



2017/2018

ANNUAL PERFORMANCE PLAN
PROPERTY MANAGEMENT TRADING ENTITY



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY



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PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2017/2018

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MINISTER'S FOREWORD

It is with great pleasure that I present the 2017/18 Annual Performance Plan for the Property Management Trading Entity (PMTE).

When introducing my updated Policy Statement in June 2016, I emphasised the importance of an increased and definite advancement from conceptualisation to implementation for the 2017/18 planning cycle, with a focus on what we actually will deliver. This entails firm commitments to deliver on targets, and the actual roll-out and timelines thereof. In the first two years of the Medium Term Strategic Framework (MTSF), we have made significant progress in strengthening the planning processes. The key now however, is to implement the plans we have made.

The achievements of the PMTE during the last two years, were propelled by the solid foundation established during the Stabilisation Phase of the Turnaround, and include inter alia: savings and improvements in lease management; the development of a maintenance strategy that aims to improve the condition of properties; better meeting the requirements of user departments; planning of precincts for delivery of various government services and other economic activities; improved turnaround times for construction projects; improved audit outcomes; and most importantly, the development of a Generally Recognised Accounting Practice (GRAP) compliant Immovable Asset Register (IAR). These achievements are in line with our Seven Year Turnaround Strategy. Having stabilised the Department by improving governance, compliance, risk management, and combatting fraud and corruption, and having restructured the Department and established the PMTE, we are now firmly into the Efficiency Enhancement phase of the Turnaround that focusses on improving the way we do business.

Sustaining our momentum however, demands our focused and uncompromised efforts, where – as a catalyst – the effective optimisation of the State’s immovable asset and lease portfolios, holds extensive benefits and opportunities in respect of Government’s broader developmental agenda and socio-economic transformation. To this extent, we remain committed to the continuous implementation of our State of Nation Address (SONA) commitments, in particular:

- Implementing resource efficiency measures (water, energy, and waste) for state-owned properties;
- Implementing labour intensive methods in the construction, maintenance and greening of State-owned buildings to stimulate job-creation;
- Empowering small, medium and micro-sized enterprises and cooperatives through turnkey solutions in construction, facilities management and property management;
- Supporting the Oceans Economy Phakisa through the Small Harbours programme and by ensuring that land parcels and properties identified by the Department of Agriculture, Forestry and Fisheries for aquaculture development are made available;
- Contributing towards cost-containment by leveraging the property portfolio to generate revenue for the State; and
- Accelerating investment in rural infrastructure through integrated planning and development of rural government precincts with municipalities, provinces and sector departments;

SONA 2017 further called for Radical Economic Transformation, specifically with regards to fundamental changes in structure, systems, institutions and patterns of ownership, management, and control of the economy in favour of all South Africans. The PMTE is already in the process of implementing various reforms in this regard. Key to this, is the Property Empowerment Policy to be adopted in April 2017, 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 also partnered with the private property sector, the Real Estate Investment Trusts (REITs) and the financial institutions to collaboratively craft a Sustainable Transformation Programme that will be launched during the first quarter of 2017/18. 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, particularly black people, women and youth.

One of my key policy priorities remains professionalising and enhancing the institutional capacity of the PMTE to deliver on the ambitious propositions that we have committed to. Now that the PMTE's organisational structure has been finalised, the PMTE has commenced implementing various technical capacity building initiatives to address its specific skills requirements. These include tailored Capacity Building Programmes in partnership with the South African Property Owners Association (SAPOA) and the Coega Development Corporation (CDC); our internal Young Professionals Programme; and the Cuban Technical Advisory Programme where additional technical expertise is required.

