place:

- At a macro level, the service delivery model needs to be integrated into the IDMS process. Current projects identified on the IPMP's and IPIP's are not prioritised to meet Service Delivery Priorities.
- Comprehensive capital planning aligned to the IPMP's and IPIP's is required. Based on the devolved user charges, additional funding is required to inject to significantly increase the useful life of components.
- An ERP system for facilities management with a credible source of data to feed into the IDMS process.

The National Immovable Asset Maintenance Management Standard (NIMMS) complements the Infrastructure Delivery Management Standard (IDMS) by specifying asset care requirements for immovable assets through the lifecycle, and by establishing standards for organisational arrangements, competences and requirements for professionals involved with asset lifecycle activities. Lifecycle activities addressed in this standard includes the planning for and execution of maintenance, renewal or replacement, decommissioning and disposal of assets.

7.3.1.6 VESTING OF IMMOVABLE ASSETS AND ENDORSEMENT OF TITLE DEEDS

According to the Constitution of the Republic of South Africa, No 108 of 1996, all State owned national and provincial immovable assets must be vested in the name of national

government, or one of its nine provinces. Vesting of all land parcels under the custodianship of the Department of Public Works is a challenge due to the lack of title deeds and Surveyor General Diagrams. The PMTE is engaging the Chief Registrar of Deeds and Chief Surveyor-General to obtain outstanding title deeds and Surveyor General Diagrams.

The PMTE requires a reliable IAR to inform investment decisions and portfolio management. This is carried out by tracing and acquiring State land documentation to fast track the vesting and endorsements of Item 28(1) Certificates on the title deeds for land parcels under the custodianship of the Department of Public Works. Vesting guidelines have been amended to fast track the vesting of vacant land and to resolve disputes among National and Provincial custodians. In addition, the PMTE will continue to present vesting applications to the Provincial State Land Vesting and Disposal Committee and manage the applications to the Office of the State Attorney to endorse the Item 28(1) Certificates on the title deeds at the Registrar of Deeds.

The PMTE will expedite the vesting of approximately 7 000 properties into the name of the National Government by:

- Unblocking challenges and removing obstacles through various intergovernmental forums;
- Accelerating suitable and integrated Government programmes;
- Implementing appropriate record management processes; and
- Aligning State land ownership records to the current Government form.

Whilst there are still some systemic issues in the State land value chain, the PMTE is monitoring and updating the State's immovable asset base on an ongoing basis to ensure assets

are accounted for by relevant custodians. As the records are continuously updated and cleansed and the remaining properties are vested across the individual State custodians' property holdings, the reported figures may fluctuate. Ongoing land ownership rectification activities, e.g. for structures currently not on State land, also contribute to fluctuations in the reported land ownership figures. This initiative is part of the drive to ensure that all State facilities are eventually situated on land registered in the appropriate State custodian's name or are appropriately regularised by way of leases or rights of use. The GIAMA Asset Register Task Team will continue monitoring the vesting process and targets.

The essence of land registration is that a land parcel must exist as an entity that is capable of being registered. This requires the land parcels to be defined through surveying so that it can assume an identity that differentiates it from the next. Land in this category has not yet been surveyed and no surveyor general diagram exists. There are 5 063 un-surveyed land and State Domestic Facilities; examples of land include Administrative areas that need to be subdivided or SDFs on farm portions that need to be surveyed and subdivided.

A State Domestic Facilities Framework of immovable assets has been developed for the National and Provincial custodians in order to regularise and formalise arrangements where State Domestic Facilities are situated on land that is not under the ownership of National or Provincial Government. There have been extensive consultations on the Framework within the sector, DRDLR, DCOG, Traditional Leaders, etc. to ensure negotiations for the land to be transferred to the State in order to safeguard these properties.

Table 18: Vesting statistics as at 30 September 2017

Region	Population	Acquired post- 27 April 1994	Vesting Completed "Registered Owner" Item 28(1) Certificate issued	Land parcels surveyed but not registered	In process on the DRDLR LAW system	Population to investigate for vesting
Bloemfontein	3012	820	2796	13	12	81
Cape Town	4101	500	2737	124	853	186
Durban	7477	2617	2075	142	1354	894
Johannesburg	2079	284	1403	23	302	155
Kimberly	2195	409	1789	285	121	95
Mmabatho	2042	239	839	14	725	162
Nelspruit	2211	476	2048	65	165	146
Polokwane	3277	1059	736	149	590	174
Port Elizabeth	2152	245	1381	24	336	87
Pretoria	2480	216	1991	25	237	113
Umtata	284	22	146	71	32	84
Total	31310	6887	17941	935	4727	2177
Properties with outstanding Item 28(1) Certificates						7839

7.3.1.7 COMPONENTISATION OF THE IMMOVABLE ASSET REGISTER

The current IAR was developed to meet compliance and reporting requirements in terms of PFMA and GRAP. The PMTE is required to develop and manage a complete, accurate and compliant IAR that informs investment decisions and portfolio management. A significant amount of work has been done over the past four years to ensure that a credible and compliant IAR is compiled and implemented. During the prior year, the IAR was, for the first time, comprehensively tested against GRAP accounting standards during the audit process. The outcome indicates that further attention must be given to improving the quality and usefulness of data on the IAR. One of the most important activities completed during 2017/18 was the application of the deemed cost/fair value model to provide a more accurate valuation of the immovable asset portfolio so as to eliminate immovable assets recorded at R1. Further enhancements to the existing IAR are required to improve facilities management and most importantly to implement itemised billing. The next critical steps for the PMTE are the physical verification and detailed technical analysis to assess the condition of the immovable asset portfolio at a sub-component level and to link the results of the assessment to the existing information on individual properties in the IAR. The physical verification and condition assessment of properties and significant components will commence in 2018/19 and is expected to be completed by 31 March 2020.

7.3.1.8 RURAL PRECINCT DEVELOPMENT

The objective of the Rural Precinct Development Programme is to re-address spatial imbalances by integrating Government infrastructure planning to create efficiencies for planning and directing government spending through concentration in government precincts. The PMTE is in the process of signing agreements with identified rural municipalities for the development of Government precincts, such as: Carolina, Christiana, Mafikeng, Matlosana, Secunda, Mandeni, Howick, Mount Fletcher, Makhado, Mquma and Mthata for precinct development. In Howick (KZN) and Mount Fletcher (EC), the Land Exchange Agreements have been approved. The master plan for Howick has been completed and implementation of phase 1 is scheduled for 2018/2019 which will include accommodation for DHA. In Carolina, the site establishment for the Government precinct has been completed and Phase I of the project for the DOL has been registered for construction. The site establishment for the development of a Government precincts in Howick and planned expansion of the precinct in Carolina will commence in the 2018/19 financial year.

State owned land have been targeted for precinct development in Secunda and Mthata with the aim to create opportunities to accommodate client needs as well as provincial and municipal requirements. Inter-governmental and stakeholder negotiations have commenced in these municipalities. Master Plans for Howick, Carolina, Christiana, Mount Fletcher and Matlosana have been completed and the feasibility of projects are currently being tested. Investigations and high-level concepts for precinct identification and land acquisition is in an advanced stage in Mafikeng, Mandeni, and Matlosana.

Notwithstanding progress made to date, the programme will receive additional built environment resources including urban planners and designers, architects and GIS Specialists to further catapult the programme.

7.3.1.9 WATER MANAGEMENT

The PMTE has an extended responsibility to provide Water and Sanitation Services to all buildings and facilities that not connected to the Municipalities' water infrastructure in different Provinces across the country. These facilities are mainly installed and operated at Correctional Services Centres, Land Ports of Entry, South African Police Services and South African Defence Force bases throughout South Africa. In meeting this function the PMTE has put clear interventions to mitigate the current water shortages in areas such as Western Cape, Eastern Cape and Northern Cape, with proactive interventions for the rest of the country.

i. Water Resources

The PMTE is required to operate and maintain the current water resources infrastructure in an effective and sustainable water supply. Water Resources aims to improve the present water infrastructure condition to ensure reliable water supply and achieve a sustainable water use for user departments whilst ensuring that water abstracted and returned into the water resources system is within acceptable water quality standards. The water resources infrastructure has to achieve a cost recovery on operation and maintenance for long-term sustainability since currently the funding for water resources development is a challenge.

A detailed condition assessment was conducted during the 2017/18 financial year to identify options to augment the current water supply in support of the water resources management strategy. The condition assessment for the 51 Land Ports of Entry included the implementation of recommendations required for the next phase. Several assessments have also been conducted for the Department of Correctional Services and South African Nation Defence Force facilities that urgently require an intervention. The water shortage problems that were reported by the South African Police Services will form part of the water resources plan for the 2018/19 financial year. Other activities planned for the 2018/19 financial year include:

- Implementation of water resources infrastructure projects to augment water supply by undertaking condition assessment, feasibility studies, design and construction of water supply infrastructure
- Implementation of a national water-harvesting programme as an alternative water supply option with the construction of above and below ground storage tanks.
- Conducting dam safety inspection and water use licencing for compliance with Department of Water and Sanitation regulations on water resources.
- Improving on the operation and maintenance for water resources infrastructure, firstly prioritising the critical areas that have already experience water supply shortages.

ii. Water distribution

The Water Distribution Programme is centred on the Department of Water and Sanitation's (DWS's) No Drop Compliance Regulations. It provides a directive for distribution systems to be water efficient and effectively managed through the continuous monitoring of, reporting and planning on the distribution network. In 2017/18, the top 50 water consuming State-owned facilities were assessed towards compliance with the No Drop Requirements of the Department of Water and Sanitation (DWS). The assessment informed the development of a Water Efficiency strategy per facility assessed, including detailed water infrastructure asset register. These facilities are occupied largely by the Department of Correctional Services (DCS) and the Department of Defence (DOD). Implementation of recommendations to improve No Drop score is underway.

In 2018/19, a further 50 facilities are to be assessed and implementation of recommendations undertaken in anticipation of DWS' No Drop assessments in which the PMTE will be assessed for the first time on No Drop Compliance at identified facilities. In 2018/19, training will also be provided to Regional personnel on water efficiency, no drop compliance and water conservation/water demand management.

iii. Water quality

Water Quality is a sub-division programme falling under the Water Management Programme. The Programme essentially focuses on introducing water quality monitoring programmes and systems in wastewater treatment works, water treatment works and water resources to abate risks associated with the provision of unsafe drinking water to user departments and to ensure environmental protection of the water resources into which the treated sewage effluent is discharged. These programmes and systems are regulatory requirements from various regulating bodies such as the DWS. Compliance by the PMTE is achieved largely through the establishment of a comprehensive Water Quality Monitoring Programme and other projects that add to the greater efficiency of the water quality monitoring systems. The achievements of this Programme include the following:

- The establishment of a comprehensive Water Quality Monitoring Programme has been implemented in nine Regional Offices and was rolled out in 2017/18.
- In an effort to attain accreditation with the South African National Accreditation System (SANAS), the Pretoria and Cape Town water quality testing laboratories have started participation in the relevant laboratory proficiency testing schemes with the National Laboratory Association (NLA) and South African Bureau of Standards (SABS) for microbiology water quality analysis and physical and chemical water quality analysis, respectively.
- Pretoria, Cape Town and Durban analytical water quality testing laboratories have been resourced with the relevant testing instruments in 2017/18.

The initiatives planned for the 2018/19 financial year include the Water Quality Compliance monitoring in all Regional

Offices, the establishment of a Quality Management System at the Pretoria testing laboratory, proficiency testing at all three water-testing laboratories: Pretoria, Durban and Cape Town.

iv. Water and wastewater treatment works

Operation and maintenance of Water and Wastewater Treatment Works is a sub-division programme falling under the Water Management Programme. The main focus of this Programme is to improve the operation and maintenance of water and wastewater treatment works in order to comply with the regulatory requirements for potable water and effluent discharge set by the DWS. The achievements of this Programme include the following:

- Green Drop Project: The establishment of Green Drop requirements, analysis of current conditions and development of the site-specific Green Drop improvement plan for 82 wastewater treatment works in nine Regional Offices has been completed in 2017/18.
- The establishment of Blue Drop requirements, analysis of current conditions and development of a Blue Drop Improvement Plan for 51 water treatment facilities within the nine Regional Offices is currently ongoing and is due for completion in 2018/19. This project is aimed at improving compliance with the Blue Drop requirements of the DWS as well as to improve the Blue Drop Scores.
- Operation and Maintenance: The operation and maintenance of 6 water treatment works and 16 wastewater treatment works in the Eastern Cape Province through the Amatola Water Board.

The initiatives planned for the 2018/19 financial year for Water and Wastewater Treatment include firstly, the prioritised operation and maintenance, secondly, the rehabilitation and refurbishment of 41 water treatment plants across various Regional Offices in accordance to the findings of the Blue Drop project. Thirdly, the prioritised operation and maintenance, rehabilitation and refurbishment of 14 water treatment plants in accordance to the findings of the Green Drop project.

7.3.1.10 IMPLEMENTING ENERGY EFFICIENCY MEASURES FOR STATE-OWNED PROPERTIES

The Green Building Programme within the PMTE contributes to a climate-resilient economy in South Africa through various Green Building interventions designed to reduce resource consumption within Government buildings. The components of the Programme include:

- Energy Savings
- Renewable Energy Funding & Delivery Mechanism;
- Measurement & Verification (M&V) of shared energy savings contracts;
- Condition assessment of boilers (focusing on health and safety, energy efficiency, and functionality); and
- Implementation of Green Building Flagship Projects in existing buildings.

i. Renewable Energy Funding & Delivery Mechanism

The Renewable Energy Funding & Delivery Mechanism is aimed at packaging host buildings, identified within the Top 300 Programme and those identified by the Provinces as part of the Public Works Green Building Sector Project, for the rollout of renewable energy projects. The Programme is supported by the DEA and DPME, with the participation of user departments and supported by the National Treasury. The Project Implementation Plan includes:

- a) A comprehensive overview of all the Programme components and the methodology in producing the intended outputs;
- b) A description of the roles and responsibilities of each of the parties in the governance structure of the Programme; and
- c) A formalised agreement between the PMTE and the Development Bank of South Africa (DBSA) on what needs to be done and when.

The Project will reduce the demand exerted by Government buildings on the electricity grid, increase the use of clean energy, and provide financial savings through the procurement of reduced energy tariffs. Energy carriers to be considered in this Project include Solar PV, Clean Natural Gas, Wind Energy, and Waste-to-Energy. Contracting on Power Purchase Agreements with Independent Power Producers is envisaged to be over a predefined period, at a tariff lower than that of Eskom or the municipality concerned.

ii. Measurement & Verification of shared energy savings contracts

The PMTE is currently implementing various contracts across the Regional Offices for the independent M&V of

energy savings reported through shared energy savings contracts. Measurement & Verification process is a scientific and technical assessment of established baselines, and verification of interventions and savings achieved by an Energy Savings Company.

iii. Condition assessment of boilers (focusing on health and safety, energy efficiency, and functionality)

The PMTE has started the process of conditions assessment across the national population of boilers. As part of ensuring the use of clean energy, the PMTE is retrofitting boilers in identified buildings with cost effective equipment. This will result in reduced maintenance costs over the life cycle, as well as reduced carbon emissions.

iv. Implementation of Green Building Flagship Projects in existing buildings

The PMTE is in a process of undertaking technical assessments, rating and implementation of Green Building Interventions on existing buildings as part of leadership role. Key focus of this flagship projects will be to target state-owned Regional and Head Office of National Department of Public Works for Green Building performance, refurbishment and independent rating.

The PMTE is developing IKS Guidelines for the design of new Green Buildings and the refurbishment of existing buildings. This is aimed at incorporating and promoting indigenous principles of sustainable buildings and includes the creation of green jobs and increased social cohesion. The IKS pilot has been implemented in certain state owned buildings. IKS designs will contribute to the broader resource efficiency of the buildings.

7.3.2 INTERNAL POLICIES, PROCESSES AND SYSTEMS

Internal policies, business processes and systems need to be developed and regularly reviewed to fulfil its intended purpose. These are enablers that improve the manner in which services are delivered on a daily basis and improve the nature or quality of the actual service. Internal policies, procedures and systems will increase efficiencies by ensuring that the PMTE is able to do more in less time. Having formal internal policies, processes and procedures in place will minimise the time spent overseeing the day-to-day running of the business. This will also improve the consistency of services delivery by the PMTE. The following processes, systems and internal policies will be developed and implemented over the MTEF:

7.3.2.1 Development of end-to-end procurement system

A significant intervention of the SCM reforms is the development and implementation of end-to-end ERP system for procurement. This will promote and enhance governance, improve business processes and contribute to service delivery improvements. In the 2016/17 financial year a blueprint for an end-to-end procurement system was developed. Efforts will be intensified to mature the blue

print and finalise the customisation of the electronic system to enable online bid invitations, submission and receiving of bid offers, evaluation of offers, awarding of contracts as well as electronic monitoring of contracts. The Sourcing and Contract Management modules will be activated and this will lend greatly towards improving efficiencies. In addition to enhancing internal efficiencies, this will put in place improved technologies to facilitate electronic Request(s) for Quotations (RFQ) and e-tendering thus promoting easy access to for service providers to Departmental bids.

7.3.2.2 Implementation of the NIAMM Framework

The NIAMM Framework for the maintenance of immovable asset infrastructure was endorsed by the DPW-sector MinMec structure and approved by the Minister of Public Works in the 2017/18 financial year. The Framework comprising, inter alia, of a maintenance standard, accounting framework and planning guidelines will be adopted as the yardstick by which the Public Works sector will address the maintenance of their immovable asset portfolios. The NIAMM Framework sets out the key principles and practices required for the maintenance of immovable assets

through their lifecycle. The Framework encompasses all immovable assets under the custodianship of the National and Provincial Departments of Public Works including public buildings, complex facilities and engineering infrastructure. The implementation of the NIAMM Framework requires each custodian to determine a lifecycle maintenance plan for the immovable asset portfolio aligned to actual budget requirements needed to turn around the condition and prolong the serviceability of the immovable assets. The principles documented in the framework can be applied to all forms of public sector immovable assets.

7.3.2.3 Implementing of the leasing and letting framework

The implementation of the leasing and letting framework and standards will enable the PMTE to improve significantly its delivery timelines for the provision of leased accommodation to user departments resulting in improved service delivery. The letting framework and standards will enable the PMTE to optimise the utilisation of State-owned properties and increase revenue generation thereby contributing to the financial stability of the PMTE. Optimising the utilisation of State-owned properties will also reduce the exposure of vacant State-owned properties to illegal occupation and vandalism. As part of the PMTE operational efficiency enhancement project, the PMTE will have Standard Operating Procedures (SOPs) for leasing and letting that ensure uniformity in the execution of tasks and functions at every level.

7.3.2.4 Development of a Client Management Protocol

The PMTE is not only responsible for providing accommodation solutions to user departments, it must also understand the current needs and wants of user departments, and ensure that the necessary internal and customer-facing strategies, processes and communication channels are in place to deliver a positive customer experience. In order to foster a long-term sustainable relationship that leads to continued emphasis on service delivery, the PMTE has identified the need to develop a holistic approach to manage long-term relationships with user departments, foster continuous improvement and achieve mutually beneficial goals. A client satisfaction survey has been developed to measure the quality and value of the clients experience and using the resulting data for continuous improvement. The envisaged Client Management Protocol, based on the results of the recent client survey, is aimed at streamlining internal and external communication with user departments. This will ensure that a client centric approach is adopted throughout the value chain providing a one-stop entry and exit point for user departments thereby eliminating fragmented communication channels. This will allow the PMTE to better monitor the delivery of services and address delays to maximise client value.

7.3.2.5 Establish and maintain a register of expropriations

Clause 26 of the Expropriation Bill requires the Department of Public Works to establish and maintain a Register of all

Expropriations, which must be accessible to the public. Once enacted, the PMTE must put in place processes, systems and resources to record expropriations made by all three spheres of Government and State Owned Entities. The PMTE is undertaking an analysis to determine the full extent of the requirements for undertaking this task.

7.3.2.6 Roll out of GIAMA through the GIAMA Implementation Technical Committee (GITC)

The Government Immovable Asset Management Act, No 19 of 2007 (GIAMA) was promulgated in 2007 and came into operation in different years, i.e. 2009 for national departments and 2010 for provincial departments. In coordinating its implementation by national and provincial departments, the GIAMA Implementation Technical Committee (GITC) was also established in 2007 as a consultative forum to give effect to the provisions of the Act and ensure uniformity in the management of immovable assets throughout national and provincial spheres of Government. With the progressive implementation of GIAMA since enactment, as overseen by the GITC, the PMTE is establishing a forum to include all national and provincial custodians, as a local successor to the GITC to ensure a platform for discussion on matters related to custodial responsibilities as prescribed by the GIAMA legislation.

7.3.2.7 Contributions to legislations of other Departments (custodians)

The PMTE has contributed to the proposed Foreign Service Bill. Should the proposed legislation be enacted, the Department of International Relations and Cooperation (DIRCO) will become a full custodian of State-owned properties abroad. However, the Minister of Public Works will be required to exercise his/her custodianship in accordance with provisions of the Government Immovable Assets Management Act, 2007 (Act No 19 of 2007). Notably, the PMTE will be able to acquire, construct, manage and dispose property outside the Republic for use by the Foreign Service or for any other purpose he or she may deem necessary for the efficient functioning of the Foreign Service.

The PMTE will also contribute from a custodial perspective to a number of other pieces of legislation envisaged by user departments e.g. Military Conduct Bill, which aims to provide for specific custodial issues such as the conditions of use of allocated accommodation infrastructure with a view to further entrenching the rights and obligations for the use of such assets.

7.3.2.8 Amendments to SCM Prescripts

The National Treasury is currently finalising a Procurement Bill and amendments to the Supply Chain Treasury Regulations that are envisaged to be implemented in the 2018/19 financial year. This will indeed necessitate a review and streamlining of the current SCM business processes, delegations and directives to align to the new regulatory framework(s).

7.4 Performance environment

The PMTE has placed more emphasis on enhancing the efficiency of the current business operations by employing better planning and performance management tools. The Turnaround Strategy and the current PMTE strategic planning have established initiatives to improve the operations of the PMTE. It has repositioned the PMTE to better discharge its responsibilities by transforming the manner in which business is conducted to ensure effective implementation through a focused plan with measurable deliverables against budgets and timeframes. The PMTE has made progressive improvements since 2012, which can be evidenced by the audit outcomes of the 2014/15 and 2015/16 financial years.

Although the financial audit qualifications reported in 2015/16 were resolved, the PMTE regressed in 2016/17 to an adverse opinion, specifically on the IAR. This was mainly due to the incorrect application of the deemed cost method that was accepted to be applied for GRAP accounting purposes. It was for the first time that the PMTE had to comply fully with Standards of GRAP for the functions that was transferred from the main account to the entity in 2013/14 due to the expiry of the transitional provisions contained in Directive 2 issued by the Accounting Standards Board.

In many cases initiatives for improvement are already in motion, although they remain at various stages of maturity. The second phase of the Turnaround Strategy (Efficiency Enhancement) has been prioritised to ensure improvements in property and construction management; improving processes, systems, technologies and procedures; implementing the asset management strategy; and supporting national Government priorities and SONA commitments.

Flowing from the current level of performance of the PMTE and the ultimate intention to be a self-sustaining organisation capable of managing the State's immovable assets in an efficient, effective and economic manner the service delivery improvement initiatives listed below, and expanded upon in the following subsections have been identified for 2018/19 and related MTEF:

- Improve participation and reporting on work opportunities created through the EPWP
- Reducing the delays in the implementation of infrastructure projects
- Improvements in the leasing-in of accommodation
- Improvement in the reliability of information relating to the reduction in energy and water consumption
- Development of a maintenance plan linked to the sub components of the IAR
- Management and maintenance of a GRAP compliant IAR
- Support to other custodians on the IAR
- Support user departments in compilation of User Asset Management Plans (U-AMPs)
- Enhancement of the Custodian Asset Management Plan (C-AMP)
- Finalizing the development of the Public Works vacant property strategy, commencing with vacant residential properties and subsequently vacant land
- Implementation of a Strategic Spatial Development Framework
- Improvement in the turnaround times for the processing of quotations
- Improvement in the turnaround time for the processing of bids
- Improvement in the turnaround times for 30 day payments

7.4.1 Improve participation and reporting on work opportunities created through the EPWP

In partnership with EPWP and Project Site teams, standardised reporting and monitoring tools have been introduced to improve project monitoring on work opportunities created including infusing EPWP principles into infrastructure projects. The PMTE has seen an increase in community protests where communities are demanding jobs and subcontracting from projects that are implemented in their communities. This has placed a strain and increases risks to the project teams and contractors.

The PMTE will review its documentation to give effect to social facilitation as part of the Bill of Quantities, which must include community stakeholder engagements and education. This process will be supported by the 2017 PPPFA Regulations and SCM Policy. The collection of data source for the monitoring of work opportunities will be done during site meetings. The project team has been assigned the responsibility of ensuring compliance by contractors on site in terms of the EPWP reporting requirements. Various tools have been developed and continuous training with contractors and professional service providers is ongoing.

7.4.2 Reducing the delays in the implementation of infrastructure projects

The late confirmation of funds by user departments results in delays for contractors and affects the timeous payments of contractors within 30 days as required. User departments are expected to confirm funds in the last quarter of the previous financial in line with budget allocations from the National Treasury. The introduction of IDMS and in particular the Infrastructure Programme Management Plans (IPMPs) have been discussed with user departments including the agreed timelines to ensure the timeous confirmation of funds (budget) at every stage of implementing projects. Through the implementation of IDMS, the budget confirmation will be guided and confirmed once at the approval stage of the IPMP. This process will ensure the scope defined and budgeted for at the initial approval stage will not be amended during the planning and design phases including the implementation. The PMTE will also continue to engage the user departments to ensure strict adherence to the timelines on budget confirmation.

User departments are, in some cases, unable to define their needs properly and subsequently request scope changes during various phases of project implementation. The impact of these changes on the delivery of the projects create serious delays and result in under performance in the final project delivery. Through the implementation of the IDMS, the signed off IPMPs will mitigate against the scope change and where scope change is absolutely required the IPMP introduces a proper protocol which include registering the changes as a separate project.

Site clearance guidelines have been introduced to assist project managers to fast-track projects that do not require site clearance and this has resulted in a number of site clearance backlogs being cleared. The review of the Sketch Plan Manual will further reduce backlogs for projects on sketch plan stage. Contract management will be improved, particularly where Professional Service Providers (PSPs) have been appointed for the design of infrastructure projects. Performance of contractors is being monitored and engagements with contractors and PSPs will take place through structure performance meetings at each Regional Office.

Poor performing contractors' also pose risks to the completion of infrastructure projects on time. The establishment of contractor panels will ensure easy termination of non-performing contractors and fast-track the appointment of the replacement contractor(s). The PMTE is also engaging on capacity programmes for the Project Managers to ensure contract monitoring and enforcements. The infrastructure procurement dispensation incorporating the utilisation of panels of professional service providers, the use of implementing agents and adoption of other various contracting strategies will be implemented to enable improvements within this core business stream. Through the use of Implementing Agents, the PMTE will reduce the workload of project managers and fast-track the delivery of infrastructure projects for capital and planned maintenance.

7.4.3 Improvements in the leasing-in of accommodation

The PMTE is required to provide and manage suitable accommodation in support of user departments' needs to meet their service delivery objectives. Therefore, the provision of functional leased accommodation will remain a priority for the PMTE whilst optimizing State-owned properties for revenue generation, which will contribute to the financial stability of the PMTE. The PMTE will also focus on enhancing business processes that have led to delays in delivering quality accommodation according to the user departments' within agreed timeframes. To this end, the introduction of the Leasing National Bid Adjudication Committee has ensured compliance to the procurement process resulting in an increase in the percentage of leases procured that adhere to prescribed procurement criteria.

Leases were typically procured using the regulatory framework applicable for common goods and services, which does not adequately cater for the unique challenges inherent within the leasing environment. As a result, a significant number of leasing transactions have been reported by Auditor General as non-compliant for not having met some of the general procurement requirements. To address this challenge, the PMTE as part of its SCM reforms has collaborated with National Treasury and the Public Works Sector to develop specific Standards for Leasing and Letting. These standards recognise the uniqueness of this portfolio and adequately provides procurement guidelines to regulate lease procurements. Further to this and to ensure expeditious, cost effective and efficient procurement, the PMTE is implementing a system of utilises a panel of landlords from whom leases will be solicited. The implementation of the leasing framework and standards will significantly reduce the procurement times.

Another key success factor for enhancing efficiencies in the leasing-in of accommodation, is timeous communication and receipt of user departments' needs. The PMTE relies on user departments' decision and budget to acquire/refurbish State-owned properties. The provision of quality accommodation is highly dependent on proper planning for the accommodation needs which is dependent on the timeous communication as well as processing of user departments' needs. The PMTE has therefore commenced with the development of Infrastructure Project Management Plans (IPMPs) and Infrastructure Project Implementation Plans (IPIPs) for leased accommodation in line with IDMS requirements. The implementation of these plans will ease the accommodation planning process throughout the PMTE as it brings visibility to the user departments' needs.

The PMTE is proactively dealing with inconsistent management of contractual obligations on leased buildings, which has compromised the quality of accommodation and under-utilisation of leased accommodation. Regular inspections of leased accommodation will be conducted to ensure that contractual obligations are satisfied. In addition, a call centre line for leased accommodation will be established to record and administer reporting of maintenance and repair queries.

7.4.4 Improvement in the reliability of information relating to the reduction in energy and water consumption

Energy and water savings are contributing to reduction in expenditure and reduction in energy and water consumption however due to poor reporting, the full achievements of the projects have not been recorded. Reporting on the energy and water consumption and savings has previously resulted in a negative audit outcome due to insufficient portfolio of evidence. The required portfolio of evidence consists of the municipal invoices, the baseline consumption and the calculated savings.

The introduction of Measurement and Verification (M&V) to the Shared Water Savings contract will ensure that reporting of savings is a true reflection of savings achieved and provide the required portfolio of evidence in compliance with the reporting requirements. The M&V processes objectively assesses an energy or water saving, completed by an independent authority. This exercise will be undertaken by independent Service Provider in the 2018/19 financial year and continue through the lifetime of the Shared Water Savings Contract. With the introduction of M&V, all reporting will be verified, with portfolio of evidence processed, validated and prepared for the Auditor General in order to improve the audit outcome.

7.4.5 Development of a maintenance plan linked to the sub components of the IAR

The National Immovable Asset Maintenance Management Standard (NIMMS) complements the Infrastructure Delivery Management Standard (IDMS) by specifying asset care requirements for immovable assets through the lifecycle, and by establishing standards for organisational arrangements, competences and requirements for professionals involved with asset lifecycle activities. Lifecycle activities addressed in this standard includes the planning for and execution of maintenance, renewal or replacement, decommissioning and disposal of immovable assets.

NIMMS describes a component as a specific part of a complex item (Note 2) that has independent physical or functional identity and specific attributes such as different life expectancy, maintenance and renewal requirements and regimes, risk or criticality. A complex item is one that can be disaggregated into significant components (Note 2). Infrastructure and buildings are considered complex items. A component is separately recognised and measured (valued) in the IAR as a unique asset record (Note 1), in accordance with the requirements of GRAP 17 to componentise assets.

The current IAR is GRAP compliant, however, to develop maintenance plans as required by NIMMS and IDMS further work is required to expand the IAR through the process of componentisation. It is envisaged that the work of componentisation of the IAR will be completed over a 5-year period based on prioritised user departments and prioritised facility types.

7.4.6 Management and maintenance of a GRAP compliant IAR

The PMTE will ensure continued management and maintenance of the IAR in order to:

- Serve as a core tool of the PMTE to execute its mandate in order to meet the service delivery objectives of the State
- Meet the business requirements of the PMTE and support Operation Phakisa through the identification and physical verification of coastal reserves of the State
- Comply with the IDMS model through the recognition of completed infrastructure projects as immovable assets
- Transfer approved disposals (vacant land parcels) to the DRDLR, Department of Human Settlements and Municipalities for the land reform programme and housing projects for the local communities
- Comply with PFMA, GIAMA, applicable GRAP standards and National Treasury guidelines
- Continuous engagement with the Chief Registrar of Deeds, Provinces and other key stakeholders concerning all State properties that have been illegally transferred at various Deeds offices without the approval of the Minister of Public Works.

The PMTE is required to manage the life cycle of immovable assets as per section 13 (d) of GIAMA, review the useful lives of immovable assets and perform impairment tests annually to comply with GRAP. A total of 5 147 additional properties were verified in the 2016/17 financial year and the deemed carrying amounts were determined in line with the Deemed Cost Model in order to eliminate immovable assets recorded at R1. Based on this Deemed Cost Methodology, the total value of assets was R139 billion as at 31 March 2017. This valuation is significant and will feed into the G20 project on South Africa's assets and liabilities. The PMTE will use internal resources mainly graduates and project managers to verify land parcels and buildings to comply with GRAP standards and to provide essential information for business decision making. Permanent resources will be in place to undertake this function.

The IAR data has been migrated from an excel master file into an integrated asset management system (ARCHIBUS). The implementation of the IAR module in ARCHIBUS is substantially complete. The PMTE will ensure appropriate levels of the IAR integration with the remainder of PMTE's business processes, which include the payment of rates & taxes, billings & recoveries and capitalisation of completed projects. An integrated asset management system will improve the security of information and data integrity. The use of electronic data collection tools and GIS software has enabled the PMTE to provide essential management information regarding the geographical location, extent and utilisation status of land and buildings under the custodianship of the PMTE. The PMTE is in the process of creating a fully-fledged GIS unit in order to meet its business requirements and monitoring of the IAR for the State through the single repository (national database).

The PMTE is addressing the completeness of State Coastal Reserves in collaboration with the office of the Chief Surveyor-General to support Operation Phakisa and development of small harbours. Research has been conducted along the coast and approximately 6 128 potential coastal reserves have been identified. This will be followed by mapping and physical verification of coastal reserves.

7.4.7 Support to other custodians on the IAR

In terms of the concurrent mandate, National and Provincial Public Works Departments cooperate across a number of areas such as the vesting of State land, maintenance of IARs and implementation of GIAMA. The PMTE will provide guidance and support to other National and Provincial custodians to ensure uniformity in accounting for immovable assets and management of IARs in terms of GIAMA and the concurrent mandate as follows:

- Address management assertions (completeness, rights & obligations, valuation and disclosure of immovable assets) to ensure compliance with the PFMA, GIAMA and other relevant prescripts.
- State land analysis and reconciliation of National and Provincial IARs against the Deeds records.
- The Fair Value Model is being applied by Provinces to eliminate assets recorded at R1.
- Develop and review immovable asset frameworks and guidelines in collaboration with National Treasury, DRDLR and Provinces.
- Implementation of the State Domestic Facilities Framework in order to regularise legacy arrangements/ transactions pertaining to the State properties built on non-State land.

The PMTE is in the process of creating a single repository (national database) of State properties in order provide reliable immovable asset information that informs investment decisions.

7.4.8 Support user departments in compilation of User Asset Management Plans (U-AMPs)

The PMTE continues to assist and support users in the compilation of U-AMPs in compliance with GIAMA. The quality of some of the U-AMPs received were of a good standard, however, some of the U-AMPs received still requires improvement hence the PMTE will continue to provide support user departments enhance the quality of the U-AMPs. Good quality UAMPs will assist the PMTE in proper planning towards the provision of effective and efficient infrastructure delivery. Linked to the U-AMPs, the signed off Infrastructure works lists from user departments assist with the efficient facilitation and co-ordination of accommodation. The approval of the work lists contributes to the management of planning and budgeting specific to Capital Works Projects.

7.4.9 Enhancement of the Custodian Asset Management Plan (C-AMP)

The C-AMP, being the overall plan for the asset portfolio, will be enhanced in order to provide a life-cycle plan and resourcing requirements for every immovable asset in the portfolio and determine the full extent of the portfolio requirements. The 2018/19 C-AMP that was completed at end of financial year 2016/17 saw a significant improvement in the document as it sought to address various user department's accommodation requirements as articulated in the submitted U-AMPs and U-AMP templates. Further, the enhanced C-AMP addresses key departmental programmes such as vacant properties, water and sewer management and boiler management programmes as well as the key precinct development programme. The enhancement of the C-AMP will continue and will prioritise addressing one of Government's key deliverables in the outer years, being the release of immovable properties where they will contribute to community development.

7.4.10 Finalizing the development of the Public Works vacant property strategy, commencing with vacant residential properties and subsequently vacant land

The PMTE is currently experiencing challenges in managing an extensive portfolio of vacant immovable assets under its custodianship without a specific strategy that informs the sector. These properties, farmland in the main, inherited in the geographic apportionment of the national portfolio by Public Works and DRDLR when the two Departments came into existence as separate entities, have become a financial strain, incurring holding costs while they are not utilised. Additionally, these properties provide opportunities for illegal activities to the detriment of communities. The development of a strategy and its implementation for managing this category of properties in the short to medium term will enable the PMTE to reduce holdings costs, manage illegal occupation, generate an increase in revenue and provide requisite vacant immovable assets for land reform and human settlements. In addition, the PMTE will investigate jointly the possible rebalancing of the immovable asset portfolio with that of the DRDLR (as other key custodian) on functional rather than geographic basis so to align with the functional expertise that lies within each department to ensure improved management of the overall State immovable asset portfolio.

7.4.11 Implementation of a Strategic Spatial Development Framework

The PMTE has improved its processes to identify and initiate urban or rural areas where government precincts may be required through the development of a Strategic Spatial Development Framework that includes a selection of 40

urban and 40 rural municipalities targeted for precinct development. These targets were selected based on four categories of criteria namely: priorities according to user departments, areas of investment, areas of intervention and areas of deprivation. Clear direction regarding planning priorities has had a positive impact on performance of the PMTE. Going forward the strategic direction provided by the Strategic Spatial Development Framework will improve performance on the original targets, reduce delays in project inception and initiation since projects are selected based on the Strategic Spatial Framework

7.4.12 Improvement in the turnaround times for the processing of quotations

The National Treasury Central Supplier Database (CSD) allows service providers to self-register as prospective suppliers to the State resulting in extremely high numbers of registered service providers participating in the procurement process. However, a lack of automated real time supplier validation checks by CSD to verify the authenticity of supplier information leads to high volumes of negative responses when invitations to quote are sent out by the PMTE. Internal controls will be tightened to curb non-compliance and as a result, the PMTE has adopted a zero-tolerance approach to deviations. The inability to obtain the required number of quotations lead to repeated invitations thereby lengthening the procurement process and turnaround times for processing of quotations. The PMTE will work closely with National Treasury to address the validation of supplier information thereby maximising the probability of receiving more quotes when the first invitation to quote is requested.

7.4.13 Improvement in the turnaround time for the processing of bids

The challenge in complying with the prescribed timeframe to award bids is primarily due to the institutional, structural and functional capacity constraints to process bids, the dependency on State Security Agency to screen service providers as well as the timeframes for the completion of external risk assessment reports, which are done by consultants. The late confirmation of funds by user departments also result in delays in finalising the bid

processes. In order to address the challenge related to bid committee meetings, it has been decreed that all members appointed to serve in bid committees will prioritise attendance and avail themselves for scheduled meetings. In addition, bid committee training will be rolled out to ensure members are edified on matters SCM in order to improve on the quality of submissions. A timeframe will be set for external consultants to finalise and submit risk assessment reports. The PMTE is reviewing delegations and lifting thresholds in SCM in order to empower Regional Offices to execute functions at the point of service delivery. This initiative will contribute to faster turnaround times in processing bids.

7.4.14 Improvement in the turnaround times for 30-day payments

Considering the magnitude of payments that the PMTE manages with on a daily basis, significant progress has been made in complying with the legislative requirements for 30-day payments. Although not fully compliant yet, the development of an automated invoice tracking system that tracks all invoices from date of receipt through to the actual payment date, has assisted the PMTE in increasing efficiencies and making positive progress in this regard. Prior to the introduction of the real-time system, paid invoices were manually consolidated from all the Regional Offices using a spreadsheet. This was both time consuming, tedious, and impacted on data integrity and completeness of reported figures at any given point. Continuous enhancements are being made to the system to improve real time management reporting whilst the system is being continually updated with paid invoices to ensure accuracy. There has been a marked improvement in the number of invoices processed due to the improvement in internal controls, monitoring and awareness of the system by line function. To this end, 137 435 paid invoices were updated on the automated invoice tracking system for financial year ended 31 March 2017 which resulted in a payment level of 87% for 2016/17. The current solution is however a temporary one that does not achieve optimal integration. The PMTE is in the process of developing a full-integrated ERP solution that will be implemented over the next two years.

7.5 Demand for services

This section provides an overview of the key service delivery needs of PMTE's clients. These represent PMTE's core business and include:

- The demand of new or leased space
- The demand for use the state immovable asset portfolio to achieve socio-economic objectives
- The demand for maintenance services
- The demand for precinct development services.
- The demand for infrastructure

The section begins with an overview of existing state owned immovable asset portfolio to provide a summary of the size and nature of the portfolio.

The PMTE provides accommodation solutions to 52 user departments, which includes office and residential. The demand table below provides a budget summary for new infrastructure projects required by user departments.

These projects include the proposed construction of accommodation for user departments head office buildings, high courts, precinct developments, correctional centres, police stations and upgrading of State accommodation.

Table 19: Demand for new space per user department (capital requirements)

User department	Area required (m2)	Total needs (capital funds required)	2018/19	2019/2020	2020/2021
			MTEF Year 1 requirements	MTEF Year 2 requirements	MTEF Year 3 requirements
South African Police Services	510 215	R 1 681 270 340	R 498 221 031	R 561 007 941	R 622 041 368
Defence	30 530	R 616 075 448	R 80 153 825	R 98 514 964	R 437 406 659
Justice and Constitutional Development	130 000	R 1 582 493 010	R 410 389 790	R 479 257 900	R 692 845 320
Correctional Services	34 209	R 403 882 414	R 19 457 153	R 77 828 611	R 306 596 650
National School of Government	21 000	R 112 976 498	R 24 431 656	R 26 874 821	R 61 670 021
Home Affairs	9 565	R 186 053 664	R 62 674 850	R 71 891 193	R 51 487 621
Labour	198 359	R 137 694 281	R 13 565 608	R 92 979 921	R 31 148 752
Environmental Affairs	32 557	R 33 131 446	R 0	R 0	R 33 131 446
SUM TOTAL	966 435	R 4 753 577 101	R 1 108 893 913	R 1 408 355 351	R 2 236 327 837

Table 20: Demand for new space per user department (leasing requirements)

User department	Area required (m2)	Total needs (Leases funds required)	2018/2019	2019/2020	2020/2021
			MTEF Year 1 requirements	MTEF Year 2 requirements	MTEF Year 3 requirements
South African Police Services	58881	R 176 793 362	R 53 411 650	R 58 752 815	R 64 628 897
Rural Development and Land Reform	12600	R 34 445 820	R 10 406 592	R 11 447 252	R 12 591 976
Health	1949	R 13 985 450	R 4 308 019	R 4 652 660	R 5 024 772
Military Veterans	920	R 3 225 620	R 993 600	R 1 073 088	R 1 158 932
Justice and Constitutional Development	220 000	R 1 229 921 303	R 358 176 043	R 420 818 540	R 450 926 720
Home Affairs	141128	R 104 511 078	R 34 595 492	R 38 055 041	R 31 860 545
Labour	27180	R 168 092 702	R 50 783 294	R 55 861 623	R 61 447 785
Agriculture, Forestry and Fisheries	9 284	R 74 572 464	R 23 212 473	R 24 813 946	R 26 546 045
SUM TOTAL	471 942	R 1 805 547 801	R 535 887 163	R 615 474 965	R 654 185 673

The U-AMP is a planning tool that enhances uniformity on all conceptual planning of accommodation solutions. The PMTE has undertaken a revision of the U-AMP templates that has rendered it more user friendly. The streamlining of the U-AMP templates has enabled user departments to easily capture their infrastructure needs for planning of accommodation solutions including their existing and future property and project priorities. The PMTE has also engaged National Treasury in enforcing compliance by user departments regarding the annual submission of U-AMPs to both the National Treasury and a copy to the PMTE for planning purposes. This compliance requirement is captured in the

National Treasury MTEF Guidelines on an annual basis. The planning and execution of new infrastructure, refurbishment and renovation projects, leased accommodation, as well as the maintenance of immovable assets are informed by investment decisions taken by the custodian through the C-AMP, which then informs the Infrastructure Programme Management Plans (IPMPs) and Infrastructure Programme Implementation Plans (IPIPs). To further enhance asset life cycle planning, an integrated information services system that captures the needs of user departments from inception to conclusion is essential to monitor effective and efficient service delivery.

Figure 23: Summary of land parcels per region

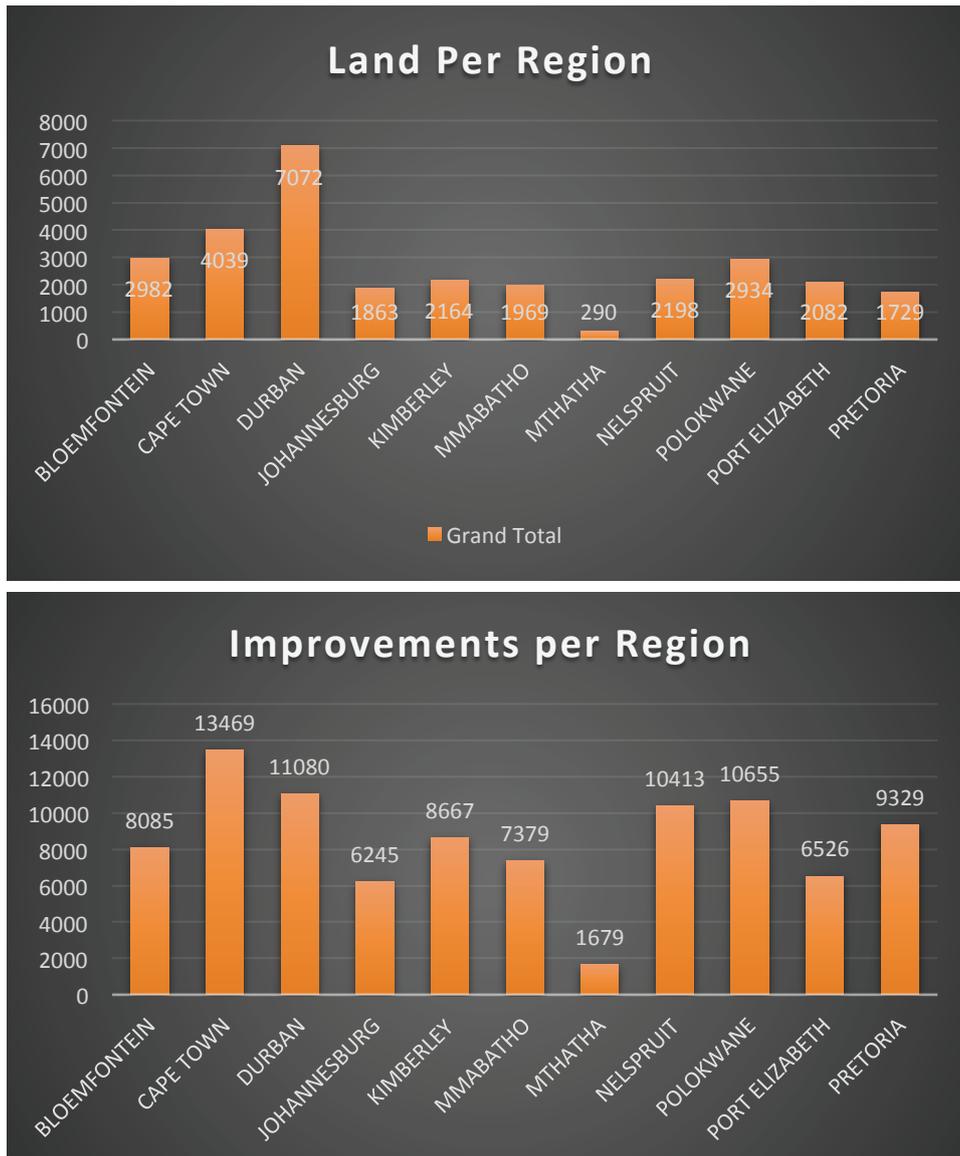
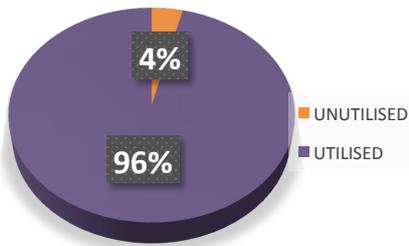
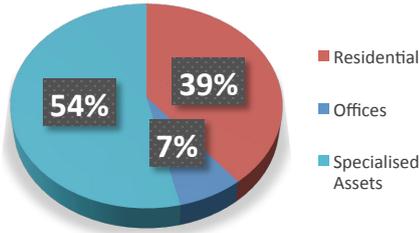


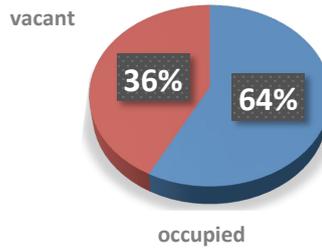
Figure 23 and figure 24 below provide a summary of the immovable assets under the custodianship of the PMTE. The property portfolio is divided into three major accommodation types: offices, residential and others. This last accommodation category includes facilities such as Correctional Centres, Courts, Police Stations and Military bases. The PMTE embarked on a comprehensive programme to develop a complete, reliable and GRAP compliant IAR and completed physical verification and high-level condition assessment of the immovable assets. The IAR consists of 29 322 land parcels and 93 943 improvements. These properties are utilised by multiple user departments and maintained by the PMTE.

Figure 25: State of the government estate

Accommodation Type



Land Parcels

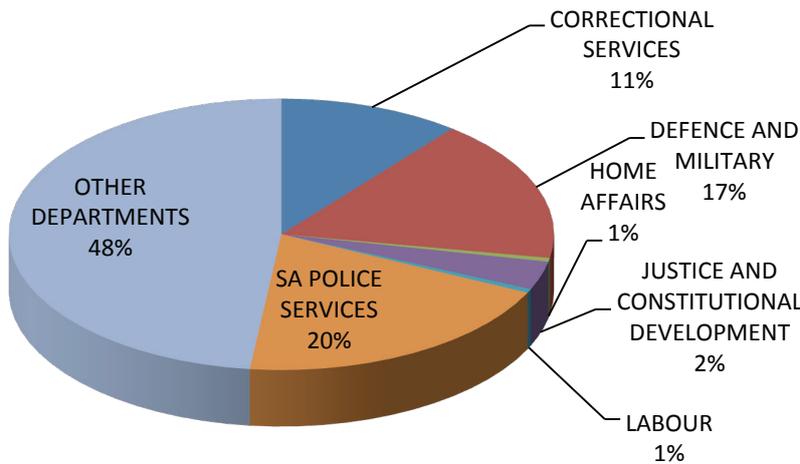


Land Parcels: 29 322
Buildings: 93 943
Value: R139 billion

Residential accommodation is provided to the Departments of Police, Defence, Correctional Services and Justice as well as to Prestige clients. The use of electronic data collection tools, GIS software has enabled the PMTE to consistently improve and maintain its IAR. Significant vacancy rates continue to expose State-owned buildings to illegal occupation and vandalism. The PMTE will enhance its capacity to effectively maximize utilisation of the State-owned portfolio and increase the revenue generated from these buildings. In addition, the appointment of estate agents to assist PMTE in managing the letting process of residential and commercial properties and contract management of already existing contracts has been prioritised.

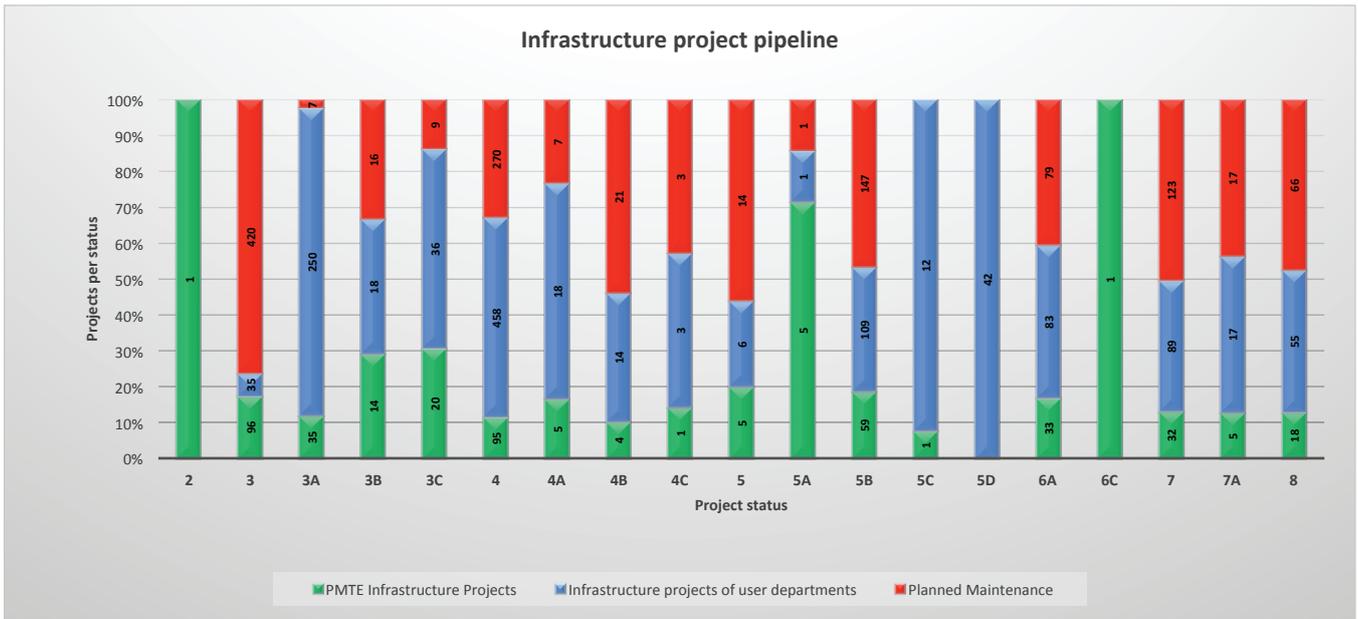
Figure 26: Summary of the buildings and structures utilised per user department

Building/Structures utilised per user department (m²)



Whilst providing accommodation to user departments, the PMTE has a responsibility to utilise State-owned immovable assets to address socio-economic objectives of the country. As the custodian of a significant portion of State immovable assets vested under National Government (with the exception of those properties vested under other custodians), the PMTE provides leadership in the management of State immovable assets. National Government has a responsibility of effectively managing its immovable assets but also to use the massive State portfolio to transform the property industry as well as address socio-economic objectives such as land reform, human settlements etc.

Figure 27: Summary of infrastructure projects per stage of implementation



There are approximately 2 800 infrastructure projects within the infrastructure programme of the PMTE that are in various stages of implementation. Figure 27 provides a summary of the infrastructure programme, which runs over multiple years, for new accommodation, replacements, upgrades and additions to existing accommodation within the PMTE. It also provides a summary of the infrastructure programme of user departments and the PMTE’s Planned Maintenance Programme for the 2018/19 financial year. The infrastructure programmes of the PMTE and user departments will deliver sustainable infrastructure and accommodation to user departments while supporting economic growth and socio-economic transformation. Infrastructure projects include the upgrading of facilities

to ensure access to people with disabilities; the upgrading and construction of departmental offices; the development of national Government precincts; the refurbishment of infrastructure-related border post centres, correctional centres, and police stations; and the maintenance of existing facilities.