The PMTE further continues to prioritise the Construction Turnaround Strategy that focusses on reducing the backlog of infrastructure projects, obtaining the necessary built environment skills and institutionalising the Infrastructure Delivery Management System (IDMS) to ensure that programmes are effectively and optimally managed. Now that the momentum has been created, every effort will be made to forge ahead with the interventions to address both the backlog of infrastructure projects, and improve planning and turnaround times in project delivery. The PMTE has also incorporated the IDMS into the Service Delivery Model and the streamlining of departmental programmes in line with the Service Delivery Model has commenced.

With regard to improving our property business to ensure long term efficiencies, our focus remains on successfully operationalising the PMTE in line with National Treasury Regulation 19 and the ultimate transition to a Government Component in line with the business case endorsed by Cabinet. The PMTE has made considerable headway in this regard, and my priorities to guide the PMTE's strategic direction over the 2017/18 financial year include:

- Using the GRAP compliant Asset Register to provide reliable data that supports decision making;
- Prioritising an integrated and synchronized approach for the repair, refurbishment and maintenance of state immovable assets;
- Implementation of new models to reduce costs and optimise State assets;
- Streamlining processes and implementing supply chain reforms to accelerate service delivery;
- Formalising arrangements for State Domestic Facilities that are situated on land that is not owned by national or provincial Government; and
- Vesting of State properties in the correct sphere of Government.

A critical task that we are faced with in the current economic and budgetary environment however, is doing more with less – possible only by intensifying our expenditure efficiency and cost saving efforts. This is not just a task for Finance and Corporate Services, but goes to the heart of the core business, in particular Facilities Management and Property Management. The PMTE is in a position to significantly contribute towards cost containment, reducing waste and improving the composition of Government spending on accommodation, more specifically within the context of leasing-in. Over the next financial year, the PMTE will continue to prioritise reducing the cost of doing business and commence with revenue generating initiatives to lessen its fiscal burden.

As articulated previously, I want to reiterate the importance of effective communication to ensure that all PMTE staff members vital for the successful achievement of the PMTE's goals, are kept informed and understand how they contribute towards our vision of enabling convenient and dignified access to public services for all. Effectively cascading our strategy through the organisation can only be achieved by successfully managing change and realigning our business for sustainable results.

As we continue our journey towards a professional and effective public sector property management entity, we must continuously work to influence service design to proactively respond to our clients', and ultimately the public's demands. With the progress made thus far and the goals and objectives set for the new reporting period, I am confident that we are on the right path to achieving this.



Mr. T.W Nxesi

Minister: Department of Public Works



DIRECTOR-GENERAL'S OVERVIEW

The 2017/18 Annual Performance Plan (APP) encapsulates the activities that the Property Management Trading Entity (PMTE) will undertake to further implement the Revised Five Year Strategic Plan (2015-2020). It conveys the PMTE's acceptance of its responsibility to improve allocative efficiency, ensure value for money and maintain financial sustainability. In doing so, the PMTE will continue to work towards clear, measurable targets and objectives, in line with its mission of effectively managing the State's immovable assets to contribute towards economic and social development and transformation of the built environment.

Over the medium term, the PMTE will place greater emphasis on unlocking the latent value of the property portfolio and encouraging synergistic well-coordinated development of State properties to create opportunities for the poor and lowly skilled people, enable environmental sustainability and resource efficiency. Specific initiatives have been identified to be implemented over the short to medium term to increase revenue, eliminate non-essential expenditure and implement measures to contain costs and ensure that value for money is achieved. To this end, the PMTE will focus on letting out vacant surplus State-owned properties, marketing the State property portfolio to the public, conducting regular assessments of the leased out properties, ensuring implementation of the debt collection as per the Revenue Management Policy and ensuring maintenance on the State-owned properties.

The IAR serves as the primary source of data for all property-related activities and transactions. The rebuilt IAR data with the portfolios of evidence for property holdings and related condition assessment information are being migrated into an integrated asset management solution. This will further improve the data quality, whilst integrating with related property management activities. The PMTE will utilise the IAR to make prudent investment decisions for Government accommodation, with a specific focus on Government precinct development in urban areas, identified small towns and rural areas, small harbour development and commercialisation for revenue generation.