As the implementer of immovable asset management function, the PMTE must ensure that all vacant immovable assets are optimally utilised. It is also essential for the PMTE to sustain a leased portfolio that stimulates economic growth. Failure to sustain the leasing portfolio to a certain level may result in a high vacancy rate for office space thus leading to urban decay.

Figure 28: Summary of private leases per user department

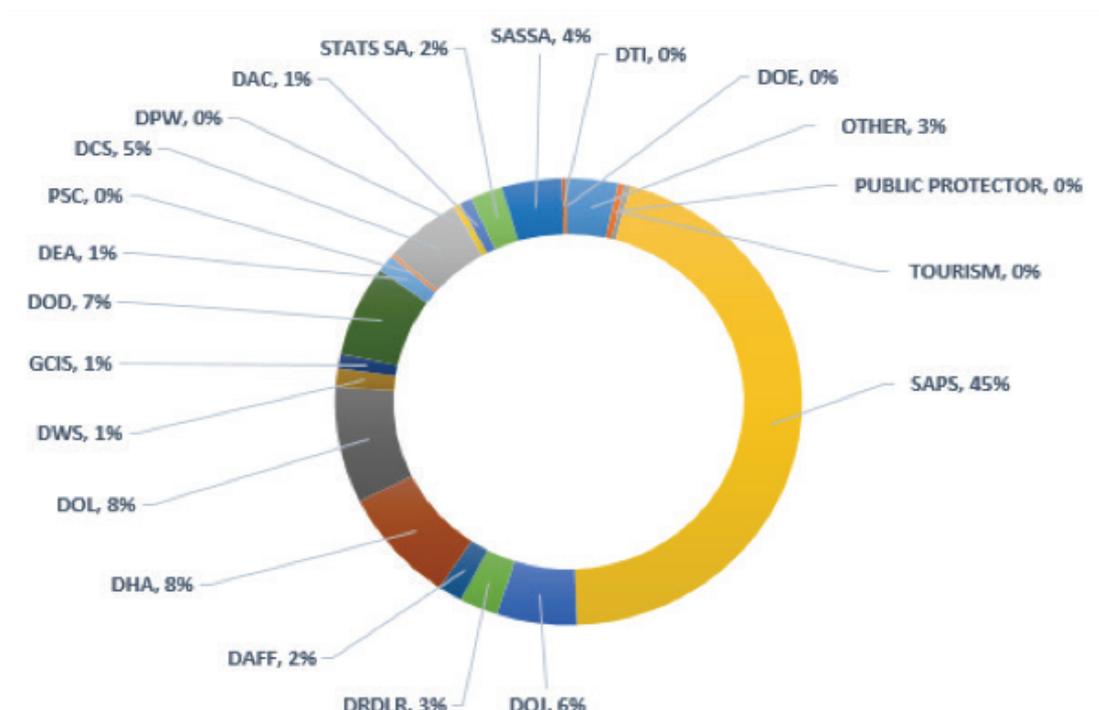
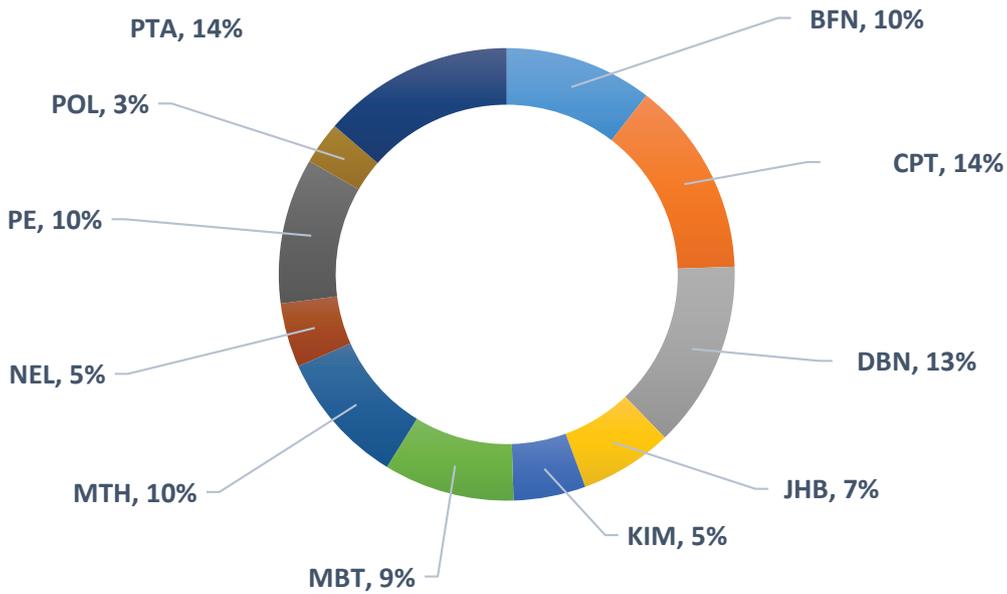


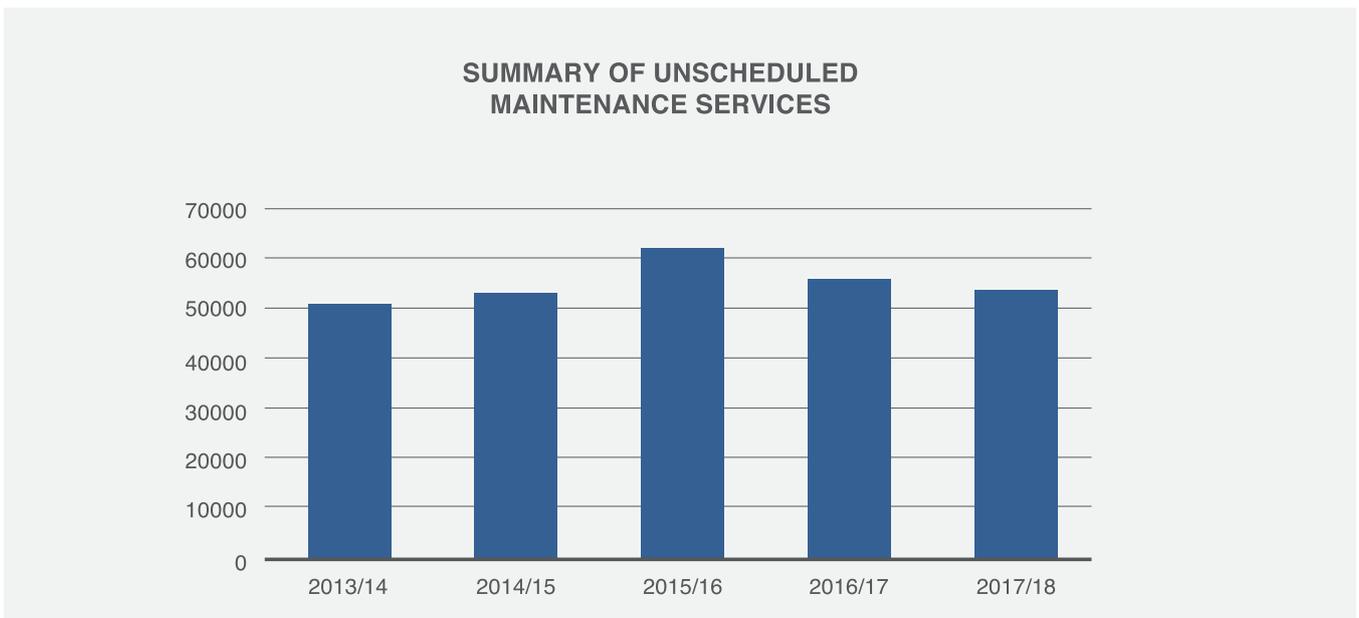
Figure 29: Summary of private leases per province



The protracted goods and services procurement framework created a substantial backlog in the renewing of expired leases. In an effort to reduce the backlog (1 339 private leases as at 31 December 2017), the National Treasury approved special leasing dispensations to enable the PMTE to expedite the renewal of expired leases. Through this approval, the PMTE has commenced a process for renegotiations with landlords. A total of 2 701 leases are under review for possible renewal or renegotiated to market related rates with a reduction in escalation rates from as high as 10% to more affordable rate of 6% - 7% which will result in significant savings for the PMTE.

The PMTE has since been working with the Office of the Chief Procurement Officer (OCPO) within the National Treasury on a number of projects, which includes developing a Leasing and Letting Framework to streamline leases procured at national and provincial levels. The effective date of the standards will be determined by National Treasury once approved. The current average turnaround time to procure a lease is 36 months however, with the implementation of the new reforms, the anticipated time will be reduced to eight (8) months, showing an improvement of approximately 78%.

Figure 30: Summary of the unscheduled maintenance calls logged (worx4u call centre)

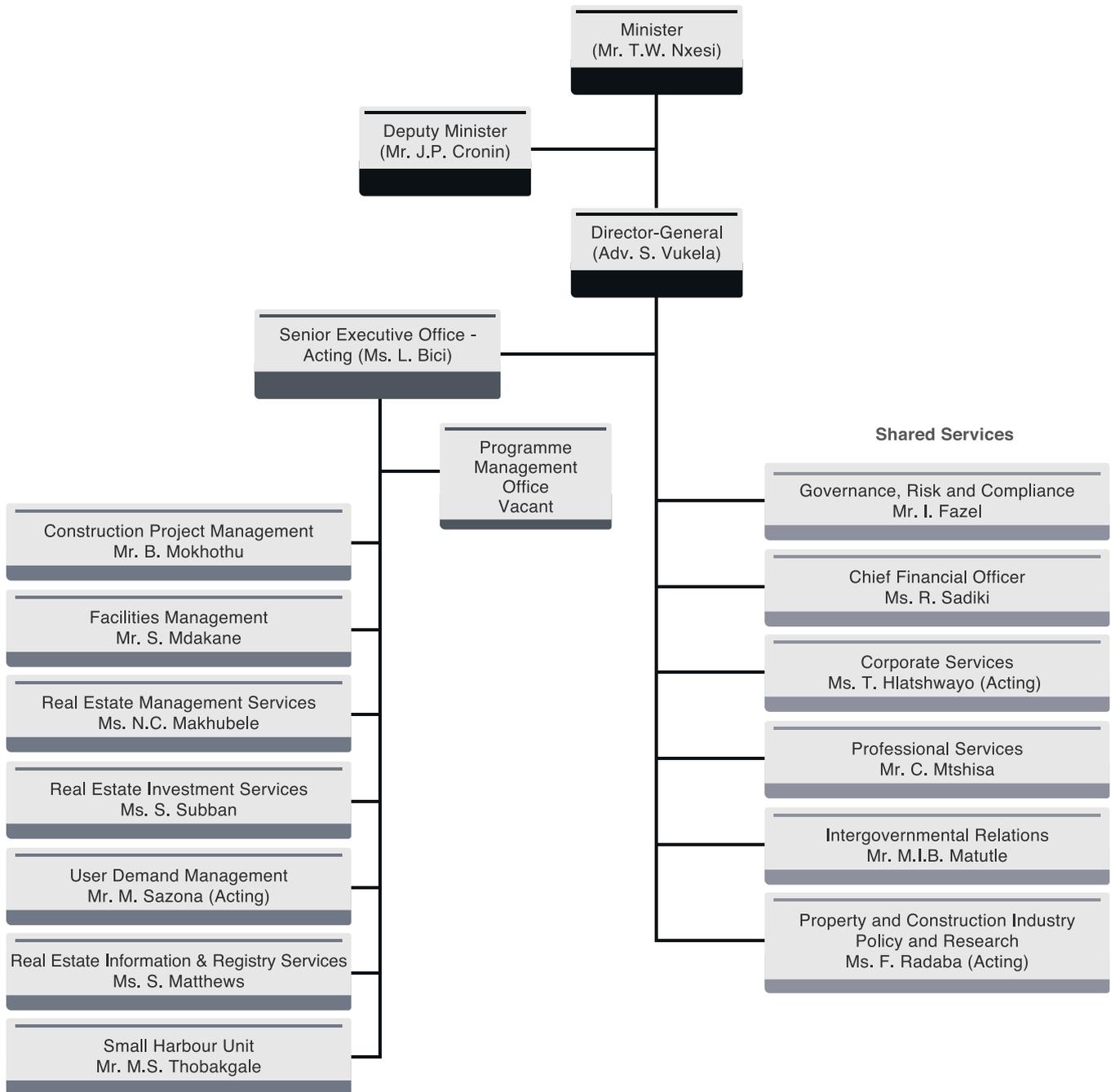


As a result of the current maintenance backlog on the facilities, there is significant reliance on unscheduled maintenance services. The figure below reflects the total number of unscheduled maintenance calls logged for the

previous financial years. The data for the 2017/18 financial year provides an estimate as at 31 March 2018 which is based on an average calculated over a 10 month period.

7.6 Organisational environment

Figure 31: High level organisational structure of the PMTE



7.6.1 Key issues relating to the organisational structure

The PMTE is located within the organisational structure of the Department of Public Works and undertakes the function of custodian and manager of the State's immovable assets under the Department. The PMTE is being operationalised to ensure a higher return on investment of the immovable asset portfolio whilst contributing towards economic and social development and the transformation of the built environment. To achieve this, focussed operational divisions have been established to enable cost effective and efficient decision making and administrative processes to effect professional business approaches in managing and optimising the State's immovable asset portfolio.

The implementation of the approved organisational structure for the PMTE will continue in the 2018/19 financial year and over the MTEF. During this process, the PMTE will take into consideration the restricted compensation budget and ensure that as capacitation takes place, expenditure remains within the allocated budget. As part of the phased-in approach of implementing the approved structure, the PMTE will reduce and regularise all positions additional to the establishment. The approval of the organisational structure was based on extensive engagements with the National Treasury and the Department of Public Service and Administration (DPSA), which required the PMTE to streamline its capacity requirements in terms of positions and remain within the prescribed compensation ceilings. As a result, the PMTE organisational structure does not reflect the full capacity requirements and will be further refined to respond to the longer term needs of the PMTE. The Department of Public Works continues to render support and enabling services to the PMTE through a shared services model.

Capacitation of functional areas is taking place in line with the priorities identified in the Policy Statement, which include Construction Project Management, Real Estate Management Services, Facilities Management and Real Estate Investment Services. The recruitment process will be intensified, as outlined in the HR Plan, in order to fill critical positions, reduce the vacancy rate and ensure leadership stability within the PMTE. Certain critical executive positions have been filled, such as the Director-General, Chief Financial Officer, Head of Construction Project Management and Real Estate Management Services during the 2017/18 financial year. Further capacitation initiatives will continue through training and re-skilling of staff in various fields of the PMTE.

7.6.2 Factors within the organisational environment that have informed the Annual Performance Plan

The PMTE currently manages largest Real Estate portfolio in South Africa, which was previously the core business of the Department of Public Works. As the custodian and manager of Government's immovable assets, the PMTE directly impacts efficiency and effectiveness of all user departments given the critical role that well-functioning infrastructure plays in enabling service delivery. The business model of the PMTE is based on an interdisciplinary approach with greater synergies between the traditional property and asset management functions of the Department of Public Works and an integrated approach to delivery. The core business of the PMTE consists of three focussed operational divisions being Real Estate Investment Services, Real Estate Management Services, and Facilities Management.

The two special service delivery divisions that will collectively realise PMTE's asset management goals and services to the State are Real Estate Information & Registry Services and Construction Project Management. Functional Heads at Head Office provide strategic direction to Regional Offices through formulating and deploying policies, standard operating procedures and business processes, and implementing systems to support their application. The responsibility and accountability for good corporate governance, compliance, health and safety, security, bid adjudication and other support functions are managed by executing units where these activities take place and where actual controls can be monitored and enforced.

The table hereunder provides a summary of the total staff establishment of the PMTE:

Table 21: Property Management Trading Entity - staff establishment

Salary Level	Filled posts	Vacant posts	Total (Filled & Vacant)	Current vacancy rate (%)	Additional to the establishment
1	-	-	-	-	230
2	15	-	15	-	6
3	1777	796	2573	31	125
4	132	141	273	52	40
5	172	183	355	52	31
6	224	189	413	46	12
7	471	338	809	42	67
8	354	397	751	53	66
9	79	116	195	59	10
10	261	208	469	44	20
11	111	211	322	66	64
12	259	301	560	54	70
13	46	42	88	48	9
14	20	11	31	35	3
15	2	5	7	71	7
16	-	-	-	-	-
Total	3 923	2 938	6 861	43	760

The PMTE has a total staff establishment of 6 861 posts of which 3 923 are filled permanently, 760 are filled additionally and 2 938 are vacant. Approximately 80% of the PMTE headcount is located at the Regional Offices. The depicted high vacancy rate includes the newly created posts as per the approved structure and this is being addressed through

an intensive recruitment drive that is underway. This process is aligned to the integrated Human Resource Plan to ensure that the PMTE is capacitated to deliver on its mandate and respond to Government's policy agenda taking into consideration the financial position of the PMTE.

The current employment equity status is shown in the table below:

Table 22: Property Management Trading Entity – Employment Equity Statistics

Race	Gender		Total	Percentage
	Male	Female		
African	1 659	2 181	3 840	82%
Coloured	286	158	444	9%
Indian	51	18	69	1%
White	186	144	330	7%
Foreign nationals	14	14	28	0.6%

Table 23: Property Management Trading Entity – Summary of critical occupations

No.	FIELD	NUMBER OF FILLED POSITIONS	NUMBER OF EXPECTED RETIREMENTS IN A 5 YEAR PERIOD	NUMBER OF CURRENT VACANCIES	TOTAL REQUIRED
1.	Architecture	34	3	20	23
2.	Civil Engineering	11	-	21	21
3.	Chemical Engineering	16	6	33	39
4.	Electrical Engineering	2	-	27	27
5.	Mechanical Engineering	3	1	21	22
6.	Construction Project Management	174	47	144	191
7.	Quantity Surveying	18	5	22	27
8.	Town Planning	15	2	18	20
	Total	273	64	306	370

The PMTE has a vacancy rate of approximately 52% in critical occupations which is based on the streamlined structure with a reduced staff establishment. As a continuation of efforts to develop, attract and retain the skills necessary to professionalise the property business, the PMTE is implementing various technical capacity-building initiatives to address its specific skills requirements. These include a tailored Capacity Building Programmes in partnership with the South African Property Owners Association (SAPOA) and the Coega Development Corporation (CDC); Professionalisation of Property Managers Programme; Young Professionals Programme and the Cuban Technical Advisory Programme where additional technical expertise is required. These programmes include Facilities Management; Property Management; Construction Management; Certificates for Commercial Property Practitioners; and Property Development.

The PMTE will continue to galvanise efforts of professional registrations of permanent employees and youth participating in the Young Professionals Programme. The candidates will be placed with services providers contracted with the PMTE that will train and mentor the candidates. Once registered these professionals will revert back to the PMTE to be placed in permanent technical positions or linked to Facilities Management Service Centres (workshops), maintenance programmes (as specialists in HVACs, Lifts, Boilers, etc.). Retiring Technical Employees will be identified as mentors and placed in the programme in order for them to support the candidacy programme after they are retired. This programme will support skills requirements for SIPDM and IDMS implementation.

7.7 Description of the strategic planning process

The PMTE's Strategic Plan and Annual Performance Plan are largely informed by the outcomes contained in the National, Continental and International Policy Agenda, which includes Agenda 2063, Sustainable Development Goals (SDGs), National Development Plan (NDP) and Medium Term Strategic Framework (MTSF). Agenda 2063 is a strategic framework for the socio-economic transformation of the continent over the next 50 years. It builds on, and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development. The Ten-Year Plan, which was adopted in June 2015, is the first plan within the series of ten-year plans, serves as a basis for the preparation of medium term development plans of member states of the African Union.

The NDP 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. The NDP serves as an umbrella for the crosscutting strategies, namely the New Growth Path (NGP), the National Infrastructure Plan (NIP),

the Industrial Policy Action Plan (IPAP) and other government plans. This vision is cascaded down into the current administration's 2014-2019 MTSF, which is viewed as the first in a series of five-year Planning Cycles that will advance the goals of the NDP. The MTSF articulates Government's commitment to implementing the NDP and delivering on its electoral mandate as well as its constitutional and statutory obligations.

The PMTE participates in the Technical Implementation Forums (TIFs) that coordinate Government's work towards the achievement of its 14 National Outcomes. The Lead Coordinating Department for each Outcome ensures that all key delivery partners are members of the Implementation Forums. The Implementation Forums are responsible for producing 14 Delivery Agreements, coordinating implementation, and monitoring and reporting progress against the 14 Outcomes to Cabinet Committees. The Estimates of National Expenditure (ENE), which describes in detail the planned spending in all national government votes over three financial years, is informed by the MTSF.

Figure 32: : The strategic planning process for PMTE



7.8 Overview of the 2018 budget and MTEF estimates

7.8.1 EXPENDITURE ESTIMATES

Table 24: 2017 Budget and MTEF estimates for PMTE

PROGRAMMES	AUDITED OUTCOME	ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE				
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
ADMINISTRATION	848,437	5,371,036	5,661,971	711,997	1,132,878	1,175,241	1,249,350
Real Estate Investment Services	100,639	-	-	117,792	131,421	140,130	149,041
Construction Project Management	282,373	256,288	254,527	274,853	318,240	264,689	281,522
Real Estate Management Services	5,183,959	6,013,261	5,478,436	10,874,740	10,475,283	11,003,849	11,575,497
Real Estate Information and Registry Services	2,627,955	-	-	72,209	108,862	115,859	123,034
Facilities Management Services	2,712,496	3,200,060	3,105,119	3,202,513	3,269,564	3,012,460	3,180,421
Total for Programmes	11,755,859	14,840,645	14,500,053	15,254,104	15,436,248	15,712,228	16,558,865

ECONOMIC CLASSIFICATION	AUDITED OUTCOME	ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE				
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)
Current payments	10,936,067	13,715,203	13,461,734	13,912,349	14,030,677	14,194,211	14,919,407
Compensation of employees	1,268,405	1,310,136	1,500,867	1,674,303	1,593,057	1,698,200	1,808,582
Salaries and wages	1,268,405	1,310,136	1,500,867	1,439,902	1,370,029	1,460,452	1,555,381
Social contributions	-	-	-	234,401	223,028	237,748	253,201
Goods and services	6,766,165	9,020,519	8,390,543	12,237,046	12,437,620	12,496,011	13,110,825
Computer services	13,848			31,046	35,410	37,392	39,449
Consultants	43,638	211,036	290,477	-	-		
Contractors	72,912	-	-	-	-		
Lease payments	3,923,763	4,078,024	4,181,195	4,452,192	4,915,496	5,308,735	5,733,434
Repairs and maintenance	2,008,466	2,982,061	2,855,115	2,184,164	2,629,096	2,439,178	2,573,333
Travel and subsistence	40,379	69,227	71,779	-	-		
Other	663,159	1,680,171	991,977	5,569,644	4,857,619	4,710,706	4,764,609
Depreciation	2,617,630	2,604,388	2,759,619				
Losses and damages	283,146	534,753	722,617				
Sale of fixed assets	-	-	-				
Impairments and adjustments to fair value	184,390	472,356	303,576				
Adjustments to fair value of financial assets	184,390	472,356	303,576				
Impairments to non-financial assets	-	-	-				
Other	98,756	62,397	419,041				
Interest, dividends and rent on land	721	245,407	88,088	1,000			
Interest	721	245,407	88,088	1,000			
Dividends	-	-	-				
Rent on land	-	-					
Transfers and subsidies	819,792	1,125,442	1,038,319	1,341,755	1,405,571	1,518,017	1,639,458
National government	-	-	-				
Municipalities	819,792	1,125,442	1,038,319	1,341,755	1,405,571	1,518,017	1,639,458
Total Expenditure	11,755,859	14,840,645	14,500,053	15,254,104	15,436,248	15,712,228	16,558,865

7.8.2 RELATING EXPENDITURE TRENDS TO STRATEGIC GOALS

Figure 33: Budget allocation per programme

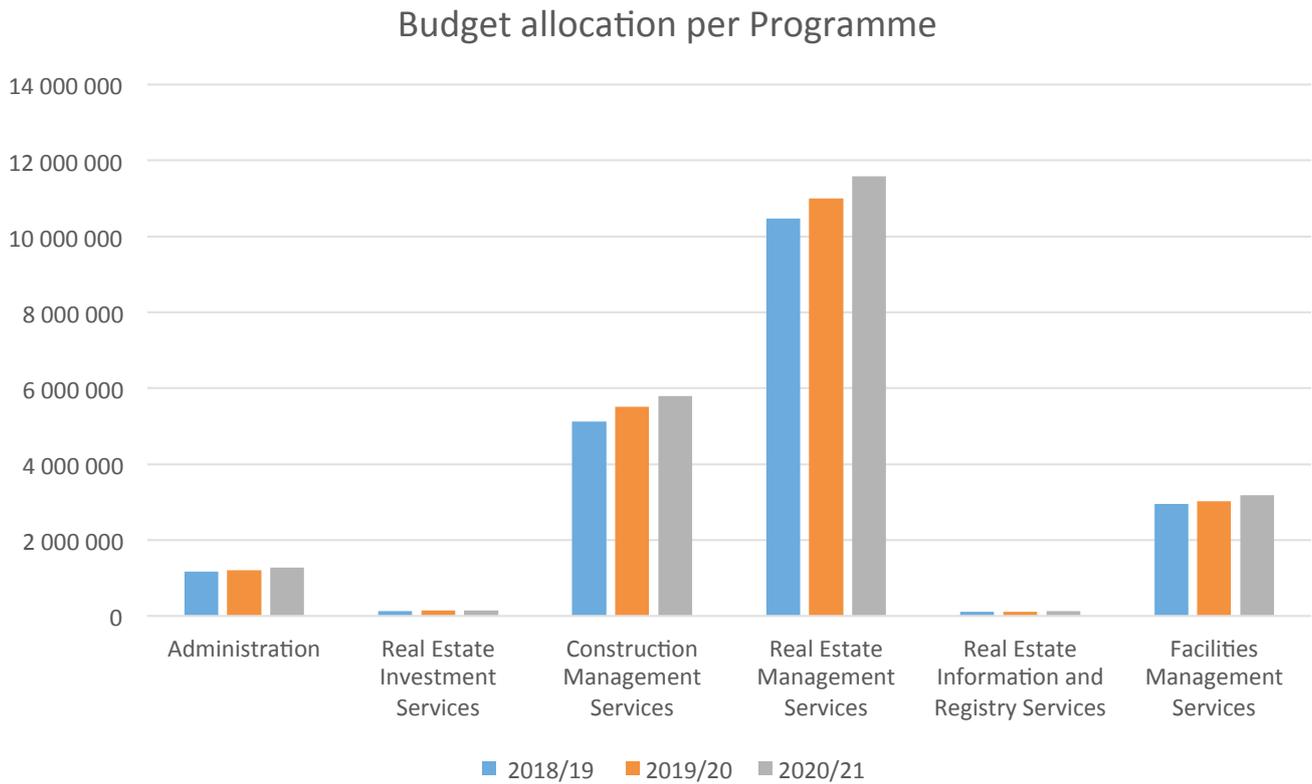
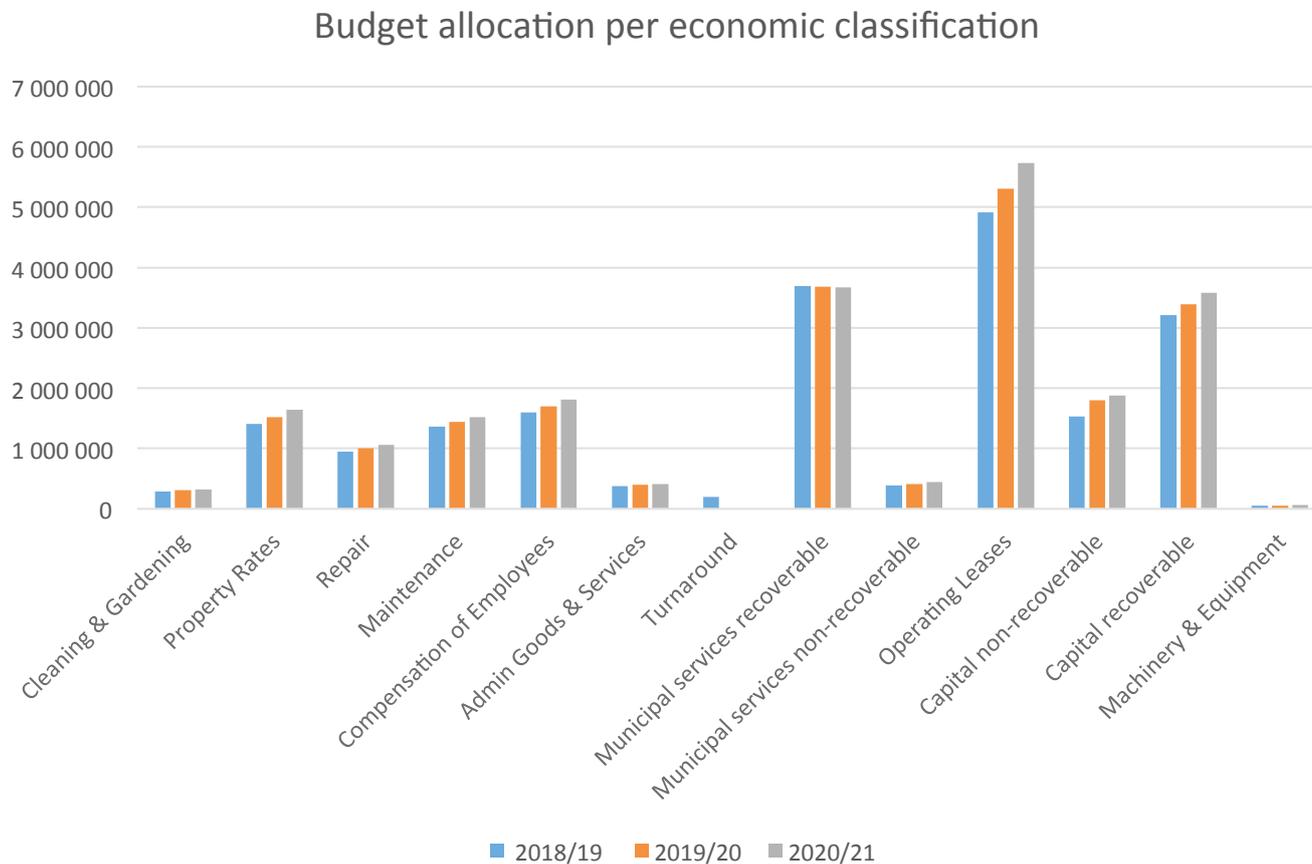


Figure 34: Budget allocation per economic classification



The spending of the PMTE over the MTEF will continue to focus on improving its management of the immovable asset portfolio by ensuring cost-effective accommodation and providing accommodation solutions to user departments that support efficient service delivery to the country and its citizens. This objective includes refurbishing properties, constructing new buildings, extending the life-cycles of existing properties (through maintenance) and efficiently managing leases of privately owned properties accommodating user departments.

Over the medium term, R32.8 billion will be spent towards providing accommodation solutions to user departments on operating leases, property rates and municipal services in the real estate management services programme. The PMTE will provide functional and office accommodation through the utilisation of State owned properties and rental and management of private lease accommodation. The bulk of this expenditure is recoverable from user departments.

The PMTE is required to address the significant maintenance backlog in most facilities arising from limited resources to ensure adequate maintenance. The continuous deterioration of facilities has a negative effect on service delivery and the depreciation of property values. Furthermore, major facility components like boilers, HVAC systems, lifts, water treatment plants just to mention a few require specific maintenance strategies and plans to be developed and adequate funding to be allocated over their respective lifespan. The maintenance strategy aims to focus on both scheduled and unscheduled maintenance. The implementation of the maintenance strategy will contribute towards the development of skills (such as artisans) and creation of work opportunities, while aligning this with National Infrastructure Maintenance Strategy and Government Immoveable Asset Management Act. The PMTE aims to increase the number of work opportunities created through construction projects from 9 500 work opportunities in 2018/19 to 11 000 work opportunities in 2020/21. This approach is also aimed at reducing the number of unscheduled maintenance incidents and associated expenditure, while preserving the condition of the portfolio. An amount of R7.3 billion has been allocated over the medium term for repair and maintenance of 85 State owned buildings.

The PMTE will also focus on extending the life-cycles of its existing properties by completing 257 capital projects at a cost of R10.2 billion, and 122 refurbishment projects at a cost of R5.2 billion over the medium term. Furthermore, the PMTE will drive the letting of vacant surplus State owned properties as a viable alternative to the private sector for accommodation purposes to generate additional funding to improve the condition of the state's portfolio to meet the requirements of user departments.

In an effort to improve the management of its immovable asset portfolio, the PMTE will continue to implement business improvement strategies and efficiency enhancement initiatives over the MTEF period. These strategies and initiatives are critical to building value to and bringing savings to the State. An amount of R67.4 million has been allocated to develop a complete, reliable and GRAP-compliant Immoveable Asset Register and a further R70 million has also been allocated over the medium term to provide water and sanitation services to all buildings and facilities that are not connected to the municipalities' water infrastructure in different provinces across the country and to operate the project management office. Fundamental to this phase are the systematic improvements, including the redesign processes, systems and structural elements of the PMTE. Focusing on these key strategic areas to improve efficiencies and effectiveness will eventually lead to the third phase of the Turnaround Strategy, Sustainability and Growth, by 2019. Spending on goods and services is projected to make up 75.3 per cent of the PMTE's spending over the MTEF period towards ensuring efficient service delivery to the country and its citizens, growing from R12.2 billion in 2017/18 to R13.2 billion in 2020/21, at an average annual rate of 2.5 per cent.

The PMTE generates its revenue mainly through management fees, rentals charged to user departments, and transfers from the Department of Public Works. Revenue over the medium term is expected to increase at an average annual rate of 3.8 per cent, from R19.9 billion in 2017/18 to R22.1 billion in 2020/21, with accommodation and lease charges and recovery of municipal services accounting for most of the revenue collected.



PART B

PROGRAMME AND SUB PROGRAMME PLANS



PROGRAMME BUDGET STRUCTURE

PROGRAMME		SUB-PROGRAMME
1. Administration	A	Management Leadership
	B	Operations Support Management (PMO)
	C	Financial and Accounting Management
	D	Supply Chain Management
2. Real Estate Investment Services	A	User Demand Management
	B	Planning and Precinct Development Services
	C	Property Performance Management
		Investment Analysis
3. Construction Project Management	A	Construction Project Planning
	B	Construction Project Management
4. Real Estate Management Services	A	Management of Freehold Property
		Land Administration & Management
	B	Surplus Freehold (Revenue) Management
		Leasehold Management
5. Real Estate Information & Registry Services	A	Asset Registry Services
		Conveyancing
6. Facilities Management	A	Scheduled Maintenance
		SHERQ Management
	B	Unscheduled Maintenance Management

8.1 PROGRAMME 1: ADMINISTRATION

Purpose of the programme: Provide leadership, strategic management, governance and administrative support to the Property Management Trading Entity (PMTE).

8.1.1 PROGRAMME 1: STRATEGIC OBJECTIVES AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 25: Programme 1 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1. To provide a compliant internal control and financial service	Clean audit outcome	Negative audit outcome (with improvement)	Qualified audit outcome for 2014/2015 (3 qualification areas and 10 negative emphasis of matter)	Qualified audit outcome for 2015/2016 financial year (2 qualifications)	Adverse audit outcome 2016/2017 (4 qualifications)	Unqualified audit outcome for 2017/2018 (with reduced findings on other matters – 2016/17 base line)	Unqualified audit outcome for 2018/2019 (with reduced findings on other matters – 2017/18 base line)	Unqualified audit outcome for 2019/2020
2. To provide a compliant Supply Chain Management service	Clean audit outcome	Negative audit outcome (with improvement)	Qualified audit outcome for 2014/2015 (3 qualification areas and 10 negative emphasis of matter)	Qualified audit outcome for 2015/2016 financial year	Adverse audit outcome 2016/2017 (4 qualifications)	Unqualified audit outcome for 2017/2018 (with reduced findings on other matters – 2016/17 baseline)	Unqualified audit outcome for 2018/2019 (with reduced findings on other matters – 2017/18 baseline)	Unqualified audit outcome for 2019/2020

8.1.2 PROGRAMME 1: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 26: Programme 1 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17	2018/19		2019/20	2020/21	
Strategic Objective: To provide a compliant internal control and financial service								
1. Reviewed PMTE Business Processes	-	-	-	"As-Is" Business Processes Mapped	PMTE Reviewed Business Processes approved	-	-	-
2. Percentage of compliant invoices settled within 30 days	76% (128 262) of compliant invoices settled within 21 working days	85% (128 562) of compliant invoices settled within 21 working days	86% (137 435) of compliant invoices settled within 30 days	100% (121 774) of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days
3. Number of new revenue generation sources incubated	-	-	-	2 new revenue generation sources incubated	2 new revenue generation sources incubated	2 new revenue generation sources incubated	2 new revenue generation sources incubated	2 new revenue generation sources incubated
4. Number of identified user departments issued with Itemised billing	-	-	-	10 identified user departments issued with itemised billing	15 identified user departments issued with itemised billing	19 identified user departments issued with itemised billing	22 identified user departments issued with itemised billing	22 identified user departments issued with itemised billing
5. Approved Finance Model	-	-	-	Technical solution developed with dashboards	Financial model approved	-	-	-
Strategic Objective: To provide a compliant Supply Chain Management Service								
6. Percentage of bids awarded within 56 working days of closure of tender advertisement	131 bids awarded for PMTE	18% (45) bids awarded for PMTE within 56 working days of closure of tender advertisement	31% (91) bids awarded within the prescribed timeframes	40% (67) bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement	70% bids awarded within 56 working days of closure of tender advertisement	70% bids awarded within 56 working days of closure of tender advertisement
7. Percentage of quotations awarded within 30 working days from requisition date	49% (419) of quotations approved within 30 days	47% (229) of quotations approved within 14 days	72% (4 326) of quotations awarded within 30 days from requisition date	75% (4 593) of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date	80% of quotations awarded within 30 working days from requisition date	85% of quotations awarded within 30 working days from requisition date	85% of quotations awarded within 30 working days from requisition date

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
8. Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	-	-	-	(Tenders) 70% (R1,4bn) of procurement spend (Quotations) 70% (R246 million) of procurement spend	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	85% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017
9. Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	-	-	-	70% (184) of tenders 70% (3906) of quotations awarded	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	85% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017

8.1.3 PROGRAMME 1: QUARTERLY TARGETS FOR 2018/19

Table 27: Programme 1 Performance

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Reviewed PMTE Business Processes	Quarterly	PMTE Reviewed Business Processes approved	Pilot Gap Analysis, Delegation Gap Analysis, External Policy Gap Analysis, Internal Policy Gap Analysis, ICT integration, Organisational Design Gap Analysis and Benchmarking completed	To-Be optimised Business Processes mapped	To-Be optimised Business Processes verified	PMTE Reviewed Business Processes approved
2. Percentage of compliant invoices settled within 30 days	Quarterly	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days
3. Number of new revenue generation sources incubated	Annually	2 newly identified revenue sources incubated	-	-	-	2 newly identified revenue sources incubated
4. Number of identified user departments issued with Itemised billing	Annually	15 identified user departments issued with Itemised billing	15 identified user departments issued with Itemised billing	-	-	-
5. Approved Finance Model	Quarterly	Finance Model approved	Technical Model tested	Technical Model approved	Revenue sources identified	Financial model approved
6. Percentage of bids awarded within 56 working days of closure of tender advertisement	Quarterly	60% bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement
7. Percentage of quotations awarded within 30 working days from requisition date	Quarterly	77% of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date
8. Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	Quarterly	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017
9. Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	Quarterly	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017

8.1.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 28: Expenditure estimates for Programme 1: Administration

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Management							
Operations Support Management							
Financial and Accounting Management							
Supply Chain Management							
Total	848,437	5,371,036	5,661,971	711,997	1,132,878	1,175,241	1,249,350

Table 29: Economic classification of MTEF budget for Programme 1: Administration

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Current payments	848,437	5,371,036	5,661,971	711,997	1,132,878	1,175,241	1,249,350
Compensation of employees	271,075	1,310,136	1,500,867	458,366	901,671	961,181	1,023,658
Salaries and wages	271,075	1,310,136	1,500,867	394,195	775,437	826,616	880,346
Social contributions	-	-	-	64,171	126,234	134,565	143,312
Goods and services	372,483	676,352	590,780	252,631	231,207	214,060	225,692
Communication (G&S)							
Computer services	13,848			31,046	35,410	37,392	39,449
Consultants and professional services: Business and advisory services	43,638	211,036	290,477				
Contractors	72,912						
Travel and subsistence	40,379	69,227	71,779				
Other	201,706	396,089	228,524	221,585	195,797	176,668	186,243
Depreciation		2,604,388	2,759,619				
Adjustments to Fair value of financial assets	184,390	472,356	303,576				
Other losses	19,768	62,397	419,041				
Interest and rent on land							
Interest (Incl. interest on finance leases)	721	245,407	88,088	1,000			

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Transfers and subsidies							
National Government							
Total	848,437	5,371,036	5,661,971	711,997	1,132,878	1,175,241	1,249,350

8.1.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 1

The spending focus over the medium-term will be on Management Leadership, Operations Support Management, Finance and Accounting Management and Supply Chain Management (SCM). The PMTE will continue to implement business improvement strategies and efficiency enhancement initiatives over the MTEF period. The 2019/20 financial year marks the end of Phase II of the seven-year plan and sets the basis for the sustainability and growth of public works. The bulk of the expenditure for Programme 1 is for compensation of employees to fill all critical vacancies aimed at rebuilding the PMTE technical and professional capacity.

8.2 PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES

Purpose of the programme: To achieve an efficient and competitive Real Estate Portfolio for the State through effective planning, analysis and informed investments.

8.2.1 PROGRAMME 2: STRATEGIC OBJECTIVE AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 30: Programme 2 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17	2018/19		2019/20	2020/21	
User Demand Management									
1.	To ensure that the User Asset Management Plans (U-AMPs) are produced in compliance with relevant prescripts	100% of U-AMPs are compliant with relevant prescripts	7% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts
Real Estate Investment Services									
2.	To direct precinct planning and development for national government in urban and rural areas	24 accommodation solutions developed for user departments within identified precincts	-	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	5 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts
3.	To inform asset management decisions through optimal investment solutions	724 investment solutions completed	-	260 investment solutions completed	136 investment solutions completed	128 investment solutions completed	100 investment solutions completed	100 investment solutions completed	100 investment solutions completed
4.	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions	19 interventions identified to improve the performance of the property portfolio	-	3 interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio

8.2.2 PROGRAMME 2: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 31: Programme 2 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
	2014/15	2015/16	2016/17	2018/19		2019/20	2020/21	
User Demand Management								
Strategic objective: To ensure that the user asset management plans are produced in compliance with relevant prescripts								
1. Number of User Asset Management Plans (U-AMPs) received from user departments	3 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments
2. Number of signed off infrastructure worklists	-	9 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists
3. Developed Customer Relationship Management Strategy	-	-	-	-	Customer Relationship Management Strategy approved	Engagement with internal and external stakeholders	Customer Relationship management Strategy reviewed	
Real Estate Investment Services								
Strategic objective: To direct precinct planning and development for national government in urban and rural areas								
4. Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)	5 Government Precinct Development Plans completed	6 Government Precinct Development Plans aligned with identified (urban and rural) municipal (IDPs)	2 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	3 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	5 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	
5. Number of sites established for development	1 site established for development	1 site established for development	3 sites established for development	2 sites established for development	3 sites established for development	4 sites established for development	4 sites established for development	
6. Number of concept designs completed for identified user departments	1 concept design completed (DPW and SAPS)	1 concept design completed for identified user departments	5 concept designs completed for identified user departments	4 concept designs completed for identified user departments	5 concept designs completed for identified user departments	6 concept designs completed for identified user departments	6 concept designs completed for identified user departments	

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic objective: To inform asset management decisions through optimal investment solutions							
7.	Percentage of feasibility studies completed within scheduled timeframes	87 feasibility studies completed	99% (179) feasibility studies completed within scheduled timeframes 65 backlog feasibility studies completed	82% (230) feasibility studies completed within scheduled timeframes	85% (192) feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes
8.	Percentage of valuations completed within scheduled timeframes	300 valuations completed	72% (218) valuations completed within scheduled timeframes	83% (290) valuations completed within scheduled timeframes	85% (177) valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes
Strategic objectives: To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions							
9.	Percentage of responsive disposal requests processed by 31 March	3 disposal requests approved	3% Disposal Certificates of approval issued within 6 months from date of request (1 of 34 requested land parcels) Backlog disposal certificates approved for 26 land parcels	36% (34 of 95) disposal requests approved within scheduled timeframes	50% (85 of 170) disposal requests processed by 31 March 2018	90% disposal requests processed by 31 March 2020	90% disposal requests processed by 31 March 2021
10.	Custodian Asset Management Plan (C-AMP) submitted to National Treasury	1 C-AMP approved	1 C-AMP approved	1 C-AMP approved	1 C-AMP approved	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury
11.	Number of facilities performance measured in identified performance areas	-	300 facilities performance measured in identified performance areas	478 facilities performance measured in identified performance areas	600 facilities performance measured in identified performance areas	900 facilities performance measured in identified performance areas	1 000 facilities performance measured in identified performance areas

8.2.3 PROGRAMME 2: QUARTERLY TARGETS FOR 2018/19

Table 32: Programme 2 Performance indicators and quarterly targets 2018/19

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
User Demand Management						
1. Number of User Asset Management Plans (U-AMPs) received from user departments	Annually	42 U-AMPs received from user departments	-	-	-	42 UAMPs received from User Departments
2. Number of signed off infrastructure worklists	Annually	10 signed off infrastructure work lists	-	-	-	10 signed off infrastructure work lists
3. Developed Customer Relationship Management Strategy	Quarterly	Client Relationship Management Strategy approved	-	1st draft Customer Relationship Management strategy developed	2nd draft Customer Relationship Management strategy developed	Customer Relationship Management strategy approved
Real Estate Investment Services						
4. Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)	Bi-Annually	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	-	2 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	-	2 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs
5. Number of sites established for development	Bi-Annually	3 sites established for development	-	1 sites established for development	-	2 sites established for development
6. Number of concept designs completed for identified user departments	Bi-Annually	5 concept designs completed for identified user departments	-	2 concept designs completed for identified user departments	-	3 concept designs completed for identified user departments
7. Percentage of feasibility studies completed within scheduled timeframes	Quarterly	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes
8. Percentage of valuations completed within scheduled timeframes	Quarterly	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes
9. Percentage of responsive disposal requests processed by 31 March	Annually	90% disposal requests processed by 31 March 2019	-	-	-	90% disposal requests processed by 31 March 2019
10. Custodian Asset Management Plan (C-AMP) submitted to National Treasury	Annually	1 C-AMP submitted to National Treasury	-	1 C-AMP submitted to National Treasury	-	-
11. Number of facilities performance measured in identified performance areas	Quarterly	800 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas

8.2.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 33: Expenditure estimates for Programme 2: Real Estate Investment Services

PROGRAMMES	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
User Demand Management								
Planning and Precinct Development Services								
Investment Management								
Total	100,639			117,792	131,421	140,130	149,041	

Table 34: Economic classification of MTEF budget for Programme 2: Real Estate Investment Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	100,639			117,792	131,421	140,130	149,041	
Compensation of employees	100,639			107,795	114,700	122,271	130,218	
Salaries and wages	100,639			92,704	98,642	105,153	111,987	
Social contributions				15,091	16,058	17,118	18,231	
Goods and services				9,997	16,721	17,859	18,823	
Other				9,997	16,721	17,859	18,823	
Total	100,639			117,792	131,421	140,130	149,041	

8.2.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 2

The spending focus over the medium-term will be on facilitating the compilation of U-AMPs with user departments, the development of precinct development plans and concept designs within Planning and Precinct Development. The spending focus for Real Estate Investment Services over the medium-term will be on the completion of feasibility studies and valuations, measuring the performance of identified buildings and compilation of the C-AMP. The bulk of the expenditure within Programme 2 will be for compensation of employees to fill all critical vacancies aimed at rebuilding the PMTE technical and professional capacity.

8.3 PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Purpose of the programme: To provide effective and efficient delivery of accommodation needs for DPW and User Departments through construction and other infrastructure improvement programmes

8.3.1 PROGRAMME 3: STRATEGIC OBJECTIVES AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 35: Programme 3 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17		2017/18	2018/19	2019/20
1. To develop detailed construction plans that direct the execution of construction projects ¹⁶	7 design solutions completed for identified user departments	1 design solution completed for identified user departments	1 design solution completed for identified user departments	2 design solutions completed for identified user departments	2 design solutions completed for identified user departments	1 design solution completed for identified user departments	1 design solution completed for identified user departments	1 design solution completed for identified user departments
2. To ensure that construction programmes are implemented according to approved criteria	90% implementation of IDMS for key user departments	-	-	40% implementation of IDMS for key user departments	45% implementation of IDMS for key user departments	50% implementation of IDMS for key user departments	60% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments

¹⁶ The baseline information relates to Head Office only, the MTEF targets relates to Head Office and Regional Offices

8.3.2 PROGRAMME 3: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 36: Programme 3 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic objective: To develop detailed construction plans that direct the execution of construction projects							
1. Number of approved infrastructure project designs	231 approved infrastructure project designs	225 approved infrastructure project designs	210 approved infrastructure project designs	73 approved infrastructure project designs	83 approved infrastructure project designs	103 approved infrastructure project designs	113 approved infrastructure project designs
2. Number of approved infrastructure projects ready for tender	231 approved infrastructure projects ready for tender	225 approved infrastructure projects ready for tender	144 approved infrastructure projects ready for tender	104 approved infrastructure projects ready for tender	128 approved infrastructure projects ready for tender	140 approved infrastructure projects ready for tender	150 approved infrastructure projects ready for tender
3. Number of infrastructure sites handed over for construction	214 infrastructure sites handed over for construction	145 infrastructure sites handed over for construction	186 infrastructure sites handed over for construction	93 infrastructure sites handed over for construction	105 infrastructure sites handed over for construction	116 infrastructure sites handed over for construction	125 infrastructure sites handed over for construction
Strategic objective: To ensure that construction programmes are implemented according to approved criteria							
4. Number of infrastructure projects completed	180 infrastructure projects completed	192 infrastructure projects completed	182 infrastructure projects completed	161 infrastructure projects completed	105 infrastructure projects completed	116 infrastructure projects completed	130 infrastructure projects completed
5. Number of infrastructure projects completed within agreed construction period	-	125 (65%) infrastructure projects completed within agreed construction period	139 (57%) infrastructure projects completed within agreed construction period	129 (80%) infrastructure projects completed within agreed construction period	84 (80%) infrastructure projects completed within agreed construction period	95 (80%) infrastructure projects completed within agreed construction period	115 (80%) infrastructure projects completed within agreed construction period
6. Number of infrastructure projects completed within approved budget	-	109 (57%) infrastructure projects completed within approved budget	129 (53%) infrastructure projects completed within approved budget	129 (80%) infrastructure projects completed within approved budget	84 (80%) infrastructure projects completed within approved budget	95 (80%) infrastructure projects completed within approved budget	115 (80%) infrastructure projects completed within approved budget
7. Number of EPWP work opportunities created through construction projects	4 343 EPWP work opportunities created through construction projects	11 126 EPWP work opportunities created through construction projects	8 959 EPWP work opportunities created through construction projects	6 000 EPWP work opportunities created through construction projects	7 511 EPWP work opportunities created through construction projects	8 200 EPWP work opportunities created through construction projects	9 020 EPWP work opportunities created through construction projects
8. Percentage reduction of infrastructure projects backlogs	73 infrastructure project backlogs reduced in the planning phase	15% (216) infrastructure project backlogs reduced in the planning phase	14% (154) infrastructure project backlogs reduced across all project phases	15% (148) infrastructure project backlogs reduced in the construction phase	20% infrastructure project backlogs reduced in the construction phase	30% reduction of backlogs in infrastructure projects	40% reduction of backlogs in infrastructure projects
9. Number of contractors incubated through the Contractor Incubation Programme (CIP)	-	-	-	-	297 contractors incubated through the Contractor Incubation Programme (CIP)	297 contractors incubated through the Contractor Incubation Programme (CIP)	297 contractors incubated through the Contractor Incubation Programme (CIP)

8.3.3 PROGRAMME 3 QUARTERLY TARGETS FOR 2018/19

Table 37: Programme 3: Performance indicators and quarterly targets for 2018/19

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Number of approved infrastructure project designs	Quarterly	83 approved infrastructure project designs	21 approved infrastructure project designs	32 approved infrastructure project designs	15 approved infrastructure project designs	15 approved infrastructure project designs
2. Number of approved infrastructure projects ready for tender	Quarterly	128 approved infrastructure projects ready for tender	30 approved infrastructure projects ready for tender	34 approved infrastructure projects ready for tender	32 approved infrastructure projects ready for tender	32 approved infrastructure projects ready for tender
3. Number of infrastructure sites handed over for construction	Quarterly	105 infrastructure sites handed over for construction	20 infrastructure sites handed over for construction	30 infrastructure sites handed over for construction	28 infrastructure sites handed over for construction	27 infrastructure sites handed over for construction
4. Number of infrastructure projects completed	Quarterly (cumulative)	105 infrastructure projects completed	20 infrastructure projects completed	50 infrastructure projects completed	78 infrastructure projects completed	105 infrastructure projects completed
5. Number of infrastructure projects completed within agreed construction period	Quarterly (cumulative)	84 (80%) infrastructure projects completed within agreed construction period	20 infrastructure projects completed within agreed construction period	44 infrastructure projects completed within agreed construction period	64 infrastructure projects completed within agreed construction period	84 infrastructure projects completed within agreed construction period
6. Number of infrastructure projects completed within approved budget	Quarterly (cumulative)	84 (80%) infrastructure projects completed within approved budget	20 infrastructure projects completed within agreed budget	44 infrastructure projects completed within agreed budget	64 infrastructure projects completed within agreed budget	84 infrastructure projects completed within agreed budget
7. Number of EPWP work opportunities created through construction projects	Quarterly	7 511 EPWP work opportunities created through construction projects	1 800 EPWP work opportunities created through construction projects	2 000 EPWP work opportunities created through construction projects	1 856 EPWP work opportunities created through construction projects	1 856 EPWP work opportunities created through construction projects
8. Percentage reduction of infrastructure projects backlogs	Annually	20% infrastructure project backlogs reduced in the construction phase	-	-	-	20% infrastructure project backlogs reduced in the construction phase
9. Number of contractors incubated through the Contractor Incubation Programme	Annually	297 contractors incubated through the Contractor Incubation Programme	-	-	-	297 contractors incubated through the Contractor Incubation Programme

8.3.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 38: Expenditure estimates for Programme 3: Construction Project Management

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Pre-Construction Project Planning							
Construction Project Management							
Total	282,373	256,288	254,527	274,853	318,240	264,689	281,522

Table 39: Economic classification of MTEF budget for Programme 3: Construction Project Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Current payments	282,373	256,288	254,527	274,853	318,240	264,689	281,522
Compensation of employees	282,373			168,672	216,656	230,955	245,967
Salaries and wages	282,373			145,058	186,324	198,621	211,532
Social contributions				23,614	30,332	32,334	34,435
Goods and services		256,288	254,527	106,181	101,584	33,734	35,555
Other		256,288	254,527	106,181	101,584	33,734	35,555
Total	282,373	256,288	254,527	274,853	318,240	264,689	281,522

8.3.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 3

The spending focus over the medium-term will be on the design and implementation of infrastructure programmes for all user departments. The bulk of the expenditure for Programme 3 will be for capital infrastructure and compensation of employees to fill all critical vacancies aimed at rebuilding the PMTE technical and professional capacity. The Turnaround Strategy will be finalised in 2018/19 and the funds ring-fenced historically for Turnaround will be reprioritised to refurbishments in 2019/20 and 2020/21 to uplift the condition of the portfolio through the implementation of a maintenance solution.