The PMTE undertook an analysis of all maintenance services to fully understand the reasons for the inefficiencies and weaknesses present in the Facilities Management environment. Based on this analysis, a comprehensive Maintenance Strategy is being developed to improve the condition of the State's portfolio

and meet the requirements of the user departments. With an initial focus on 300 identified properties, the Maintenance Strategy will focus on both unscheduled and scheduled maintenance, with the aim of developing skills and creating work opportunities whilst aligning with National Infrastructure Maintenance Management Framework (NIMMF) and GIAMA. The approach is also aimed at reducing the number of unscheduled maintenance incidents and expenditure thereof, while preserving the condition of the immovable asset portfolio.

The SONA Nine Point Plan requires the PMTE to ensure that all State-owned buildings are energy efficient. A National and Provincial Green Building Policy has been developed which 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 utilisation. 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 developing improved working and living conditions. A multipronged approach will be implemented towards achieving energy efficiency, combining the already successfully implemented interventions with new initiatives.

The PMTE will undertake integrated planning of infrastructure in small towns and urban areas to ensure that its infrastructure plans are integrated services across the different spheres of Government to facilitate improved community access. The Precinct Development Programme aims to provide long term infrastructure solutions for all national Government departments and agencies by providing permanent office accommodation within the growth nodes thereby ensuring adequate access to government services.

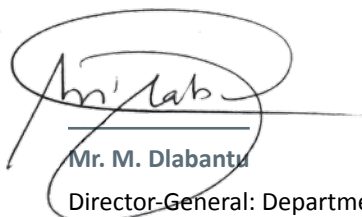
In the 2017/18 financial year the PMTE will invest approximately R100 million for critical capital maintenance programmes to modernise the harbours, creating an enabling environment for the expansion of business opportunities which will result in security of tenure to business owners, sustainability of jobs, and further investment. The development of the harbours in the Northern Cape, Eastern Cape and Kwa-Zulu-Natal Provinces will assist in the formalisation of marine activities, including fishing, mining, and aquaculture farming and will also allow for new investment opportunities in these small and rural areas.

User departments will continue to receive training and support in the compilation of User Asset Management Plans (U-AMPs) for submission to both the Department and National Treasury. This will ensure that the demand for accommodation by user departments is adequately funded by National Treasury, while taking cognisance of the fact that, U-AMPs will be incorporated into the Custodian Asset Management Plan (C-AMP) for efficient and effective management of immovable assets throughout the life-cycle. The IAR is utilised to support these processes by aligning the accommodation owned by the State to the needs of user departments, predicting demand and planning for long term requirements.

The PMTE, recognises the need to prioritise certain areas of the business in order improve its audit performance, specifically with regard to the recording, reporting and management of project expenditure, linking of rental debtors and registration of subdivided or consolidated land parcels on the IAR, management of unscheduled maintenance services, management of private leases and processing of property payments. These interventions will be supported by the introduction of the new ERP system being SAGE X3 and ARCHIBUS as a common platform to provide an integrated solution that supports end-to-end business processes for the property management function (including the asset register, lease management, and capital budgeting, amongst others).

Other business improvement initiatives include the PMTE's Business Process Review which is currently underway and procurement reforms that will be implemented during the 2017/18 financial year within Supply Chain Management (SCM). This includes streamlining the procurement processes for leases, infrastructure and facilities management. Specialised Bid Adjudication Committees will be set up for procurement of these services to enable the PMTE to source the right expertise and ensure value for money. The establishment of panels will also enhance the turnaround times for these services.

This APP continues to prioritise the PMTE's commitment to the National Development Plan and the MTSF, particularly with regard to Outcomes 7 (Comprehensive rural development), 10 (protected and enhanced environmental assets and natural resources), and 12 (An efficient and effective development-oriented public service). The plans, projects and performance targets set out in the APP require us to serve with purpose. We commend our employees for delivering services with integrity and commitment.