An allocation of R15.4 billion will be prioritised over the MTEF for the completion of infrastructure projects within the agreed time and budget, reducing the infrastructure projects backlog and creating work opportunities through the infrastructure programme. No new infrastructure projects will be initiated during the 2018/19 financial year since the infrastructure programme budget is fully committed in terms of contractors already on site, design teams appointed and other contracts in advanced stages of the procurement processes.

8.4 PROGRAMME 4: REAL ESTATE MANAGEMENT SERVICES

Purpose of the programme: To provide and manage Real Estate Portfolio in support of Government social, economic, functional and political objectives.

8.4.1 PROGRAMME 4: STRATEGIC OBJECTIVE AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 40: Programme 4 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1. To provide functional leased accommodation for user departments	70% new leases procured according to user department's minimum requirements	-	-	20% (1) new leases procured according to user department's minimum requirements	50% (8) new leases procured according to user department's minimum requirements	60% new leases procured according to user department's minimum requirements	70% new leases procured according to user department's minimum requirements	70% new leases procured according to user department's minimum requirements
2. To optimise the utilisation of State owned buildings	2% vacancy rate on unutilised buildings	-	-	4% (3 033) vacancy rate on unutilised buildings	3,5% (3 000) vacancy rate on unutilised buildings	3% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings

8.4.2 PROGRAMME 4: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 41: Programme 4 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic objective: To provide functional leased accommodation for user departments							
1. Number of lease agreements signed within scheduled timeframes	-	-	<ul style="list-style-type: none"> 20% (1) lease agreements signed within scheduled timeframes 5 Leases signed out of scheduled timeframes 148 extensions finalised. 	100 lease agreements signed within scheduled timeframes	600 lease agreements signed within scheduled timeframes	430 lease agreements signed within scheduled timeframes	100 lease agreements signed within scheduled timeframes
2. Savings realised on identified private leases	-	-	-	R100 mil savings realised on identified private leases	R200 mil savings realised on identified private leases	R300mil savings realised on identified private leases	R350mil savings realised on identified private leases
3. Percentage of new leases awarded to BBBEE companies	-	-	67% (4) new leases awarded to BBBEE companies	25% (4) new leases awarded to BBBEE companies	30% new leases awarded to BBBEE companies	35% new leases awarded to BBBEE companies	40% new leases awarded to BBBEE companies
Strategic objective: To optimise the utilisation of State-owned buildings							
4. Number of private leases reduced within the security cluster	-	-	2 private lease reduced for the security cluster	4 private leases reduced for the security cluster	12 private leases reduced for the security cluster	13 private leases reduced for the security cluster	13 private leases reduced for the security cluster
5. Percentage increase in revenue generation through letting of State-owned properties (excluding harbour properties)	R28 mil revenue generated (incl. harbour properties)	R31 mil revenue generated (incl. harbour properties)	10% (R3,1) mil increase in revenue generation through letting of State-owned properties (excluding harbour properties)	10% (R6,82) mil increase in revenue generation through letting of State-owned properties (excluding harbour properties)	10% increase in revenue generation through letting of State-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of State-owned properties (excluding harbour properties)	20% increase in revenue generation through letting of State-owned properties (excluding harbour properties)
6. Number of identified vacant surplus State-owned properties let out	-	3 State-owned properties let out	59 of identified vacant surplus State-owned properties let out	60 of identified vacant surplus State-owned properties let out	65 of identified vacant surplus State-owned properties let out	70 of identified vacant surplus State-owned properties let out	70 of identified vacant surplus State-owned properties let out
7. Number of State-owned properties verified to confirm occupation status	-	-	-	87 State-owned properties verified to confirm occupation status	400 State-owned properties verified to confirm occupation status	400 State-owned properties verified to confirm occupation status	400 State-owned properties verified to confirm occupation status

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
8. Number of State-owned properties' occupation status rectified	-	-	-	-	-	20 State-owned properties' occupation status rectified	30 State-owned properties' occupation status rectified	40 State-owned properties' occupation status rectified
9. Number of Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns	-	-	-	-	-	3 Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns	3 Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns	3 Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns
10. Percentage of revenue increased through rentals of State owned small harbour and coastal properties	-	R10 821 759 revenue generated for 2015/16 through rentals of harbour related properties	9.7% (R1 050 175) increase in revenue through rentals of harbour related properties	10% (R1 187 193) increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of State owned small harbour and coastal properties	10% increase in revenue through rentals of State owned small harbour and coastal properties	10% increase in revenue through rentals of State owned small harbour and coastal properties	10% increase in revenue through rentals of State owned small harbour and coastal properties
11. Number of work opportunities created through the letting out of State coastal properties and small harbours	-	-	-	-	-	1 000 work opportunities created through the letting out of State coastal properties and small harbours	2 000 work opportunities created through the letting out of State coastal properties and small harbours	3 000 work opportunities created through the letting out of State coastal properties and small harbours

8.4.3 PROGRAMME 4: QUARTERLY TARGETS FOR 2018/19

Table 42: Programme 4 Performance indicators and quarterly targets for 2018/19

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Number of lease agreements signed within scheduled timeframes	Quarterly (cumulative)	600 lease agreements signed within scheduled timeframes	162 lease agreements signed within scheduled timeframes	237 lease agreements signed within scheduled timeframes	401 lease agreements signed within scheduled timeframes	600 lease agreements signed within scheduled timeframes
2. Savings realised on identified private leases	Quarterly (cumulative)	R200 mil savings realised on identified private leases	-	R50 mil savings realised on identified private leases	R100 mil savings realised on identified private leases	R200 mil savings realised on identified private leases
3. Percentage of new leases awarded to BBBEE companies	Quarterly (cumulative)	30% new leases awarded to BBBEE companies	-	10% new leases awarded to BBBEE companies	20% new leases awarded to BBBEE companies	30% new leases awarded to BBBEE companies
4. Number of private leases reduced within the security cluster	Annually	12 private leases reduced for the security cluster	-	-	-	12 private leases reduced for the security cluster
5. Percentage increase in revenue generation through letting of State-owned properties (excluding harbour properties)	Annually	10% increase in revenue generation through letting of State-owned properties (excluding harbour properties)	-	-	-	10% increase in revenue generation through letting of State-owned properties (excluding harbour properties)
6. Number of identified vacant surplus State-owned properties let out	Bi-Annually	65 identified vacant surplus State-owned properties let out	-	33 identified vacant surplus State-owned properties let out	-	32 identified vacant surplus State-owned properties let out
7. Number of State-owned properties verified to confirm occupation status	Quarterly (cumulative)	400 State-owned properties verified to confirm occupation status	-	133 State-owned properties verified to confirm occupation status	266 State-owned properties verified to confirm occupation status	400 State-owned properties verified to confirm occupation status
8. Number of State-owned properties occupation status rectified	Quarterly	20 State-owned properties occupation status rectified	5 State-owned properties occupation status rectified	5 State-owned properties occupation status rectified	5 State-owned properties occupation status rectified	5 State-owned properties occupation status rectified
9. Number of Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns	Annually	3 Spatial and Economic Development Frameworks (SEDFs) completed for the National Priority Projects	-	-	-	3 Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns
10. Percentage of revenue increased through rentals of State owned small harbour and coastal properties	Annually	10% increase in revenue through rentals of State owned small harbour and coastal properties	-	-	-	10% increase in revenue through rentals of State owned small harbour and coastal properties
11. Number of work opportunities created through the letting out of State coastal properties and small harbours	Quarterly	1 000 work opportunities created through the letting out of State coastal properties and small harbours	250 work opportunities created through the letting out of State coastal properties and small harbours	250 work opportunities created through the letting out of State coastal properties and small harbours	250 work opportunities created through the letting out of State coastal properties and small harbours	250 work opportunities created through the letting out of State coastal properties and small harbours

8.4.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 44: Expenditure estimates for Programme 4: Real Estate Management

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)
Management of Freehold Property for State Departments							
Management of leased –in properties for State Departments							
Leased Out freehold Properties for revenue							
Land Management & Administration							
Total	5,183,959	6,013,261	5,478,436	10,874,740	10,475,283	11,003,849	11,575,497

Table 45: Economic classification of MTEF budget for Programme 4: Real Estate Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	4,364,167	4,887,819	4,440,117	9,532,985	9,069,712	9,485,832	9,936,039	
Compensation of employees	161,492	-	-	339,443	66,908	71,324	75,960	
Salaries and wages	161,492	-	-	291,921	57,541	61,339	65,326	
Social contributions	-	-	-	47,522	9,367	9,985	10,634	
Goods and services	4,202,675	4,887,819	4,440,117	9,193,542	9,002,804	9,414,508	9,860,079	
Operating leases	3,923,763	4,078,024	4,181,195	4,452,192	4,915,496	5,308,735	5,733,434	
Other	278,912	809,795	258,922	4,741,350	4,087,308	4,105,773	4,126,645	
Interest and rent on land				-				
Interest (incl. interest on finance leases)								
Rent on land				-				
Transfers and subsidies	819,792	1,125,442	1,038,319	1,341,755	1,405,571	1,518,017	1,639,458	
Provinces and municipalities								
Municipalities	819,792	1,125,442	1,038,319	1,341,755	1,405,571	1,518,017	1,639,458	
Total	5,183,959	6,013,261	5,478,436	10,874,740	10,475,283	11,003,849	11,575,497	

8.4.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 4

The spending focus over the medium-term will be on providing and managing functional and user friendly accommodation for all user departments. The bulk of the expenditure in this programme is spent towards operating leases, property rates and municipal services. The goods and services expenditure for this programme represents 45% of the PMTE's total spending. Both operating leases and municipal services are funded on a cost recovery basis.

8.5 PROGRAMME 5: REAL ESTATE INFORMATION & REGISTRY SERVICES

Purpose of the programme: To develop and manage a complete, accurate and compliant Immovable Asset Register to meet service delivery objectives for the State, Department and Property Management Trading Entity business requirements.

8.5.1 PROGRAMME 5: STRATEGIC OBJECTIVES AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 46: Programme 5 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1. To maintain a compliant Immovable Asset Register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	-	Unqualified audit opinion on the immovable asset register (IAR)	Adverse audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)
2. To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers	Average increase of 60% in the compliance of provincial and national immovable asset registers	-	Compliance criteria agreed with Provinces	54% (average) compliance of provincial and national immovable asset registers	60% (average) compliance of provincial and national immovable asset registers	65% (average) compliance of provincial and national immovable asset registers	70% (average) compliance of provincial and national immovable asset registers	75% (average) compliance of provincial and national immovable asset registers

8.5.2 PROGRAMME 5: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 47: Programme 5 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
Strategic objective: To maintain a compliant Immovable Asset Register							
1. Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer	-	-	16 disposals approved in 2015/16 processed for transfer	70% (10) disposals approved in 2016/17 processed for transfer	80% of disposals approved in 2017/18 processed for transfer	90% of disposals approved in 2018/19 processed for transfer	100% of disposals approved in 2019/20 processed for transfer
2. Percentage of immovable assets updated on the IAR for completed infrastructure projects	-	-	100% (70) immovable assets updated on the IAR for completed infrastructure projects	100% (161) immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects	100% of immovable assets updated on the IAR for completed infrastructure projects
3. Number of land parcels vested (confirmation of ownership)	761 land parcels vested	775 land parcels vested	518 land parcels vested	600 land parcels vested	800 land parcels vested	900 land parcels vested	1 000 land parcels vested
4. Number of immovable assets physically verified to validate existence	32 677 immovable assets physically verified to validate existence	8 159 immovable assets physically verified to validate existence	7 516 immovable assets physically verified to validate existence	6 300 immovable assets physically verified to validate existence	19 708 immovable assets physically verified to validate existence	24 636 immovable assets physically verified to validate existence	29 562 immovable assets physically verified to validate existence
5. Number of buildings assessed to determine the condition of significant components	-	-	-	-	15 031 buildings assessed to determine the condition of significant components	18 789 buildings assessed to determine the condition of significant components	22 546 buildings assessed to determine the condition of significant components
Strategic objective: To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers							
6. Number of Provincial Immovable Asset Registers assessed for compliance	-	-	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance
7. Number of National and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)	-	-	-	2 National and Provincial Immovable Asset Registers incorporated into the single repository	4 National and Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository

8.5.3 PROGRAMME 5 QUARTERLY TARGETS FOR 2018/19

Table 48: Programme 5 Performance indicators and quarterly targets for 2018/19

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer	Annually	80% of disposals approved in 2017/18 processed for transfer	-	-	-	80% of disposals approved in 2017/18 processed for transfer
2. Percentage of immovable assets updated on the IAR for completed infrastructure projects	Bi-Annually	100% of immovable assets updated on the IAR for completed infrastructure projects	-	100% of immovable assets updated on the IAR for completed infrastructure projects	-	100% of immovable assets updated on the IAR for completed infrastructure projects
3. Number of land parcels vested (confirmation of ownership)	Quarterly	800 land parcels vested	200 land parcels vested	200 land parcels vested	200 land parcels vested	200 land parcels vested
4. Number of immovable assets physically verified to validate existence	Quarterly	19 708 immovable assets physically verified to validate existence	4 927 immovable assets physically verified to validate existence	4 927 immovable assets physically verified to validate existence	4 927 immovable assets physically verified to validate existence	4 927 immovable assets physically verified to validate existence
5. Number of buildings assessed to determine conditions of significant components	Quarterly	15 031 buildings assessed to determine the condition of significant components	3 757 buildings assessed to determine the condition of significant components	3 758 buildings assessed to determine the condition of significant components	3 758 buildings assessed to determine the condition of significant components	3 758 buildings assessed to determine the condition of significant components
6. Number of Provincial Immovable Asset Registers assessed for compliance	Quarterly	9 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance	3 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance
7. Number of National and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)	Bi-Annually	4 National and Provincial Immovable Asset Registers incorporated into the single repository	-	2 National and Provincial Immovable Asset Registers incorporated into the single repository	-	2 National and Provincial Immovable Asset Registers incorporated into the single repository

8.5.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 49: Expenditure estimates for Programme 5: Real Estate Information and Registry

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Asset Register Management							
Conveyancing and Vesting							
Total	2,627,955			72,209	108,862	115,859	123,034

Table 50: Economic classification of MTEF budget for Programme 5: Real Estate Information and Registry

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
	(R'000)	(R'000)	(R'000)		(R'000)	(R'000)	(R'000)
Current payments	2,627,955			72,209	108,862	115,859	123,034
Compensation of employees	10,325			28,760	76,466	81,514	86,812
Salaries and wages	10,325			24,734	65,761	70,102	74,658
Social contributions				4,026	10,705	11,412	12,154
Goods and services				43,449	32,396	34,345	36,222
Other				43,449	32,396	34,345	36,222
Depreciation	2,617,630						
Total	2,627,955			72,209	108,862	115,859	123,034

8.5.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 5

The spending focus over the medium-term will be on the maintenance of the Immovable Asset Register (IAR), which is an important deliverable towards the full operationalisation of the PMTE. The IAR forms the basis for the revenue generation strategy and implementation of itemised billing. The bulk of the expenditure in this programme is spent towards compensation of employees to fill all critical vacancies aimed at rebuilding the PMTE technical and professional capacity and the maintenance of the IAR. An MTEF Budget of R67.4 million will be used to maintain a GRAP compliant IAR and to assess provincial IARs for compliance.

8.6 PROGRAMME 6: FACILITIES MANAGEMENT

Purpose of the programme: To ensure that immovable assets used by government departments and the public, are optimally utilised and maintained in a safe, secure healthy and ergonomic environment while contributing to job creation, skills development and poverty alleviation.

8.6.1 PROGRAMME 6: STRATEGIC OBJECTIVES AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 51: Programme 6 Strategic objectives and medium term targets for 2018/19 – 2020/21

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2017/18	MEDIUM TERM TARGETS		
		2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
1. To manage maintenance programmes in accordance with an approved plan	2 000 buildings maintained through scheduled maintenance as per approved maintenance plan	-	400 buildings maintained through scheduled maintenance as per approved maintenance plan	350 buildings maintained through scheduled maintenance as per approved maintenance plan	450 buildings maintained through scheduled maintenance as per approved maintenance plan	500 buildings maintained through scheduled maintenance as per approved maintenance plan	550 buildings maintained through scheduled maintenance as per approved maintenance plan	600 buildings maintained through scheduled maintenance as per approved maintenance plan
2. To ensure resource efficiency in State-owned buildings	100% implementation of water and energy management plans	-	National Green Building Plan approved	50% implementation of water and energy management plans	80% implementation of water and energy management plans	90% implementation of water and energy management plans	100% implementation of water and energy management plans	100% implementation of water and energy management plans

8.6.2 PROGRAMME 6: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2018/19 – 2020/21

Table 52: Programme 6 Performance indicators and medium term targets for 2018/19 – 2020/21

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2017/18	MEDIUM-TERM TARGETS		
	2014/15	2015/16	2016/17	2017/18		2018/19	2019/20	2020/21
Strategic objective: To manage maintenance programmes in accordance with an approved plan								
1. Number of facilities with maintenance contracts in place	-	718 identified buildings with facilities management contracts in place	881 buildings with scheduled maintenance contracts in place	409 facilities with maintenance contracts in place	500 facilities with maintenance contracts in place	550 facilities with maintenance contracts in place	600 facilities with maintenance contracts in place	
2. Percentage of unscheduled reported maintenance incidents resolved within agreed timeframes	18% (9 680) day-to-day maintenance breakdowns completed within agreed timeframes	5 % (5 553) unscheduled reported maintenance incidences resolved within agreed timeframes	7% (3 124) unscheduled reported maintenance incidents resolved within agreed timeframes	5% (595) unscheduled reported maintenance incidents resolved within agreed timeframes	15% unscheduled reported maintenance incidents resolved within agreed timeframes	20% unscheduled reported maintenance incidents resolved within agreed timeframes	25% unscheduled reported maintenance incidents resolved within agreed timeframes	
3. Percentage of term contracts awarded to BBBEE companies	-	-	30% (114) maintenance contracts awarded compliant to BBBEE property sector targets	30% (60) term contracts awarded to BBBEE companies	35% term contracts awarded to BBBEE companies	40% maintenance term contracts awarded to BBBEE companies	45% maintenance term contracts awarded to BBBEE companies	
Strategic objective: To ensure resource efficiency in State-owned buildings								
4. Reduction in energy consumption (kilowatt hours) for identified buildings	190 000 000kWh reduction in energy consumption for identified buildings	220 000 000kWh reduction in energy consumption for identified buildings	250 000 000kWh reduction in energy consumption for identified buildings	137 000 000 kWh reduction in energy consumption for identified buildings	150 000 000kWh reduction in energy consumption for identified buildings	200 000 000kWh reduction in energy consumption for identified buildings	250 000 000kWh reduction in energy consumption for identified buildings	
5. Number of kilowatt hours of renewable energy generated	-	-	-	90 000 kWh renewable energy generated (Union Buildings)	10 400 000kWh renewable energy generated	80 000 000kWh renewable energy generated	100 000 000kWh renewable energy generated	
6. Reduction in water consumption (kilolitres) for identified buildings	3 550 480kl reduction in water consumption for identified buildings	4 090 865kl reduction in water consumption for identified buildings	4 300 000kl reduction in water consumption for identified buildings	4 800 000kl reduction in water consumption for identified buildings	8 000 000kl reduction in water consumption for identified buildings	9 000 000kl reduction in water consumption for identified buildings	10 000 000kl reduction in water consumption for identified buildings	

8.6.3 PROGRAMME 6: QUARTERLY TARGETS FOR 2018/19

Table 53: Programme 6 Performance indicators and quarterly targets for 2018/19

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2018/19	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Number of facilities with maintenance contracts in place	Quarterly	500 facilities with maintenance contracts in place	50 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place
2. Percentage of unscheduled maintenance incidents resolved within agreed timeframes	Quarterly	15% unscheduled reported maintenance incidents resolved within agreed timeframe	15% unscheduled reported maintenance incidents resolved within agreed timeframe	15% unscheduled reported maintenance incidents resolved within agreed timeframe	15% unscheduled reported maintenance incidents resolved within agreed timeframe	15% unscheduled reported maintenance incidents resolved within agreed timeframe
3. Percentage term contracts awarded to BBBEE companies	Annually	35% term contracts awarded to BBBEE companies	-	-	-	35% term contracts awarded to BBBEE companies
4. Reduction in energy consumption (kilowatt hours) for identified buildings	Quarterly	150 000 000kWh reduction in energy consumption for identified buildings	37 500 000kWh reduction in energy consumption for identified buildings	37 500 000kWh reduction in energy consumption for identified buildings	37 500 000kWh reduction in energy consumption for identified buildings	37 500 000kWh reduction in energy consumption for identified buildings
5. Number of kilowatt hours of renewable energy generated	Quarterly	10 400 000kWh renewable energy generated	2 600 000 kWh renewable Energy installed capacity	2 600 000 kWh renewable Energy installed capacity	2 600 000 kWh renewable Energy installed capacity	2 600 000 kWh renewable Energy installed capacity
6. Reduction in water consumption (kilolitres) for identified buildings	Quarterly	8 000 000kl reduction in water consumption for identified buildings	2 000 000kl reduction in water consumption for identified buildings	2 000 000kl reduction in water consumption for identified buildings	2 000 000kl reduction in water consumption for identified buildings	2 000 000kl reduction in water consumption for identified buildings

8.6.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 54: Expenditure estimates for Programme 6: Facilities Management

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Planned Maintenance							
Unscheduled Maintenance							
SHERQ Management							
Total	2,712,496	3,200,060	3,105,119	3,202,513	3,269,564	3,012,460	3,180,421

Table 55: Economic classification of MTEF budget for Programme 6: Facilities Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Current payments	2,712,496	3,200,060	3,105,119	3,202,513	3,269,564	3,012,460	3,180,421
Compensation of employees	442,501	-	-	571,267	216,656	230,955	245,967
Salaries and wages	442,501			491,290	186,324	198,621	211,532
Social contributions	-			79,977	30,332	32,334	34,435
Goods and services	2,191,007	3,200,060	3,105,119	2,631,246	3,052,908	2,781,505	2,934,454
Administrative fees							
Venues and facilities							
Repairs & maintenance	2,008,466	2,982,061	2,855,115	2,184,164	2,629,096	2,439,178	2,573,333
Other	182,541	217,999	250,004	447,082	423,812	342,327	361,121
Losses from							
Other	78,988						
Total	2,712,496	3,200,060	3,105,119	3,202,513	3,269,564	3,012,460	3,180,421

8.6.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 6

The spending focus over the medium-term will be on the implementation of Scheduled Maintenance Programmes, to manage and minimize unscheduled maintenance incidents and to reduce the consumption of municipal services. The bulk of the expenditure in this programme is for the compensation of employees to fill all critical vacancies aimed at rebuilding the PMTE technical and professional capacity and to perform repairs and maintenance and cleaning and gardening. An MTEF budget of R7.3 billion will be prioritised to implement scheduled maintenance contracts for prioritised buildings and resolve unscheduled maintenance incidents within agreed timeframes. A further R100 million has been allocated for the 2018/19 financial year against the Turnaround Strategy for the componentisation of the IAR to determine the accurate condition of each property and the subsequent maintenance strategy required to uplift the condition of the portfolio to an appropriate level. This strategy will be processed through the User Charges Model which will determine the appropriate tariff to be charged to user departments in the PMTE's quest towards achieving financial sustainability.



PART C

PROGRAMME AND SUB PROGRAMME PLANS



9. Links to long-term infrastructure plan

Table 56: Infrastructure Programme: New, replacement, upgrades and additions

INFRASTRUCTURE PROGRAMME	NUMBER OF PROJECTS	PROJECT DESCRIPTION	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION 2017/18	ADJUSTED APPROPRIATION 2017/18	REVISED ESTIMATE 2017/18	MEDIUM TERM ESTIMATES		
					2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Departmental	33	Various	Various	Various	139 832 000	197 918 000	147 773 000	170 661 000	-	170 661 000	180 560 000	190 671 000	201 158 000
Accessibility	100	Various	Various	Various	10 156 000	6 650 000	8 168 000	24 479 000	-	24 479 000	15 320 000	16 178 000	17 068 000
Dolomite Risk Management	33	Various	Various	Various	85 026 000	74 951 000	77 329 000	114 370 000	-	114 370 000	121 000 000	127 776 000	134 804 000
Land Ports of Entry	99	Various	Various	Various	137 164 000	167 908 000	203 529 000	200 664 000	-	200 664 000	216 553 000	228 680 000	241 257 000
Inner City Regeneration	10	Various	Various	Various	3 718 000	44 588 000	44 718 000	61 786 000	-	61 786 000	84 676 000	89 418 000	94 336 000
Prestige	54	Various	Various	Various	46 524 000	136 428 000	151 507 000	176 279 000	-	176 279 000	186 500 000	196 944 000	207 776 000
Total	329	-	-	-	422 420 000	628 443 000	633 024 000	748 239 000	-	748 239 000	804 609 000	849 667 000	896 399 000

Table 57: Infrastructure Programme: Maintenance and Repairs (Planned Maintenance Current)

INFRASTRUCTURE PROGRAMME	NUMBER OF PROJECTS	PROJECT DESCRIPTION	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION 2017/18	ADJUSTED APPROPRIATION 2017/18	REVISED ESTIMATE 2017/18	MEDIUM TERM ESTIMATES		
					2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Facilities Management	683	Various	Various	Various	757 828 156	782 486 615	884 078 315	897 422 809	-	897 422 809	1 267 843 019	1 001 696 000	1 056 788 998

Table 58: Infrastructure Programme: Rehabilitation, renovation and refurbishment (Planned Maintenance Capital and Rehabilitation)

INFRASTRUCTURE PROGRAMME	NUMBER OF PROJECTS	PROJECT DESCRIPTION	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION 2017/18	ADJUSTED APPROPRIATION 2017/18	REVISED ESTIMATE 2017/18	MEDIUM TERM ESTIMATES		
					2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Construction Project Management	526	Various	Various	Various	1 342 565 261	1 203 450 801	1 116 114 049	1 179 410 028	-	1 179 410 028	1 210 204 981	1 795 129 000	1 873 604 002

10. Service Delivery Improvement Plan (2017/18 – 2019/2020)

Table 59: Service Delivery Improvement Plan (2017/18 - 2019/20)

STANDARDS	SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR[1]	CURRENT STANDARD (BASELINE)	TARGET 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
CUSTOMER/ CLIENT RELATIONS										
Consultation, Access, Courtesy, Openness & Transparency, Information, Redress and Value for Money.	Client Departments	Active management of client relations (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, and Gate 1(a)).	To improve Client Satisfaction by conducting Client Surveys for the Service Delivery Improvement Plan.	Service excellence and understanding client satisfaction. Firstly, by focusing PMTE on the importance of fulfilling and exceeding client expectation. Secondly by warning PMTE of potential problems that can affect future revenue.	Number of Client Satisfaction Survey Templates conducted.	Client Satisfaction Survey Template completed.	10	10	10	10
Courtesy, Openness and transparency, Value for money, Service standards, Redress	Client Department	Effective contract management	Client & DPW Cooperation.	Greater customer satisfaction through close communication	Service Level Agreements between client & DPW	Number of service level agreements in place between PMTE and clients	117	53	53	53
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Management of consultants as per agreed contract deliverables	Timeous commencement of projects	-	Number of site handover certificates issued	52	52	52	52
			Streamlining of business processes to reduce response time	Faster response times to calls logged	Percentage of unscheduled calls responded to within targeted time frames	-	10%	15%	20%	24%
			Conduct client portfolio meetings.	Achieve alignment with clients on priorities for Facilities Management	Number of client meetings attended	1	8	16	24	24

STANDARDS	SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR[1]	CURRENT STANDARD (BASELINE)	TARGET 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Better informed regarding construction issues	Current information informing decisions regarding client requirements.	Number of site meetings attended by clients	-	16	24	32	32
			Facilitate client portfolio meetings.				Number of portfolio reports issued to clients	16	24	32
ACCOMMODATION PROVISION										
Value for money, Service standards, Access	Client Department	Provide accommodation that adheres to clients' needs	Develop specification in line with client's needs	Client's ability to deliver required service	Percentage of new leases adhering to client needs	33%	90%	95%	95%	95%
Courtesy, Openness and transparency, Value for money, Service standards, Redress	Client Department	Effective contract management	Tracking and monitoring of lease terms and obligations to determine renewals and terminations	Undisturbed functional occupancy	Percentage of leases concluded prior to expiry	20%	50%	60%	70%	80%
Value for money, Service standards, Access	Client Department	Provide accommodation that adheres to functional use specifications (e.g. police station) - norms & standards	Projects conforming to approved norms & standards	Delivery of functional accommodation.	Number of projects delivered that conform to approved norms & standards	-	4	6	8	10
ACCOMMODATION IMPROVEMENT										
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Drinking Water Treatment Works (WWTW) & Waste Water Works	Green Drop Requirements being established at 82 National WWTW's. this will include the management thereof	Access to good quality wastewater resources, even for remote/rural municipalities which don't have access.	Number of facilities that are assessed for Green Drop Compliance.	40	42	-	-	-
Courtesy, Openness and transparency, Value for money, Service standards, Redress	Client Department	Maintenance Plans for priority facilities	Blue Drop Requirements being established at 51 National WWTW's. this will include the management thereof	Access to good quality water resources, even for remote/rural municipalities which don't have access.	Number of facilities that are assessed for Blue Drop Compliance.	0	51	-	-	-
			Scheduled / Pro-active maintenance of prioritised portion of the PMTE property portfolio.	Through Proper Maintenance planning DPW is to ensure continued access to accommodation to support Batho Pele interest.	Percentage of prioritised facilities with Total Facilities Maintenance Programs. (cumulative)	5%	10%	15%	20%	
		To ensure fit for purpose accommodation		Through this program we will preserve the asset value; ensuring access services						

11. Strategic Risk Plan for the Property Management Trading Entity

Table 60: Property Management Trading Entity – Strategic Risk Register – 2018/19 Financial Year

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH	
<p>To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements</p> <p>To consolidate user demands that enable planning and budgeting</p> <p>To increase the value of the State's immovable asset portfolio</p> <p>To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government</p> <p>To meet user departments' accommodation requirements as per the approved Infrastructure Programme Implementation Plan (IPIP)</p>	1	Inadequate service delivery leading to the erosion of the Department's mandate	<p>Inadequate capacity to deliver on key functions across the PMTE</p> <p>Unattractive remuneration in the Public Sector to attract and retain skilled/professional employees</p> <p>Inadequate mentoring programme to transfer skills (Technical)</p> <p>No Policy/Framework in place to direct capacity building programme for the built environment</p>	<p>Poor service delivery to User Department and key Stakeholders</p>	High	<p>Awarding of bursaries to internal and external candidates</p> <p>Retention of staff through the implementation of the retention Policy</p> <p>Intensive recruitment drive currently underway</p> <p>Use of Implementing Agents (IDT, DBSA, COEGA)</p> <p>Project Management Office in place</p> <p>Implementation of inward looking capacity building programmes</p>	High	<p>Insourcing of capacity through the filling of funded and critical posts within the new PMTE Structure</p> <p>Finalisation and implementation of the Framework for National Technical Capacity Building Programme</p> <p>Design of the Knowledge Management/ ICT platform for National Technical Capacity Building Programme</p> <p>Identification of external funding sources and development of proposals to meet funding requirements</p>	2018/06/30	CS	All branches	
			<p>Inadequate client centric culture across the value chain.</p> <p>Inadequate comprehensive client relationship management strategy across the value chain.</p>	<p>Uncoordinated and multiple communications to user departments</p>	High	<p>Constant engagements with user departments to ensure UAMPS are completed.</p>	High	<p>Development of a Client Relations Management (CRM) Strategy primarily focusing on three components: CRM Model, CRM Protocol and CRM IT system.</p> <p>Implementation Programme of the CRM Strategy across the value chain</p>	2018/06/30	UDM	PMO	
			<p>Inadequate life cycle planning for immovable assets under the custodianship of the Department</p>	<p>Inability to optimally utilize State-owned properties to accommodate user departments</p>	High	<p>1 CAMP submitted annually to National Treasury as per GIAMA</p>	High	<p>Implementation of CRM Model to support the review of the User Charge Model with user departments (phased approach)</p> <p>Development of life cycle plans for prioritised immovable assets</p>	2018/04/01 to 2020/03/31	UDM	REIS FM Finance REMS	
										2019/03/31	REIS	UDM REIRS

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH
			Non-alignment of infrastructure planning with Government services at Municipal level (IDPs and SDFs)	Non-integrated planning will perpetuate spatial imbalances and lack of integrated accessible Government facilities	High	Structured engagements with Municipalities Compliance with Spatial Planning and Land Use Management Act (SPLUMA) to ensure integrated planning	High	Quarterly engagements with Municipalities to align planned Infrastructure Plans	2019/03/31 Quarterly	REIS	IGC
			Inadequate and fragmented business information systems	Reliance on existing non-integrated property, finance, and project management information systems, (Currently utilising old system WCS and PMIS and manual systems)	High	Mapping and analysis of existing business processes. Development of improved business processes on a case-by-case basis	High	Implementation of the Property and Projects Modules on ARCHIBUS System Implementation and training for completed modules on the ERP systems.	2019/02/28 2018/11/30	CS CS	All Branches All Branches
			Outdated business processes	Failure to integrate Business information for cross cutting function that inform proper infrastructure planning	High	Risk Assessment delegated to consultants Mora letters issued by Project Managers Blacklisting of service providers	High	Enhancement of the existing business processes	31/10/2018	PMO	All Branches
			Incompetent and under resourced contractors Project Managers do not have authority to dismiss poor performing contractors Ineffective contract management	Late/non-delivery of infrastructure in terms of time and costs Negative audit findings Fruitless and wasteful expenditure on infrastructure projects	High	Functionality Assessments	High	Establish contractor incubator programme that includes mentoring and training of contractors Enforcement of delegation of authority to terminate non-performing contractors Develop Contract Management Framework	2019/03/31 2019/03/31 31/07/2018	PMO CPM PMO	CPM SCM PMO CPM
			Inadequate screening/assessment of contractors. Accruals at year end affects the budgeting and planning of client departments for following financial year.	Analysing of payment turnaround times from Reapatala Invoice Tracking reports	High	Reprioritisation of infrastructure programmes biannual	High	Comparison of the listed accruals to the payments made after year end. Preparation of user friendly templates by Finance. Establishment of a function to manage Projects Accountants	31/04/2018 30/09/2018	Finance CPM	CPM CS
			Reduction in infrastructure budget for Client Departments	Inability to fully implement infrastructure programme	High	Reprioritisation of infrastructure programmes biannual	High	Establish a function for Project Management Support Monthly performance review meetings with all executing Units	30/09/2018 31/03/2019 (Monthly)	CPM CPM	CS Regional Offices, UDM

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH
To ensure optimal performance of the State's Immovable Asset Portfolio To provide quality accommodation and contribute to the financial sustainability of the PMTE	2	Inadequate maintenance and safeguarding of State assets	Poorly maintained buildings and facilities that threaten the health and safety of the occupants	Deterioration in the condition and value of the State's portfolio of immovable assets	High	Health and safety inspections are being conducted	High	Implementation of the Top 300 pilot Programme	2019/03/31	FM	REIRS Finance REIS
			Maintenance activities are significantly under budgeted from both a capital and operational expenditure baseline	Reputational Damage Litigation against the Department		Maintenance schedules have been developed for HVAC, Boilers and Lifts within the Top 300 programme		Planned Maintenance, repair and rehabilitation program	30/06/2018	FM	REIS, Finance PMO
			Maintenance plans not compliant with NIMIMS and IDMS requirements due to a lack of detailed technical analysis of asset sub components (IAR not componentised)	Non-compliance with OHS 85 of 1993 and various regulations General Machine Regulations (GMR) and Electrical Regulations (ER)	High	Limited budget to undertake planned and scheduled maintenance	High	Executing units to take full responsibilities as 16.2 in terms of the OHS 85 appointees in their Regions.	30/06/2018 30/06/2018	FM, Statutory Compliance FM	-
			Inadequate condition assessments at sub component level linked to individual properties on the IAR	Increasing reliance on unscheduled maintenance		IAR meets compliance and reporting requirements in terms of PFMA and GRAP		Utilisation of State agencies (DBSA/CSIR/COEGA) to fast track the implementation of maintenance interventions.	Physical verification and detailed technical analysis to assess condition of the immovable asset portfolio at sub component level	2020/06/31	REIRS
					High	Unscheduled maintenance guidelines and interim business processes in place to address short term maintenance requirements	High	Facilities Management and Finance engaging National Treasury to increase funding for schedules maintenance, repair and refurbishment.	30/09/2018	FM	Finance
						Identification of assets classes to be incorporated into planned maintenance programme (water system)		Implementing the critical component programme for Lifts	2019/03/31	FM	Finance
			Current systems do not support identification of accruals (jobs done and amounts due) and provisions after the calls has been logged	Inability to account for maintenance costs (unscheduled maintenance accruals and provisions cannot be accounted for)	High	Manual calculation of accruals and provisions for historical calls logged	High	Implement facilities management module (on the ERP System) to track current unscheduled maintenance calls	2019/02/28	CS	FM

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH
To ensure the optimal performance of the State's immovable asset portfolio	3	Inadequate delivery of national Government priorities	<p>Illegal occupation and vandalism of State owned properties</p> <p>Vacation of properties by user departments without notifying the Department</p> <p>Lack of funding to secure vacant State-owned properties</p> <p>Aging Engineering Assets driving inefficient resource consumption.</p> <p>Behavioural patterns of occupants does not ensure resource preservation.</p> <p>Use of inefficient technologies.</p> <p>Lack of recycling of waste generated in Government facilities</p>	<p>Deterioration of the value of State's Portfolio of Immovable Assets</p> <p>High building operating costs</p> <p>High level of unscheduled maintenance</p> <p>High consumption of water and energy</p> <p>Insufficient recovery rates for water and energy from user charges</p> <p>High footprint on Municipal Landfills from waste generated in Government Buildings</p> <p>Insufficient work opportunities created through labour intensive construction</p> <p>Inadequate opportunities available to black-owned, emerging companies</p> <p>Low growth</p>	High	<p>Inspection of vacant State-owned properties to compile condition assessment and determine occupation status</p> <p>Regular engagements with user departments</p> <p>Signing of SLA's</p> <p>Implementation of the integrated resource efficiency interventions (Energy, Water and Waste).</p>	High	<p>Finalisation of the Illegal Occupation strategy</p> <p>Operation Bring Back</p> <p>Business Plan to address illegal occupation</p> <p>Verification of properties identified as being illegally occupied</p>	<p>2019/03/31</p> <p>2019/03/31</p> <p>2019/03/31</p> <p>2019/03/31</p>	REMS	UDM, REIRS, GRC
			<p>Job creation in the context of Public Employment Programmes not optimised</p>	<p>Insufficient work opportunities created through labour intensive construction</p> <p>Inadequate opportunities available to black-owned, emerging companies</p> <p>Low growth</p>	High	<p>Capital and Planned Maintenance Infrastructure projects subscribe to EPWP</p> <p>Scheduled maintenance contracts awarded to SMMEs</p>	Medium	<p>EPWP to be applied to all infrastructure projects as part of the tender documentation</p> <p>Training of the emerging Contractors as part of the Contractor Incubator Programme (CIP)</p> <p>Implementation of the Property Incubator Programme (PIP)</p> <p>Implementation of the 2017 Preferential Procurement Regulations (and new SCM Policy) to create sustainable opportunities</p>	<p>2019/03/31</p> <p>2019/03/31</p> <p>2019/03/31</p> <p>2019/03/31</p>	<p>CPM</p> <p>PMO</p> <p>REMS</p> <p>SCM</p>	<p>SCM</p> <p>UDM, SCM</p> <p>UDM, SCM</p> <p>All Branches</p>

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH
To provide quality accommodation and contribute to the financial sustainability of the PMTE Increase the value of State immovable asset portfolio To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	4	Weakening financial viability and sustainability of PMTE	Lack of Revenue Generation Strategy	Unable to pay creditors	High	Approval of extension for exemption on itemised billing	High	Develop a revenue generation strategy	2019/03/31	PMO	All Branches
			Lack of Letting-out Policy	Inability to maintain the current immovable asset portfolio		Utilisation of municipal services confirmed before accounts are paid		Implementaation of Finance Model	30/06/2018	Finance	REMS, REIS, CS
			Expenditure incurred on unutilised properties	Increase in bank overdraft		Master Data Base (MDB) excel spreadsheet to identify over/under payments of leases		Develop a Letting - out policy	2019/03/31	REMS	-
			Duplicate/over payments on the same property	Inadequate controls on leasing system to ensure accurate payments		Devolution Framework in place		Implementaation of the Lease Module on Archibus	2019/02/28	CS	REMS
			Inability to recover debt due to user departments disputing occupation of the properties	Revenue and debt management unit in place to recover outstanding debt		Revenue and debt management unit in place to recover outstanding debt		Re - negotiations of leasing-in and letting-out contracts	2019/03/31	REMS	-
			Reduction of National Treasury allocations	Stringent budget management		Stringent budget management		Revision of the Operating Model: • Agreement with National Treasury on the revised Operating Model • Negotiate with National Treasury the increase in accommodation charges required from user departments	2019/03/31	Finance	-
			Inadequate Operating Model of the PMTE (pay first and recover later)	Monthly Budget reviews conducted		Monthly Budget reviews conducted		• Revision of payment date to lessors • Revision of user charge per user department (based on the user charge model) • Disputes to be resolved and invoices issued to be accurate and correspond to occupation. • Implementation of interest on overdue accounts to motivate user departments to pay accounts on time • Decrease in the debt collection period • Application of appropriate user charges linked to itemised billing			
			Ineffective market research, commodity pricing data analysis, buying patterns analysis due to insufficient capacity to fully implement Demand Management as per the National Treasury Framework	High acquisition costs		High acquisition costs		Operationalise demand management as per National Treasury Demand Management Framework.	2018/09/30	SCM	HR – Corporate Services
			Inadequate planning for the required goods & services	Inability to leverage procurement spend		Price negotiations conducted in line with the Preferential Procurement Regulations		Introduce Demand Management at Regional Offices	2019/03/31	SCM	All Branches
			Non-compliance with laws and regulations	Depletion of budgets impacting new projects		Cost containment		Conduct market research, where required, to ensure prices are commensurate with prevailing market conditions	2019/09/30	SCM	All Branches
Lack of skilled negotiators within PMTE	Erosion in the Department's credibility as a procuring agency	Preparation of effective and realistic annual demand plans	Preparation of effective and realistic annual demand plans	2018/03/31	SCM	All Branches					

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	DUE DATE	PRIMARY BRANCH	SECONDARY BRANCH
To provide reliable immovable asset information that informs investment decisions and portfolio management	5	Inability to maintain a reliable and accurate immovable asset register (IAR)	Abuse of the SCM system by service providers / contractors	Negative audit findings Non integration of immovable asset registers for all spheres of Government	High	Implementation of the three Bid Committee System (Leasing, Projects, Goods & Services)	High	Blacklist service providers / contractors that are found to have abused the SCM system in terms of the SCM Prescripts	2018/03/31	SCM	All Branches
			Avoidance / non-utilisation of open and competitive bidding processes			Restriction Committee Authority (RCA) implemented		Quarterly engagement with Provinces on the changing SCM Landscape	2019/03/31	SCM	All Branches
			Fragmented government systems leading to misalignment between various data sources (e.g. SG data, deeds records and municipal valuation rolls)		High	Use of National Treasury Central Supplier Database as the only repository of supplier information		Ongoing SCM training	2019/03/31 On going	SCM	All Branches
			Inadequate communication amongst key stakeholders leading to misalignment between various data sources (e.g. SG data, deeds records and municipal valuation rolls)			Prior approval by Bid Adjudication Committee and National Treasury		Restrict procurement to open and competitive bidding	2019/03/31 Ongoing	SCM	All Branches
						State land analysis and reconciliation of National and Provincial IARs against the Deeds Records, SG data and MVRs		Engage DRDLR (DG, Chief Surveyor General, Chief Registrar of Deeds), Office of the State Attorney, Municipalities and Provinces for the rectification of the following: Properties reflecting no registered owner as per deeds records (850 000), Dual ownership (980), Illegal transfer (325),	2018/05/31	REIRS	-
						Conduct physical verification and condition assessment of properties and components		Implementation of the IAR Module on the ARCHIBUS System	2018/06/30	CS	REIRS
						Phased implementation of SAGE / Archibus		Interface of the IAR Module with the Projects Module within the ARCHIBUS System	2018/09/31	CS	CPM
						Static copy of IAR on Archibus					
						Use of excel IAR data extracted from the server linked to the mobile solution					
						Periodic reviews and analysis of the various sources of information (e.g. PMIS, WCS, Leases module, etc.) against the IAR.					

12. PUBLIC PRIVATE PARTNERSHIPS

There are no Public Private Partnerships to report for the 2018/19 period

A low-angle, upward-looking photograph of several modern glass skyscrapers. The buildings' facades are composed of a grid of dark window frames and light-colored glass panels. The perspective is from below, looking up at the structures as they converge towards the top of the frame. The sky is filled with soft, white clouds, and the overall color palette is a mix of blues, greys, and whites, with a semi-transparent dark grey horizontal band across the middle.

PART D

**ANNEXURES TO THE ANNUAL
PERFORMANCE PLAN**



13. Amendments to the Strategic Plan

There are no amendments to the 5 Year Strategic Plan

14. Technical Indicator Descriptions

14.1 PROGRAMME 1: ADMINISTRATION

Key Performance Indicator 1.1

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective:	To provide a compliant internal control and financial service
Indicator Title	Reviewed PMTE Business Processes
Short description	To map, examine, improve and implement business processes in each of the six PMTE programmes to enhance core business efficiency.
Purpose/importance	The operationalisation of the PMTE is key to unlocking effectiveness and efficiency in the delivery of core services. To this extent, the business processes review is aimed at addressing the disjuncture between strategic intent and actual delivery by introducing controls as a standardised procedure (Standard Operating Procedures) as required by DPSA and in line with the Service Delivery Planning Value Chain.
Source/collection of data	Project Charters, Risk & Maturity Assessment Report, Gap-Analysis Report, Benchmarking Report, Standard Operating Procedures, End-to-End business process model, Roadmap Recommendation Framework
Method of calculation	None
Unit of Measure	None
Data limitations	None
Type of indicator	Input
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	Approved and signed-off Business Processes and Standard Operating Procedures for each line function.
Indicator owner	Head: Operationalisation and Financial Sustainability Programme
Indicator updater	Director: Operationalisation and Financial Sustainability Programme

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	"As-Is" Business Processes Mapped

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	"As-Is" Business Processes Mapped	PMTE Reviewed Business Processes approved	-	-	-
Portfolio of Evidence	Phase 1 Project Charter, Risk & Maturity Assessment Report, Gap-Analysis Report, Standard Operating Procedures, End-to-End business process model, Roadmap Recommendation Framework	Phase 2 & 3 Project Charter, Pilot Gap-Analysis Report, Approved Standard Operating Procedures, Updated End-to-End business process model, Close-out Report	-	-	-

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Pilot Gap Analysis, Delegation Gap Analysis, External Policy Gap Analysis, Internal Policy Gap Analysis, ICT integration, Org Design Gap Analysis, Benchmarking completed	To-Be optimised Business Processes mapped	To-Be optimised Business Processes verified	PMTE Reviewed Business Processes approved
Portfolio of Evidence	Pilot Findings, Results and Recommendations Report	Updated SOPs	Approved SOPs	Signed-off SOPs

Key Performance Indicator 1.2

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant internal control and financial service
Indicator Title	Percentage of compliant invoices settled within 30 days
Short description	This indicator is measuring the percentage of compliant invoices received from suppliers that are paid within 30 days in line with legislative requirements. An invoice is only regarded as valid once the work has been certified as completed in accordance with the requirements of the PMTE.
Purpose/importance	To indicate how effectively the PMTE is paying suppliers in line with the statutory requirements of the PFMA and Treasury Regulations 8.3.1
Source/collection of data	Invoices received from suppliers, payments register/ Reapatala Invoice Tracking System and SAGE X3. The data is updated by executing units on the Reapatala system. The information is then extracted quarterly for reporting.
Method of calculation	Count the number of compliant invoices paid within 30 days and express this as a percentage of the total number of compliant invoices received for the same period. <u>Number of compliant invoices paid within 30 days</u> Total number of compliant invoices received for the same period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Activity
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The PMTE to ensure that all compliant invoices are paid within 30 days.
Indicator owner	Chief Director: Financial Accounting and Reporting
Indicator updater	Director: Financial Accounting

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	76% (128 262)	85%(128 562)	86% (137 435)	100% (121 774)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	100% (121 774)	100%	100%	100%	100%

Portfolio of Evidence	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid
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Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	100%	100%	100%	100%

Portfolio of Evidence	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid
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Key Performance Indicator 1.3

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant internal control and financial service
Indicator Title	Number of new revenue generation sources incubated
Short description	The indicator is measuring the incubation of newly identified revenue generation sources. The incubation process involves the identification of new revenue opportunities, conducting a cost benefit assessments to evaluate the expected returns to be generated, the testing of the market and concluding of agreements that will translate into sustainable future revenue receipts in the outer years
Purpose/importance	Growth of the revenue base of PMTE to fund operational requirements
Source/collection of data	Revenue generation implementation plans
Method of calculation	A simple count of the number of revenue generation sources incubated
Unit of Measure	Number
Data limitations	None
Type of indicator	Input
Calculation type	Non – cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	The conclusion of new agreements that will generate new and sustainable sources of revenue to fund operational requirements within the PMTE
Indicator owner	Chief Financial Officer
Indicator updater	Head: Operationalisation and Financial Sustainability Programme

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	2

Annual Targets	2017/18 (EP)	2018 /19	2019/20	2020/21	2021/22
	2	2	2	2	2
Portfolio of Evidence	Approved revenue generation Implementation Plans	New revenue generation agreements signed			

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	2
Portfolio of Evidence	-	-	-	New revenue generation agreements signed

Key Performance Indicator 1.4

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant internal control and financial service
Indicator Title	Number of identified user departments issued with itemised billing
Short description	This indicator is measuring itemised billing issued to identified user departments for State accommodation that is occupied by the user department in order to generate the appropriate accommodation charges.
Purpose/importance	The purpose is to recover accommodation charges as per the approved user charges model and to ensure financial stability of the Property Management Trading System (PMTE).
Source/collection of data	IAR, Billing System.
Method of calculation	A simple count of the number of identified user departments that have been issued with Itemised billing
Unit of Measure	Number
Data limitations	Non componentisation of the Immoveable Asset Register
Type of indicator	Input
Calculation type	Non – cumulative
Reporting cycle	Annually
New indicator	Yes
Desired performance	Implementation of itemised billing to all user departments
Indicator owner	Chief Financial Officer
Indicator updater	Chief Director Revenue and Debt Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	10

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	10	15	19	22	27
Portfolio of Evidence	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	15	-	-	-
Portfolio of Evidence	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)			

Key Performance Indicator 1.5

Strategic Goal:	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective:	To provide a compliant internal control and financial service
Indicator Title	Approved Financial Model
Short description	To develop and approve a financial model for the PMTE that supports the projection of expenditure and revenue over the medium-term.
Purpose/importance	To develop a tool that will assist the PMTE with the determination of the break-even point of revenue and costs based on different tariff structures and / or alternative revenue streams.
Source/collection of data	Needs assessment document. Principles, drivers and criteria for the finance model.
Method of calculation	None
Unit of Measure	None
Data limitations	None
Type of indicator	Input
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	An approved financial modelling tool that is operational and directs expenditure and revenue streams of the trading account to a position of financial sustainability over an agreed timeframe.
Indicator owner	Head: Operationalisation and Financial Sustainability Programme
Indicator updater	Chief Director: Planning and Budgeting

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	Technical solution developed with dashboards

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	Technical solution developed with dashboards	Financial model approved	-	-	-
Portfolio of Evidence	Finance Model Framework	EXCO approval	-	-	-

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Technical Model tested	Technical Model approved	Revenue sources identified	Financial model approved
Portfolio of Evidence	SAS system model download	EXCO approval	Templates populated with mined data	EXCO approval

Key Performance Indicator 1.6

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant Supply Chain Management service
Indicator Title	Percentage of bids awarded within 56 working days of closure of tender advertisement
Short description	The indicator is measuring the percentage of relevant bids awarded for services above R500 000 procured for the PMTE within 56 working days of closure of tender advertisement (validity period).
Purpose/importance	To demonstrate that the end to end business process for processing bids is able to be executed within the validity period thereby enhancing service delivery to clients and ensuring compliance to regulations. This performance measure indicates how effectively the PMTE will achieve the efficiency of acquiring goods, services and works over the R500 000 threshold.
Source/collection of data	Register of all bids awarded for services within the PMTE and Procurement Plan. The data is collected from executing units and consolidated by Head Office: Supply Chain Management
Method of calculation	Count the number of bids awarded within 56 working days of closure of tender advertisement and express this as a percentage of the total number of bids awarded for the same time period. <u>Count the number of bids awarded within 56 working days of closure of tender advertisement</u> Total number of bids awarded over the period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The aim is to award all bids within the 56 day validity period with no variations
Indicator owner	Chief Financial Officer
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	131	18% (45)	31% (91)	40% (67)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	40% (67)	60%	65%	70%	75%
Portfolio of Evidence	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	60%	60%	60%	60%
Portfolio of Evidence	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)

Key Performance Indicator 1.7

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant Supply Chain Management service
Indicator Title	Percentage of quotations awarded within 30 working days from requisition date
Short description	The indicator is measuring the percentage of relevant quotations approved for services below R500 000 procured for the PMTE within the 30 working days period from the date of requisition to support the delivery of services within time and cost
Purpose/importance	To indicate the efficiency in which Supply Chain Management is acquiring goods, services and works below the R500 000 threshold
Source/collection of data	Register of all quotations awarded for PMTE services through the quotation process. The data is collected from executing units and consolidated by Head Office: Supply Chain Management
Method of calculation	Count the number of quotes awarded within 30 days from requisition date and express this as a percentage of the total number of quotes awarded. <u>Count the number of quotes awarded within 30 working days from the requisition date</u> Total number of quotes approved over the period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	The aim is to award quotations within 30 working days from the requisition date for the next three years with no deviations.
Indicator owner	Chief Financial Officer
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	49% (419)	47% (229)	72% (4 326)	75% (4 593)

Annual Targets	2017/18 (EP)	2018 /19	2019/2020	2020/2021	2021/2022
	75% (4 593)	77%	80%	85%	90%

Portfolio of Evidence	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)
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Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	77%	77%	77%	77%

Portfolio of Evidence	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)
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Key Performance Indicator 1.8

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant Supply Chain Management Service
Indicator Title	Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017
Short description	<p>The indicator is measuring the procurement spend (quotation and tenders) awarded to Designated Groups as defined in the PPR of 2017:</p> <ul style="list-style-type: none"> • B-BBEE status level of contributor, • An EME or QSE; • Bidders that subcontract a minimum 30% of their contract to any of the following groups - an EME or QSE which is at least 51% owned by black people, • black people who are women, • black people who are youth, • black people with disabilities, • black people living in rural or undeveloped areas or townships, • cooperatives which is 51% owned by black people, • black people who are Military Veterans to accelerate empowerment of these groups through Public Sector Procurement. <p>to accelerate empowerment of these groups through Public Sector Procurement.</p>
Purpose/importance	To leverage procurement spend to promote socio-economic transformation and empowerment of designated groups in line with the Preferential Procurement Regulations 2017
Source/collection of data	<p>Register of all bids and quotations awarded in the Department.</p> <p>The data is collected from executing units and consolidated by Head Office: Supply Chain Management</p>
Method of calculation	<p>Calculate the rand value of bids awarded to Designated Groups and express this as a percentage of the total value of bids awarded for the same period</p> <p><u>Calculate the rand value of bids awarded to Designated Groups</u> Total rand value of bids awarded over the same period</p>
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To ensure that 70% rand value of bids is awarded to Designated Groups in line with the PPR of 2017
Indicator owner	Chief Financial Officer
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	-

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	70%	75%	80%	85%	90%

Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)
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Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	75%	75%	75%	75%

Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)
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Key Performance Indicator 1.9

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements
Strategic Objective	To provide a compliant Supply Chain Management Service
Indicator Title	Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017
Short description	<p>The indicator is measuring the percentage of bids (Quotation and tenders) awarded to Designated Groups as defined in the PPR of 2017:</p> <ul style="list-style-type: none"> • B-BBEE status level of contributor, • An EME or QSE; • Bidders that subcontract a minimum 30% of their contract to any of the following groups - an EME or QSE which is at least 51% owned by black people, • black people who are women, • black people who are youth, • black people with disabilities, • black people living in rural or undeveloped areas or townships, • cooperatives which is 51% owned by black people, • black people who are Military Veterans to accelerate empowerment of these groups through Public Sector Procurement. <p>to accelerate empowerment of these groups through Public Sector Procurement.</p>
Purpose/importance	To leverage procurement spend to promote socio-economic transformation and empowerment of designated groups in line with the Preferential Procurement Regulations 2017
Source/collection of data	Register of all bids and quotations awarded in the Department. The data is collected from executing units and consolidated by Head Office: Supply Chain Management.
Method of calculation	Count the number of bids awarded to the Designated Groups and express this as a percentage of the total number of bids awarded for the same period <u>Count the number of bids awarded to Designated Groups</u> Total number of bids awarded for the same period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To ensure that 70% of bids are awarded to Designated Groups in line with the PPR of 2017
Indicator owner	Chief Financial Officer
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	70%

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	70%	75%	80%	85%	90%
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	75%	75%	75%	75%
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)

14.2 PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES

Key Performance Indicator 2.1

Strategic Goal	To consolidate user demands that enables planning and budgeting
Strategic Objective	To ensure that the User Asset Management Plans are produced in compliance with relevant prescripts
Indicator Title	Number of User Asset Management Plans received from user departments
Short description	The indicator is measuring the number of U-AMPs, which is a document containing the list of users' prioritised property and construction projects requests for accommodation, received by the Department for execution in line with requirements of GIAMA. User Departments are assisted by the User Demand Management Unit to produce the User Asset Management Plans.
Purpose/importance	To inform planning and budgeting of infrastructure requirements for both the user and the custodian.
Source/collection of data	User prioritised accommodation requirements, accommodation currently occupied by user departments (as per the IAR).
Method of calculation	Simple count of the number of User Asset Management Plans received from user departments.
Unit of Measure	Number
Data limitations	Adequacy of information received from user departments and entities.
Type of indicator	Output
Calculation type	Non cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To receive user asset management plans from all user departments and entities.
Indicator owner	Deputy Director-General: User Demand Management
Indicator updater	Chief Director: User Demand Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	3	42	42	42

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	42	42	42	42	42
Portfolio of Evidence	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	42
Portfolio of Evidence	-	-	-	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)

Key Performance Indicator 2.2

Strategic Goal	To consolidate user demands that enables planning and budgeting				
Strategic Objective	To ensure that the User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Number off signed infrastructure work lists				
Short description	The indicator is measuring the number of worklists containing a schedule of prioritised and funded infrastructure projects for the upcoming financial year signed by user departments that are compiled in line with IDMS based on the User Asset Management Plans				
Purpose/importance	To enable the PMTE to mobilise its resources for the execution of the prioritised and funded infrastructure projects.				
Source/collection of data	User Asset Management Plans for all User Departments and Entities.				
Method of calculation	Simple count of the number of infrastructure work lists signed by user departments.				
Unit of Measure	Number				
Data limitations	Data integrity on WCS				
Type of indicator	Output				
Calculation type	Non cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To obtain signed off infrastructure work lists at the start of the financial year for user departments that have capital projects.				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	9	10	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	10	10	10	10	10
Portfolio of Evidence	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	10	
Portfolio of Evidence	-	-	-	List of user departments with prioritised capital infrastructure requirements (supported by the signed worklist)	

Key Performance Indicator 2.3

Strategic Goal	To consolidate user demands that enables planning and budgeting				
Strategic Objective	To ensure that the User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Developed Customer Relationship Management Strategy				
Short description	The indicator is measuring the development of a strategy that provides a client centric approach in managing the relationship with user departments throughout the value chain.				
Purpose/importance	To ensure client centric approach in managing the relationship with user departments is embedded and institutionalised in the PMTE throughout the value chain of service delivery.				
Source/collection of data	Business processes, Departmental Systems.				
Method of calculation	None				
Unit of Measure	None				
Data limitations	Outdated business processes, lack of data integrity of departmental systems				
Type of indicator	Output				
Calculation type	Non cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	Approved Customer Relationship Management Strategy				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	Customer relationship management strategy approved	Engagement with internal and external stakeholders	Customer relationship management strategy reviewed	-
Portfolio of Evidence	-	Customer relationship management strategy signed by Accounting Officer	Minutes/resolutions and attendance registers	Updated Customer relationship management strategy	-
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1st draft Customer relationship management strategy developed	2nd draft Customer relationship management strategy developed	Customer relationship management strategy approved	
Portfolio of Evidence	-	1st draft Customer relationship management strategy	2nd draft Customer relationship management strategy	Customer relationship management strategy signed by the Accounting Officer	

Key Performance Indicator 2.4

Strategic Goal	To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government
Strategic Objective	To direct precinct planning and development for national government in urban and rural areas
Indicator Title	Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)
Short description	A Precinct Development Plan is a packaging of a State catalyst project including site development plans and conceptual design solutions to address the accommodation needs of an individual or a number of National State Departments
Purpose/importance	Precinct Development Plans contribute to integrated development and creation of permanent National Government accommodation as well as Government precincts in collaboration with Municipalities. Precinct plans will ensure effective management to promote safe, secure and accessible government facilities as well as invariably reduce the leased portfolio and costs towards a Government estate concept.
Source/collection of data	List of all scheduled precinct development plans completed for the period.
Method of calculation	Simple count of the precinct development plans completed that have been aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)
Unit of Measure	Number
Data limitations	Incomplete framework document and mapping. No needs from user departments. Incapacity at local and/or provincial levels. Liaison constraints.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi-Annually
New indicator	No
Desired performance	Precinct development plans developed and approved within planned timeframes
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director: Planning and Precinct Development

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	5	6	2	3

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	3	4	4	5	6
Portfolio of Evidence	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	2	-	2
Portfolio of Evidence	-	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	-	Schedule of all precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)

Key Performance Indicator 2.5

Strategic Goal	To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government				
Strategic Objective	To direct precinct planning and development for national government in urban and rural areas				
Indicator Title	Number of sites established for development				
Short description	To ensure that the identified sites are fully ready for development by meeting the requirements in terms of applicable Town Planning and Engineering legislation, feasibility and ownership of the sites encapsulated in a site clearance certificate.				
Purpose/importance	To deliver a site that is ready for project design, documentation and development.				
Source/collection of data	List of all scheduled site clearances completed for the period.				
Method of calculation	Simple count of sites established for development				
Unit of Measure	Number				
Data limitations	Source data on the sites not available or incomplete. Legal and other statutory processes incomplete				
Type of indicator	Output				
Calculation type	Non –cumulative				
Reporting cycle	Bi-Annually				
New indicator	No				
Desired performance	100% of the identified sites established within the required timeframes				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director Planning and Precinct Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	1	1	3	2	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	2	3	4	4	4
Portfolio of Evidence	Schedule of all sites established for development (supported by Site Clearance certificates)	Schedule of all sites established for development (supported by Site Clearance certificates)	Schedule of all sites established for development (supported by Site Clearance certificates)	Schedule of all sites established for development (supported by Site Clearance certificates)	Schedule of all sites established for development (supported by Site Clearance certificates)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1	-	2	
Portfolio of Evidence	-	Schedule of all sites established for development (supported by Site Clearance certificates)	-	Schedule of all sites established for development (supported by Site Clearance certificates)	

Key Performance Indicator 2.6

Strategic Goal	To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government
Strategic Objective	To direct precinct planning and development for national government in urban and rural areas
Indicator Title	Number of concept designs completed for identified user departments
Short description	The indicator measures the number of A concept designs completed for identified user department. The aim is to provide an accommodation solution for user departments in the form of a 3D design models, sketches, diagrams, plans or drawings with estimated costs for the development
Purpose/importance	To provide a development package to guide the investment decisions and procurement options for a user departments
Source/collection of data	List of concept designs completed for identified user department. 3D design models, sketches, diagrams, plans or drawings concept designs and drawings
Method of calculation	Simple count of the number of concept designs completed for identified user departments
Unit of Measure	Number
Data limitations	Needs not received from user departments, no certified staff structure, no approved site establishment
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi-Annually
New indicator	No
Desired performance	All concept designs completed for identified user departments within agreed timeframes
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director Planning and Precinct Development

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
		1	1	5

Annual Targets	2017/18 (EP)	2018 /19	2019/20	2020/21	2021/22
		4	5	6	6
Portfolio of Evidence	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		-	2	-
Portfolio of Evidence	-	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)	-	Schedule of all concept designs completed indicating user departments (supported by Concept designs and drawings)

Key Performance Indicator 2.7

Strategic Goal	To increase the value of the State's immovable asset portfolio
Strategic Objective	To inform asset management decisions through optimal investment solutions
Indicator Title	Percentage of feasibility studies completed within scheduled timeframes
Short description	The indicator is measuring the percentage of formalised investment analysis studies completed within three (3) months from the date of receipt of the request to determine the optimal investment/disinvestment accommodation solution
Purpose/importance	To recommend preferred accommodation options in a credible manner and within an agreed turnaround times
Source/collection of data	List of all scheduled feasibility reports completed for the period.
Method of calculation	Count the completed feasibility reports within the scheduled timeframes and express this as a percentage of the total number of feasibility studies that were scheduled for completion for the same period. Count the number of feasibility reports completed within the scheduled timeframes Total number of feasibility studies scheduled for completion for the same time period.
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	With increased capacity, automated processes and a significant improvement in credible information the PMTE will improve turnaround times from 85% to 90% over the next five years.
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director: Portfolio Analysis

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	87	99% (179)	82% (230)	85% (192)	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	85% (192)	90%	90%	90%	90%
Portfolio of Evidence	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	90%	90%	90%	90%	
Portfolio of Evidence	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)

Key Performance Indicator 2.8

Strategic Goal	To increase the value of the State's immovable asset portfolio				
Strategic Objective	To inform asset management decisions through optimal investment solutions				
Indicator Title	Percentage of valuations completed within scheduled timeframes				
Short description	The indicator is measuring the completion of valuations of immovable assets undertaken within three (3) months from the date of receipt of the request				
Purpose/importance	To conduct compliant valuations that determine the market value of PMTE immovable assets within the scheduled timeframe				
Source/collection of data	Schedule of valuations completed for identified immovable assets on the immovable asset register within relevant timeframes.				
Method of calculation	Count the number of valuations completed in accordance with the scheduled timeframes and express this as a percentage of the total number of valuations scheduled for completion for the same period. <u>Count the number of valuations completed within the scheduled timeframes</u> Total number of valuations scheduled for completion for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Through increased and retained capacity the PMTE will be able to increase the number of valuation done to 90% over the next three years				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Portfolio Analysis				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	300	72% (218)	83% (290)	85% (177)	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	85% (177)	90%	90%	90%	90%
Portfolio of Evidence	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	90%	90%	90%	90%	
Portfolio of Evidence	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	

Key Performance Indicator 2.9

Strategic Goal	To increase the value of the State's immovable asset portfolio
Strategic Objective	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions
Indicator Title	Percentage of responsive disposal requests processed by 31 March
Short description	The indicator is measuring the percentage of immovable assets processed for approval to dispose for socio-economic purposes from all requests received within the respective financial year. The processing of the disposal request involves either the rejection of the request, referral to another custodian or compilation of requisite submission requesting consideration for approval by the Minister
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements (DHS) and to Department of Rural Development and Land Reform (DRDLR)
Source/collection of data	List of disposals processed for approval within the respective financial year.
Method of calculation	Count the number of disposal requests processed within the financial year for socio-economic purposes and express this as a percentage of the total number of received requests for the same period <u>Count the number of requests processed for disposal for the financial year</u> Total number of disposal requests received for the same time period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To release the total number of immovable assets that have been identified by the DHS, DRDLR and other Entities which contribute to the Government's socio-economic objectives
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director: Property Performance Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	3	3% (1 of 34 requested land parcels)	36% (34 of 95)	50% (85 of 170)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	50% (85)	90%	90%	90%	90%
Portfolio of Evidence	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	90%
Portfolio of Evidence	-	-	-	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)

Key Performance Indicator 2.10

Strategic Goal	To increase the value of the State's immovable asset portfolio
Strategic Objective	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions
Indicator Title	Custodian Asset Management Plan submitted to National Treasury
Short description	The C-AMP is produced annually in line with the requirements of GIAMA that contains the development of an infrastructure plan indicating how the custodian intends to meet the accommodation requirements of the User Departments
Purpose/importance	To align the use of immovable assets with service delivery objectives of National Government Departments in compliance with GIAMA
Source/collection of data	Approved Custodian Asset Management Plan, User Asset Management Plans.
Method of calculation	Simple count of the number of approved C-AMPs completed annually in line with GIAMA and submitted to National Treasury
Unit of Measure	Number
Data limitations	Lack of User Asset Management Plans to inform the C-AMP
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To ensure comprehensive and reliable life cycle planning on all immovable assets under PMTE custodianship through the compilation of the C-AMP.
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director: Property Performance Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	1 C-AMP Approved	1 C-AMP Approved	1 C-AMP Approved	1 C-AMP Approved

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	1 C-AMP Approved	1 C-AMP submitted to National Treasury			
Portfolio of Evidence	Letter to National Treasury (submitted with signed off C-AMP 2018/19)	Letter to National Treasury (submitted with signed off C-AMP 2019/20)	Letter to National Treasury (submitted with signed off C-AMP 2020/21)	Letter to National Treasury (submitted with signed off C-AMP 2021/22)	Letter to National Treasury (submitted with signed off C-AMP 2022/23)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	1 C-AMP submitted to National Treasury	-	-
Portfolio of Evidence	-	Letter to National Treasury (submitted with signed off C-AMP 2019/20)	-	-

Key Performance Indicator 2.11

Strategic Goal	To increase the value of the State's immovable asset portfolio
Strategic Objective	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions
Indicator Title	Number of facilities performance measured in identified performance areas
Short description	To indicator measures the performance of the facilities that are utilised as functional accommodation as recorded on the immovable asset register in relation to operating cost and utilisation in compliance with GIAMA
Purpose/importance	To ensure that functional accommodation is performing at required /acceptable levels
Source/collection of data	Schedule of facilities (functional accommodation) from the IAR that have been identified for performance measurement.
Method of calculation	Simple count of the number of facilities (functional accommodation) measured against identified performance areas
Unit of Measure	Number
Data limitations	Completeness and accuracy of the IAR
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To increase the number of performance measurements completed that support decision making over the next five years.
Indicator owner	Deputy Director-General: Real Estate Investment Services
Indicator updater	Chief Director: Property Performance Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	300	478	600

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	600	800	900	1000	1100
Portfolio of Evidence	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	200	200	200	200
Portfolio of Evidence	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)

14.3 PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Key Performance Indicator 3.1

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To develop detailed construction plans that direct the execution of construction projects
Indicator Title	Number of approved infrastructure project designs
Short description	The indicator measures the development of infrastructure project designs that have been approved by the Sketch Plan Committee. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and approval certificates.
Purpose/importance	To ensure that infrastructure projects are timeously planned and delivered based on proper infrastructure designs.
Source/collection of data	Needs assessments of user departments, site clearance reports, working drawings, minutes of sketch plan committee meetings. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Simple count of the number of sketch plans approved by the sketch plan committee
Unit of Measure	Number
Data limitations	Turnaround time required for sourcing of professionals required for the project
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure that infrastructure planning is done within specified timeframes in accordance with the specifications of the user departments
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Professional Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	231	225	210	73

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	73	83	103	113	113
Portfolio of Evidence	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	21	32	15	15
Portfolio of Evidence	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PRM 16)

Key Performance Indicator 3.2

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To develop detailed construction plans that direct the execution of construction projects
Indicator Title	Number of approved infrastructure projects ready for tender
Short description	This indicator measures the number of infrastructure projects that have completed the planning stages and that are ready for tender advertisement. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and completion certificates.
Purpose/importance	To ensure that infrastructure projects are timeously delivered based on proper infrastructure designs.
Source/collection of data	User departments' requirements, sketch plan approvals, minutes of bid committee indicating approval of tender specifications. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Simple count of the number of infrastructure projects with tender specifications approved by delegated authority
Unit of Measure	Number
Data limitations	Incomplete designs and documentation
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure that infrastructure projects are ready for tender within timeframes that have been agreed to with user departments and delivered within time and cost
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Construction Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	231	225	144	104

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	104	128	140	150	150
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	30	34	32	32
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)

Key Performance Indicator 3.3

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To develop detailed construction plans that direct the execution of construction projects
Indicator Title	Number of infrastructure sites handed over for construction
Short description	The indicator measures the number of infrastructure project sites that have been handed over to the appointed contractor to commence with the construction of the project. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and handover certificates.
Purpose/importance	To ensure that infrastructure projects are timeously delivered within time, cost and quality requirements.
Source/collection of data	User departments' requirements, sketch plan approvals, bill of quantities, tender documentation and contract documentation. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Simple count of the number of infrastructure sites that have been handed over to the appointed contractor to commence with construction
Unit of Measure	Number
Data limitations	Incomplete designs and contract documentation
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To ensure that infrastructure projects commence construction within timeframes that have been agreed to with user departments and delivered within time and cost
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Construction Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	214	145	186	93

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	93	105	116	125	125
Portfolio of Evidence	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	20	30	28	27
Portfolio of Evidence	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure projects handed over to the appointed contractor (supported by Site handover certificate)

Key Performance Indicator 3.4

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To ensure that construction programmes are implemented according to approved criteria
Indicator Title	Number of infrastructure projects completed
Short description	The indicator measures the number of infrastructure projects completed in the financial year irrespective of agreed time and cost.
Purpose/importance	The completion of infrastructure projects demonstrates progress in service delivery that ensures accommodation requirements are met.
Source/collection of data	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Count of the number of infrastructure projects completed in the financial year
Unit of Measure	Number
Data limitations	Inaccuracy of data on the Project Management System
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To accelerate service delivery by ensuring that all infrastructure projects are completed
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Projects

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	180	192	182	161

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	161	105	116	130	130
Portfolio of Evidence	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	20	50	78	105
Portfolio of Evidence	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)

Key Performance Indicator 3.5

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To ensure that construction programmes are implemented according to approved criteria
Indicator Title	Number of infrastructure projects completed within agreed construction period
Short description	The indicator is measuring number of infrastructure projects that are completed within contractual time periods (including any extension of time that has been approved).
Purpose/importance	The completion of infrastructure projects within set timeframes to demonstrate progress in service delivery and meeting accommodation requirements of user department.
Source/collection of data	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation, approval for extension of time where applicable. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Count of the number of infrastructure projects completed within the agreed construction period
Unit of Measure	Number
Data limitations	Inaccuracy of data on the Project Management System
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To accelerate service delivery by ensuring that new infrastructure projects are completed within the agreed construction time-period.
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Projects

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	125 (65%)	139 (57%)	129 (80%)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	129 (80%)	84 (80%)	95 (80%)	115 (80%)	115 (80%)
Portfolio of Evidence	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	20	44	64	84
Portfolio of Evidence	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)

Key Performance Indicator 3.6

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP				
Strategic Objective	To ensure that construction programmes are implemented according to approved criteria				
Indicator Title	Number of infrastructure projects completed within the approved budget				
Short description	The indicator measures the completion of awarded infrastructure projects within approved budgets (including any variations for additional funds that have been approved).				
Purpose/importance	To ensure that new infrastructure projects are delivered within the approved budget to improve the cost-effectiveness of the project. To ensure transparency and accountability in the expenditure of the infrastructure budget.				
Source/collection of data	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation, approved variation orders where applicable. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.				
Method of calculation	Count of the number of infrastructure projects completed within the approved budget				
Unit of Measure	Number				
Data limitations	Incomplete designs and documentation for new infrastructure projects				
Type of indicator	Output				
Calculation type	Cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To accelerate service delivery by ensuring that new infrastructure projects are completed within the approved budget.				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	109 (57%)	129 (53%)	129 (80%)	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	129 (80%)	84 (80%)	95 (80%)	115 (80%)	115 (80%)
Portfolio of Evidence	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	20	44	64	84	
Portfolio of Evidence	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	

Key Performance Indicator 3.7

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP				
Strategic Objective	To ensure that construction programmes are implemented according to approved criteria				
Indicator Title	Number of EPWP work opportunities created through construction projects				
Short description	The indicator is measuring the number of validated work opportunities created and reported by the PMTE through the implementation of labour intensive methodologies within the construction programme of the PMTE				
Purpose/importance	To measure the downstream job creation benefits on infrastructure projects				
Source/collection of data	Project Management System report indicating projects that are implemented using EPWP principles. Information on EPWP progress is reported on the EPWP Reporting System and validated and consolidated by the system. The information is then extracted quarterly for reporting.				
Method of calculation	Simple count of the number of work opportunities created on the PMTE infrastructure programme				
Unit of Measure	Number				
Data limitations	Accuracy of work opportunities captured by the contractor				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities in the infrastructure sector				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	4 343	11 126	8 959	6 000	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	6 000	7 511	8 200	9 020	9 020
Portfolio of Evidence	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1 800	2 000	1 856	1 855	
Portfolio of Evidence	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	

Key Performance Indicator 3.8

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP
Strategic Objective	To ensure that construction programmes are implemented according to approved criteria
Indicator Title	Percentage reduction of infrastructure projects backlogs
Short description	The indicator is intended to show a reduction in the backlog of infrastructure projects where a project is on construction stage for a period exceeding two (2) years of the planned construction period. The reason for the backlog in the construction phase is due to poor performance of contractors that either have a lack of resources or lack of technical skills. The liquidation of contractor can also result in infrastructure project backlogs.
Purpose/importance	To reduce the existing backlogs on infrastructure projects that are in the construction stage exceeding two (2) years of the planned construction period
Source/collection of data	Schedule of projects on the infrastructure programme on the project management system that are in the construction phase exceeding two (2) years of the planned construction period. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.
Method of calculation	Subtract the number of infrastructure projects that have moved to practical completion from the total number of infrastructure backlogged projects in construction phase and express this as a percentage of the total number of infrastructure backlogged projects in construction <u>Total number of infrastructure backlogged projects in construction phase - number of infrastructure projects that have moved to practical completion</u> Total number of infrastructure backlogged projects in construction phase
Unit of Measure	Percentage
Data limitations	Inaccuracy of scope of work to be done
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To accelerate service delivery by ensuring that all project backlogs that are in construction are cleared.
Indicator owner	Deputy Director-General: Construction Project Management
Indicator updater	Chief Director: Projects

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	73	15% (216)	14% (154)	15% (148)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	15% (148)	20%	30%	40%	50%
Portfolio of Evidence	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	20%
Portfolio of Evidence	-	-	-	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)

Key Performance Indicator 3.9

Strategic Goal	To meet user departments' accommodation requirements as per the approved IPIP				
Strategic Objective	To develop detailed construction plans that direct the execution of construction projects				
Indicator Title	Number of contractors incubated through the Contractor Incubation Programme (CIP)				
Short description	The indicator is measuring the number of emerging contractors that are participating in the Contractor Incubation Programme that aims to capacitate historically disadvantaged individuals. The incubated contractors will be participating in the following categories (Grade 1 to Grade 2; Grade 3 to Grade 6 for General Building Works and Civil Engineering). The programme will be implemented for a three year cycle.				
Purpose/importance	The purpose is to create a pool of technical expertise in the construction industry on the following areas: project planning, execution, management and quality control of construction projects, whilst addressing specific business skills and driving transformation in the construction industry.				
Source/collection of data	RBAC documents/ minutes, Regional Evaluation Committee documents/ minutes, Project Management System. The data is collected from executing units and consolidated by Head Office: Construction Project Management Branch.				
Method of calculation	Simple count of the number of contractors incubated through the Contractor Incubation Programme				
Unit of Measure	Number				
Data limitations	Inadequate/limited number of approved industry mentors				
Type of indicator	Output				
Calculation type	Non - Cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	To ensure that emerging contractors are competitively participating in the Construction industry				
Indicator owner	Deputy Director-General: Project Management Office				
Indicator updater	Chief Director: Project Management Office				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	297	297	297	387
Portfolio of Evidence	-	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	297	
Portfolio of Evidence	-	-	-	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	

14.4 PROGRAMME 4: REAL ESTATE MANAGEMENT

Key Performance Indicator 4.1

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To provide functional leased accommodation for user departments
Indicator Title	Number of lease agreements signed within scheduled timeframes
Short description	The indicator measures the number of lease agreements signed within 8 months from: (1) The date of receipt of the procurement instruction for new leases to be procured or (2) The date of confirmation from the user department for the renewal of leases within the respective financial year.
Purpose/importance	To ensure that the lease agreements are signed within the scheduled timeframes in order to reduce month to month leases
Source/collection of data	Lease Agreements PMIS/ARCHIBUS system report indicating all awarded leases and lease signed date. Procurement Instruction Letter of confirmation from user department for renewal of leases The data is collected from executing units and consolidated by Head Office: Real Estate Management Services Branch.
Method of calculation	A simple count of the number of signed lease agreements signed within 8 months from the date of receipt of procurement instruction (new) or confirmation from user department (renewals).
Unit of Measure	Number
Data limitations	Inadequate system information on private leases, incomplete lease agreements
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Through the alignment of applicable policies and procedures, in order to reduce month to month leases the PMTE will ensure that all signed lease agreements comply within the scheduled timeframes
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: Leased Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	20% (1)	100

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	100	600	430	100	100

Portfolio of Evidence	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or confirmation from user department and actual date signed (supported by signed lease agreements)
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Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	162	237	401	600

Portfolio of Evidence	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)
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Key Performance Indicator 4.2

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To provide functional leased accommodation for user departments
Indicator Title	Savings realised on identified private leases
Short description	The indicator is measuring the savings that the user departments will realise from the improvements of lease management through the renegotiation of lease terms and/or payable rates and/or escalations for identified leases/landlords. The renegotiation will be applied to the identified private leases in a specific financial year and the savings will be reported for the duration of the lease period.
Purpose/importance	To bring efficiencies to the leased portfolio and to respond to the directives of the National Treasury for cost containment on private leases
Source/collection of data	Lease files, Procurement Instructions, Lease Management System.
Method of calculation	Subtract the total actual expenditure of identified leased portfolio after renegotiation from the total expected expenditure on identified leased portfolio prior to the renegotiation of the leases (Total expected expenditure on identified leased portfolio prior to the renegotiation) – (total actual expenditure of identified leased portfolio after renegotiation)
Unit of Measure	Rand
Data limitations	Incomplete data and documentation on private leases
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Consistent reduction in leasing costs to ensure value for money to the State.
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: Leased Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	R100mil

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
		R100 mil	R200 mil	R300 mil	R350 mil
Portfolio of Evidence	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		-	R50 mil	R100 mil
Portfolio of Evidence	-	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to the renegotiation and actual expenditure after the renegotiation (supported by signed agreement with the landlord for renegotiated leases)

Key Performance Indicator 4.3

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To provide functional leased accommodation for user departments
Indicator Title	Percentage of new leases awarded to BBBEE companies
Short description	The indicator measures the number of new leases awarded to BBBEE companies in line with the approved Property Empowerment Policy.
Purpose/importance	To drive transformation in the property industry Government has prioritised the empowerment of historically disadvantaged individuals.
Source/collection of data	Lease files Ownership documentation PMIS/ARCHIBUS Property Empowerment Policy The data is collected from executing units and consolidated by Head Office: Real Estate Management Services Branch.
Method of calculation	Count the number of private leases awarded to BBBEE companies and expressed this as a percentage of the total number of private leases awarded. <u>Number of private leases awarded to BBBEE companies</u> Total number of private leases awarded for the same time period
Unit of Measure	Percentage
Data limitations	Incomplete procurement documents
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	30% private leases are allocated to black owned companies
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: Leased Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	67% (4)	25% (4)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	25% (4)	30%	35%	40%	45%
Portfolio of Evidence	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	10%	20%	30%
Portfolio of Evidence	-	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)	Schedule of new private leases awarded indicating which leases are awarded to BBBEE companies (supported by signed lease agreement and BBBEE Certificates or ownership documentation)

Key Performance Indicator 4.4

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Number of private leases reduced within the security cluster
Short description	The indicator is measuring the systematic reduction of private leases for the security cluster departments namely: Department of Justice, Department of Defence, Department of Correctional Services, and South African Police Service through the provision of State-owned accommodation. The leases must be terminated within the reporting financial year.
Purpose/importance	To reduce the strategic risks associated with the security, confidentiality and the disturbance of the essential services cluster and increase utilisation of State-owned accommodation
Source/collection of data	PMIS / WCS / IAR / Archibus.
Method of calculation	Subtract the number of private leases for the security cluster departments for the current year excluding new leases from the number of private leases for the security cluster departments in the previous financial year (Number of private leases for the security cluster departments in the previous financial year) – [(number of private leases for the security cluster departments for the current year) – (new leases for the current year)]
Unit of Measure	Number
Data limitations	Lack of reliable IAR data. Lack of reliable property valuations
Type of indicator	Output
Calculation type	Non-Cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Reduction of leased in accommodation for security cluster departments through various methods of procurement
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: Leased Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	2	4

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	4	12	13	13	13
Portfolio of Evidence	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	12
Portfolio of Evidence	-	-	-	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)

Key Performance Indicator 4.5

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Percentage increase in revenue generation through letting of State-owned properties (excluding harbour related properties)
Short description	The indicator measures the revenue generated for the PMTE through the leasing out of State-owned properties (excluding harbour related properties)
Purpose/importance	To ensure revenue is generated through the utilisation of suitable State-owned properties
Source/collection of data	Rental Debtors report/schedule from property management system. The data is updated by executing units on the property management system. The information is then extracted quarterly for reporting.
Method of calculation	Subtract the revenue generated in the prior year from the revenue generated in the current financial year and express that as a percentage of the revenue generated in the prior year <u>Revenue generated (excl. small harbours) for the current year- Revenue generated for the prior year (excl. small harbours)</u> Revenue generated for the prior year (excl. small harbours)
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	100% of surplus immovable properties leased out in line with up to date valuations and market rentals
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: State Owned Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	R28 mil	R31 mil	10% (R3,1mil)	10% (R6,82 mil)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	10% (R6,82 mil)	10%	15%	20%	25%
Portfolio of Evidence	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	10%
Portfolio of Evidence	-	-	-	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)

Key Performance Indicator 4.6

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Number of identified vacant surplus State-owned properties let out
Short description	The indicator measures the percentage of vacant, unutilised surplus (non-strategic) State owned properties let out within the financial year from the identified list of properties.
Purpose/importance	To ensure that the State owned properties are optimally utilised (do not stand vacant) through letting out.
Source/collection of data	Signed lease agreements / Debtors report from property management system. The data is updated by executing units on the property management system. The information is then extracted quarterly for reporting.
Method of calculation	A simple count of the number of surplus State owned properties let out in the same reporting period.
Unit of Measure	Number
Data limitations	Incomplete documentation, incomplete property information
Type of indicator	Output
Calculation type	Non - cumulative
Reporting cycle	Bi- annually
New indicator	No
Desired performance	All vacant surplus immovable assets identified are leased out in line with up to date valuations and market rentals
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: State Owned Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	3	59	60

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	60	65	70	70	70
Portfolio of Evidence	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement/ signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	33	-	32
Portfolio of Evidence	-	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	-	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)

Key Performance Indicator 4.7

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Number of State-owned properties verified to confirm occupation status
Short description	The indicator measures the number of State owned properties to be inspected to determine the occupancy status and confirm properties to be under the custodianship of the Department of Public Works from the list of alleged illegally occupied State owned properties.
Purpose/importance	To ensure that the illegally occupied State-owned properties are identified and regularised through either the signing of lease agreements with user departments or with private citizens or by instituting legal court processes.
Source/collection of data	Inspection list / Occupation Verification Document. The data is updated by executing units on the property management system. The information is then extracted quarterly for reporting.
Method of calculation	A simple count of the number of State owned properties that have been verified to determine occupancy status
Unit of Measure	Number
Data limitations	Incomplete documentation, incomplete property information
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All identified vacant properties verified to determine the occupancy status and confirm ownership
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Regional Managers

Baseline	Year 1 Audited Actual	Year 2 Audited Actual	Year 3 Audited Actual	Current Year (Estimated Performance)
	-	-	-	87 properties identified

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	87 properties identified	400	400	400	400
Portfolio of Evidence	Schedule of allegedly illegally occupied properties	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	133	266	400
Portfolio of Evidence	-	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)	Schedule indicating the occupancy status from the list of allegedly illegally occupied properties (supported by inspection report)

Key Performance Indicator 4.8

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Number of State-owned properties occupation status rectified
Short description	The indicator measures the number of State-owned properties that have been identified as being occupied by either user departments or private individuals where lease agreements must signed to rectify the occupation status.
Purpose/importance	To ensure that all State-owned properties are utilised lawfully by either a user department or private individual and have a proper signed lease agreement in place so that the PMTE is able to generate revenue from its property portfolio.
Source/collection of data	List of allegedly illegally occupied properties. Immovable Asset Register. The data is updated by executing units on the property management system. The information is then extracted quarterly for reporting.
Method of calculation	A simple count of the number of State-owned properties that have been rectified through the signing of lease agreements
Unit of Measure	Number
Data limitations	Incomplete documentation, incomplete property information
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	All State-owned properties that are occupied by either user departments or private individuals have formal lease agreements in place
Indicator owner	Divisional Head: Real Estate Management Services
Indicator updater	Chief Director: State Owned Portfolio

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	-

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	20	30	40	50

Portfolio of Evidence	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)
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Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	5	5	5	5

Portfolio of Evidence	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)	Schedule of properties where lease agreements have been signed to rectify occupation (supported by signed lease agreements or signed offer to lease)
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Key Performance Indicator 4.9

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective	To optimise the utilisation of State owned buildings				
Indicator Title	Number of Spatial and Economic Development Frameworks (SEDFs) completed for identified rural coastal towns				
Short description	The indicator is measuring the number of completed Spatial and Economic Development Frameworks (SEDFs) for prioritised harbours in order to evaluate opportunities within coastal rural towns as nodal development points				
Purpose/importance	To identify new areas for development within the small harbour and state coastal property development programme that will realise downstream job creation benefits on infrastructure repairs and maintenance to unproclaimed fishing harbours in the context of Operations Phakisa				
Source/collection of data	Service provider, Small Harbours Unit Project Management Systems.				
Method of calculation	Simple count of the number of completed Spatial and Economic Development Frameworks for coastal rural towns				
Unit of Measure	Number				
Data limitations	Accuracy of economic opportunities captured				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	Yes				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities in coastal rural towns				
Indicator owner	Deputy Director-General: Small Harbour Development				
Indicator updater	Chief Director: Small Harbour Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	3	3	3	3
Portfolio of Evidence		Schedule of all Spatial and Economic Development Frameworks (SEDFs) completed indicating name of identified rural coastal town (supported by SEDF/Feasibility Report)	Schedule of all Spatial and Economic Development Frameworks (SEDFs) completed indicating name of identified rural coastal town (supported by SEDF/Feasibility Report)	Schedule of all Spatial and Economic Development Frameworks (SEDFs) completed indicating name of identified rural coastal town (supported by SEDF/Feasibility Report)	Schedule of all Spatial and Economic Development Frameworks (SEDFs) completed indicating name of identified rural coastal town (supported by SEDF/Feasibility Report)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	3	
Portfolio of Evidence	-	-	-	Schedule of all Spatial and Economic Development Frameworks (Port Nolloth, Port St Johns and Port Edward) (SEDFs) completed indicating name of identified rural coastal town (supported by SEDF/Feasibility Report)	

Key Performance Indicator 4.10

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE
Strategic Objective	To optimise the utilisation of State owned buildings
Indicator Title	Percentage of revenue increased through rentals of State owned small harbour and coastal properties
Short description	The indicator is measuring the increase in revenue generated for PMTE through the leasing out of harbour related properties
Purpose/importance	To promote economic development and localised job creation in coastal areas through the letting of state coastal property
Source/collection of data	PMIS Immovable Asset Register.
Method of calculation	Subtract the revenue generated through the leasing out harbour related properties in the prior year from the revenue generated for the current financial year and express that as a percentage of the revenue generated through the leasing out harbour related properties in the prior year <u>Revenue generated for harbours related properties for the current year - revenue generated for the prior year harbours related properties</u> Revenue generated for harbour related properties in the prior year
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	Increase of 10% in current revenue baseline
Indicator owner	Deputy Director-General: Small Harbour Development
Indicator updater	Chief Director: Small Harbour Development

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	R10 821 759	9.7%(R1 050 175)	10%(R1 187 193)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	10%(R1 187 193)	10%	10%	10%	10%
Portfolio of Evidence	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)

Quarterly targets 2018 /19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	10%
Portfolio of Evidence	-	-	-	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)

Key Performance Indicator 4.11

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective	To optimise the utilisation of State owned buildings				
Indicator Title	Number of work opportunities created through the letting out of State coastal properties and Small harbours				
Short description	The indicator is measuring the number of indirect work opportunities created by the PMTE through the letting out of State Coastal properties and small harbours. The PMTE is letting out State coastal properties and small harbours to companies that employ local labour and therefore create work opportunities.				
Purpose/importance	The purpose is to measure the downstream job creation benefits on the letting out of state coastal properties and small harbours				
Source/collection of data	Lessor of a state coastal property / Small Harbours Unit Project Management Systems.				
Method of calculation	Simple count of the number of indirect work opportunities created through the letting out of State Coastal properties and small harbours				
Unit of Measure	Number				
Data limitations	Accuracy of work opportunities captured by the Lessor				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities in the Phakisa Ocean's Economy				
Indicator owner	Deputy Director-General: Small Harbours Development				
Indicator updater	Chief Director: Small Harbours Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	1 000	2 000	3 000	4 000
Portfolio of Evidence	-	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	250	250	250	250	
Portfolio of Evidence	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	

14.5 PROGRAMME 5: REAL ESTATE INFORMATION REGISTRY

Key Performance Indicator 5.1

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective:	To maintain a compliant Immovable Asset Register
Indicator Title	Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer
Short description	The indicator is measuring the percentage of properties that have been processed for transfer as per the approved disposals within the respective financial year for socio-economic purpose
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements and to the Department of Rural Development and Land Reform
Source/collection of data	List of signed-off approved disposals by the Minister of Public Works and the National Treasury.
Method of calculation	Count the number of transfers processed for socio-economic purposes and express this as a percentage of the total number of approved disposals received for the same time period. <u>Count the number of transfers processed for socio-economic purposes</u> Total number of approved disposals received for the same time period
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To release the total number of properties that have been identified by the Department of Human Settlements and the Department of Rural Development and Land Reform and thereby contribute the Government's socio-economic objectives
Indicator owner	Deputy Director-General: Real Estate Information and Registry Services
Indicator updater	Chief Director: Real Estate Information and Registry Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	16	70% (10)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	70% (10)	80%	90%	100%	100%
Portfolio of Evidence	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	80%
Portfolio of Evidence	-	-	-	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)

Key Performance Indicator 5.2

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective:	To maintain a compliant Immovable Asset Register
Indicator Title	Percentage of immovable assets updated on the IAR for completed infrastructure projects
Short description	The indicator is measuring the updating of the information on the IAR based on newly completed projects where completion certificates have been issued
Purpose/importance	To ensure that the IAR is continuously updated with information in line with the IDMS Model that corresponds to the newly completed infrastructure projects (new construction, additions, upgrades renovations).
Source/collection of data	Schedule of completed projects (project files) with description of work completed downloaded from WCS.
Method of calculation	Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed and express this as a percentage of the total number of completion certificates that have been received by REIRS for construction projects that have been completed for the same timeframe <u>Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed</u> Total number of completion certificates that have been received for construction projects that have been completed for the same timeframe
Unit of Measure	Percentage
Data limitations	Insufficient details of new construction work completed. Construction projects undertaken by user departments without the involvement of the PMTE
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi annually
New indicator	No
Desired performance	To ensure that the IAR is continuously updated to reflect the most recent information of the asset portfolio taking into consideration newly completed projects
Indicator owner	Deputy Director-General: Real Estate Registry Services
Indicator updater	Chief Director: Real Estate Registry Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	100% (70)	100% (161)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	100% (161)	100%	100%	100%	100%

Portfolio of Evidence	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	100%	-	100%

Portfolio of Evidence	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)	-	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by system information and completion certificates)

Key Performance Indicator 5.3

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective:	To maintain a compliant Immovable Asset Register
Indicator Title	Number of Land parcels vested (confirmation of ownership)
Short description	The indicator is measuring the number of land parcels vested in the correct sphere of Government (ownership confirmed) within the respective financial year
Purpose/importance	All State owned immovable assets under the custodianship of DPW must be vested in the name of the National Government of the Republic of South Africa. Vesting and Endorsement of Title Deeds in the name of the National Government will prevent misappropriation of immovable assets and resolve disputes regarding the custodianship of State owned immovable assets.
Source/collection of data	List of registered land parcels according to the Deeds Registry and IAR. Surveyed but not yet registered land parcels from IAR and Surveyor General.
Method of calculation	Count the number of land parcels vested i.e. [Item 28 (1) certificate issued per land parcel]
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To confirm ownership of State owned immovable assets under the custodianship of DPW
Indicator owner	Deputy Director-General: Real Estate Registry Services
Indicator updater	Chief Director: Real Estate Registry Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	761	775	518	600

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	600	800	900	1 000	1 100
Portfolio of Evidence	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	200	200	200	200
Portfolio of Evidence	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)

Key Performance Indicator 5.4

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Number of immovable assets physically verified to validate existence				
Short description	The indicator is measuring the number of properties on the immovable asset register that are verified against the immovable asset register, i.e to undertake a visual inspection of land and buildings under the custodianship of the Department of Public Works in order to validate existence of the immovable assets on site and confirm the quantity line with section 13(d) of GIAMA and applicable GRAP standards				
Purpose/importance	To provide reliable, accurate and complete data on immovable assets in support of asset investment, property and construction management functions in the life cycle of the immovable assets				
Source/collection of data	Deeds records, Surveyor-General, LAW (DRDLR vesting system), municipality valuation rolls, National and Provincial Immovable Asset Registers. The data is updated by executing units on the IAR server. The information is then extracted quarterly for reporting.				
Method of calculation	Simple count of the number of immovable assets physically verified against the immovable asset register to validate existence				
Unit of Measure	Number				
Data limitations	Incomplete records, inaccurate property descriptions and dependency on various stakeholders for the provision of data				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	To verify all land and buildings recorded on the IAR				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	32 677	8 159	7 516	6 300	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	6 300	19 708	24 636	29 562	31 000
Portfolio of Evidence	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	4 927	4 927	4 927	4 927	
Portfolio of Evidence	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	

Key Performance Indicator 5.5

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective:	To maintain a compliant Immovable Asset Register
Indicator Title	Number of buildings assessed to determine the condition of significant components
Short description	The indicator is measuring the number of identified buildings that have been assessed to determine the of the physical condition of identified buildings and its significant components in line with section 13 (d) of GIAMA in order to maintain the data on the IAR that provides essential information for managing the life cycle of the immovable asset
Purpose/importance	To determine condition of the buildings that inform asset investment decisions, increased utilization of State properties for service delivery, facilities maintenance needs and construction management functions.
Source/collection of data	Deeds records, Surveyor-General, LAW (DRDLR vesting system), municipality valuation rolls, National and Provincial Immovable Asset Registers. The data is updated by executing units on the IAR server. The information is then extracted quarterly for reporting.
Method of calculation	A simple count of the number of condition assessments conducted on buildings and significant components
Unit of Measure	Number
Data limitations	Incomplete records, inaccurate property descriptions and dependency on various stakeholders for the provision of data
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	To assess the physical condition of all identified buildings and significant components
Indicator owner	Deputy Director-General: Real Estate Registry Services
Indicator updater	Chief Director: Real Estate Registry Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	-

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	-	15 031	18 789	22 546	27 055
Portfolio of Evidence		Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	3 757	3 758	3 758	3 758
Portfolio of Evidence	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)	Schedule of condition assessments conducted on buildings and its significant components (supported by condition assessment report)

Key Performance Indicator 5.6

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers				
Indicator Title	Number of Provincial Immovable Asset Registers assessed for compliance				
Short description	The indicator is measuring the numbers of Provincial IARs that have been assessed to determine the level of compliance of Provincial IARs in accordance with set criteria for other custodians.				
Purpose/importance	Improve the completeness and compliance of IARs of other custodians by performing compliance assessments that are focussed on specific aspects that are analysed in each quarter.				
Source/collection of data	Signed off compliance checklist.				
Method of calculation	Simple count of the number of immovable asset registers of other custodians assessed for compliance				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Through continuous assessments all provincial IARs are compliant and serve as a tool to inform investment decisions for the sector				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	9	9	
Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	9	9	9	9	9
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)
Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	2	2	3	2	
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	

Key Performance Indicator 5.7

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective:	To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers
Indicator Title	Number of national and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)
Short description	The indicator is measuring the number of National and Provincial IARs to be incorporated into the single repository
Purpose/importance	To establish a comprehensive and integrated single repository of State owned immovable assets in order to provide: a) A single point of truth for the asset data for analysis, reporting and investment decisions. b) Spatial and graphic view of asset data to be available for use.
Source/collection of data	National and Provincial Immovable Asset Registers.
Method of calculation	Count the number of National and Provincial IARs incorporated into the single repository
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi-Annually
New indicator	No
Desired performance	A complete and reliable single repository of all State immovable assets
Indicator owner	Deputy Director-General: Real Estate Registry Services
Indicator updater	Chief Director Real Estate Registry Services

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	2

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	2	4	4	4	4
Portfolio of Evidence	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	2	-	2
Portfolio of Evidence	-	Download of National and Provincial immovable assets extracted from the integrated single repository	-	Download of National and Provincial immovable assets extracted from the integrated single repository

14.6 PROGRAMME 6: FACILITIES MANAGEMENT

Key Performance Indicator 6.1

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To manage maintenance programmes in accordance with an approved plan
Indicator Title	Number of facilities with maintenance contracts in place
Short description	The indicator measures the number of facilities (can consist of more than one building) that are being maintained through maintenance contracts (dealing with either breakdown or servicing or scheduled)
Purpose/importance	To minimise ad-hoc breakdowns and maintain facilities in a proactive manner
Source/collection of data	Register of contracts in the Regional SCM Offices. The data is collected from executing units and consolidated by Head Office: Facilities Management Branch.
Method of calculation	A simple count of the number of facilities with maintenance contracts in place
Unit of Measure	Number
Data limitations	Limited aggregation of property IDs into facilities on the Immovable Asset Register
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Maintenance contracts in place for all State-owned facilities
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	718	881	409

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	409	500	550	600	650

Portfolio of Evidence	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	50	150	150	150

Portfolio of Evidence	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)

Key Performance Indicator 6.2

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To manage maintenance programmes in accordance with an approved plan
Indicator Title	Percentage of unscheduled reported maintenance incidents resolved within agreed timeframe
Short description	The indicator measures the number of unscheduled reported maintenance incidents resolved to minimize breakdowns for State facilities. The categories of unscheduled maintenance are emergency, urgent and normal services. The agreed timeframes are as contained in the 2015 Day to Day Maintenance Guidelines.
Purpose/importance	The PMTE is currently experiencing a high number of unscheduled maintenance incidents which need to be responded to within agreed timelines, to ensure that the breakdowns are resolved efficiently.
Source/collection of data	Worx 4 U system/ARCHIBUS reports indicating unscheduled maintenance incident reported. The data on unscheduled maintenance services is updated on the Worx 4 U System. The information is then extracted quarterly for reporting.
Method of calculation	Weighted average of the number of unscheduled maintenance incidents resolved for State-owned facilities for all categories expressed as a percentage of the total number of unscheduled maintenance incidents resolved for the same period. Weighted average of all categories of unscheduled maintenance: <u>Number of reported unscheduled maintenance incidences completed within agreed timeframes for State-owned facilities</u> Total number of reported unscheduled maintenance incidences logged for the same time period
Unit of Measure	Percentage
Data limitations	Unscheduled maintenance incidents not logged, incorrectly logged and status not updated at the call centre
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	All logged unscheduled maintenance incidents for State-owned facilities are resolved within agreed timeframe or less to ensure that services are not disrupted
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual (Annual Report)	Current Year (Estimated Performance)
	18% (9 680)	5% (5 553)	7% (3 124)	5%(595)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	5%(595)	15%	20%	25%	30%
Portfolio of Evidence	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	15%	15%	15%	15%
Portfolio of Evidence	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)

Key Performance Indicator 6.3

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To manage maintenance programmes in accordance with an approved plan
Indicator Title	Percentage of term contracts awarded to BBBEE companies
Short description	The indicator is measuring a number of term contracts awarded to BBBEE companies to undertake maintenance on State owned buildings in line with the Property Empowerment Policy.
Purpose/importance	To support the transformation in the property industry as the catalyst to achieving economic growth and development. The Government has therefore targeted BBBEE as an economic empowerment vehicle for previously disadvantaged people.
Source/collection of data	Maintenance files Ownership documentation ARCHIBUS The data is collected from executing units and consolidated by Head Office Facilities Management Branch
Method of calculation	Count the number of contracts awarded to BBBEE companies to undertake maintenance on State-owned buildings and express this as a percentage of the total number of contracts awarded for the same time period. $\frac{\text{Number of term contracts awarded to BBBEE companies to undertake maintenance on State-owned buildings}}{\text{Total number of term contracts awarded for the same time period}}$
Unit of Measure	Percentage
Data limitations	Componentised Immoveable Asset Register
Type of indicator	Output
Calculation type	Non cumulative
Reporting cycle	Annually
New indicator	No (modified)
Desired performance	The aim is to create opportunities for BBBEE Companies through scheduled maintenance services.
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	30% (114)	30%(60)

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	30%(60)	35%	40%	45%	50%
Portfolio of Evidence	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	35%
Portfolio of Evidence	-	-	-	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership documentation)

Key Performance Indicator 6.4

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To ensure resource efficiency in State-owned buildings
Indicator Title	Reduction in energy consumption (kilowatt hours) for identified buildings
Short description	The indicator is measuring the reduction in energy consumption per identified building through energy saving interventions.
Purpose/importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030.
Source/collection of data	List of buildings with energy savings installations based on audit conducted Certificates of building with energy savings installations Energy Management Report indicating actual consumption based on municipal / Eskom accounts The data is collected from executing units and consolidated by Head Office: Facilities Management Branch.
Method of calculation	Difference between (The Kilowatt hours of energy consumed at the end of the previous financial year) and (The Kilowatt hours of energy consumed at the end of the current financial year) (Kilowatt hours of energy consumed at the end of the previous financial year) – (Kilowatt hours of energy consumed at the end of the current financial year)
Unit of Measure	Kilowatt hours
Data limitations	Non-delivery of Municipal Bills/Incomplete Energy Audits
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To implement energy saving initiatives to achieve or exceed set targets in order to meet national targets for energy consumption
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	190 000 000 kWh	220 000 000 kWh	250 000 000 kWh	137 000 000 kWh

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	137 000 000 kWh	150 000 000 kWh	200 000 000 kWh	250 000 000 kWh	300 000 000 kWh
Portfolio of Evidence	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	37 500 000kWh	37 500 000kWh	37 500 000kWh	37 500 000kWh
Portfolio of Evidence	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)

Key Performance Indicator 6.5

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To ensure resource efficiency in State-owned buildings
Indicator Title	Number of kilowatt hours of renewable energy generated
Short description	The indicator is measuring the kilowatt hours of renewable energy generated through the installation of roof top solar panels, photo voltaic in selected buildings. The renewable energy targets are based on the National and Provincial Green Building Sector Plan and cooperation between the Department of Energy, Environmental Affairs and Public Works.
Purpose/importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030 and the climate change strategy.
Source/collection of data	List of identified buildings with energy generating installations Desktop research on existing solar panel buildings from Government and Private Sector
Method of calculation	A simple count of the renewable energy generated in Kilowatt hours
Unit of Measure	Kilowatt hours
Data limitations	Complete assessment and audit of office roof top space and unutilised land / parking space around the buildings for solar panel installations.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To use less energy from the national grid through generating renewable energy interventions
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	-	90 000 kWh

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	90 000 kWh	10 400 000 kWh	80 000 000 kWh	100 000 000 kWh	100 000 000 kWh
Portfolio of Evidence	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	2 600 000 kWh			
Portfolio of Evidence	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)

Key Performance Indicator 6.6

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio
Strategic Objective	To ensure resource efficiency in State-owned buildings
Indicator Title	Reduction in water consumption (kilolitres) for identified buildings
Short description	The indicator measures the reduction in water consumption for identified buildings through water savings interventions.
Purpose/importance	The indicator contributes towards water security in the country and to achieve water resource efficiency in Government buildings.
Source/collection of data	List of buildings with water savings installations based on audit conducted Baseline calculation Municipal water bills The data is collected from executing units and consolidated by Head Office: Facilities Management Branch.
Method of calculation	Difference between baseline volume and the monthly actual volume is determined as the reduction in kilolitres. The summation of each month in the respective financial year equals the total water reduction volume for the financial year in kilolitres. (Actual volume of water consumption) – (baseline volume of water consumption)
Unit of Measure	kilolitres
Data limitations	Non-delivery of Municipal Bills/Faulty meters
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	To implement water resource reduction initiatives to achieve or exceed targets set for water savings thereby contributing to the national targets for reduction in water consumption
Indicator owner	Deputy Director-General: Facilities Management
Indicator updater	Chief Director: Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	3 550 480 kl	4 090 865 kl	4 300 000 kl	4 800,000 kl

Annual Targets	2017/18 (EP)	2018/19	2019/20	2020/21	2021/22
	4 800 000 kl	8 000 000 kl	9 000 000 kl	10 000 000 kl	11 000 000 kl
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)

Quarterly targets 2018/19	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	2 000 000 kl			
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)

15. Legislation the Department of Public Works administers

Table 61: 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 titles 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.
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.

Short Title of the Act	Purpose of the Act
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.
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.

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REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY



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PROPERTY MANAGEMENT TRADING ENTITY

Property Management Trading Entity (PMTE)

Head Office: Public Works

CGO Building • Cnr Bosman Madiba Street

Pretoria Central • Private Bag X65 • Pretoria • 0001

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

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