Mr. M. Dlabantu
Director-General: Department of Public Works

PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2017/2018

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 Revised Strategic Plan of the Property Management Trading Entity, and 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 2017/18 financial year.



Mr. P. Serote

Head: Property Management Trading Entity



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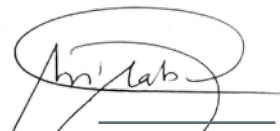
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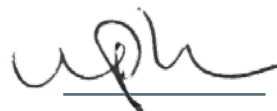
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Mr M. Dlabantu
Director General
Department of Public Works





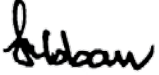


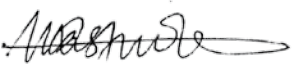




Mr J.P. Cronin, MP
Deputy Minister of Public Works

Approved by:



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

MANCO SIGN OFF

MANCO MEMBERS	
	Ms A. Chowan Supply Chain Management
	Mr P. Chiapasco Real Estate Investment Management
	Ms S. Subban Planning and Precinct Development
	Mr B. Kgasoane User Demand Management
	Mr M.S. Thobakgale Construction Project Management
	Mr M. Sithole Real Estate Management Services
	Mr M. Govender Small Harbours
	Ms S. Matthews Real Estate Information and Registry Services
	Mr J. Maroga Facilities Management
	Mr M.S. Thobakgale Project Management Office

ACRONYMS AND GLOSSARY OF TERMS

ACRONYM	FULL DESCRIPTION
AG	Accountant-General
AIM	Asset Investment Management
ASA	Agrément South Africa
BBBEE	Broad-Based Black Economic Empowerment
BCOCC	Border Control Operations Coordination Committee
BEE	Black Economic Empowerment
BEP	Built Environment Profession
C-AMP	Custodian Immovable Asset Management Plan
CBE	Council for the Built Environment
CCM	Client Centric Management
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CIO	Chief Investment Officer
CIP	Contractor Incubator Programme
COEGA	Coega Industrial Development Zone
CPAP	Contract Price Adjustment Provision
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
DOJCD	Department of Justice and Constitutional Development
DOL	Department of Labour
DOT	Department of Tourism
DPME	Department of Planning, Monitoring and Evaluation

ACRONYM	FULL DESCRIPTION
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
EDMS	Employee Development and Management System
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
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

ACRONYM	FULL DESCRIPTION
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
NLA	National Laboratory Association
NT	National Treasury
OBB	Operation Bring Back
PFI	Project Finance Initiative
PFMA	Public Finance Management Act 1 of 1999
PICC	Presidential Infrastructure Coordinating Commission
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

ACRONYM	FULL DESCRIPTION
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
SPA	State Property Agency
SPMA	State Property Management Agency
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



PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
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PART A – STRATEGIC OVERVIEW

PROPERTY MANAGEMENT TRADING ENTITY

ANNUAL PERFORMANCE PLAN

2017/2018

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 co-operation 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	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. 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
Related Strategic Objectives	<ul style="list-style-type: none"> To provide a compliant internal control and financial service To provide a compliant SCM 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	Outcome 12: An efficient, effective and development-oriented public service (Sub-outcome 4: Efficient and effective management and operations systems) Highlights the need for more functional workplaces, leading to improved responsiveness to the needs of service users
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 in order 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 Immoveable 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 Immoveable 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 creation¹	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)	
		6: To provide quality accommodation and contribute to the financial sustainability of the PMTE	
		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	
Rural development, land and agrarian reform and food security⁶	7: Vibrant, equitable, sustainable rural communities contributing towards food security for all ⁷	4: To develop accommodation solutions in collaboration with the relevant spheres of Government	Programmes 2, 3, 5, 6
		5: To meet user department accommodation requirements as per the approved IPMP	
	8: Sustainable human settlements and improved quality of household life ⁸	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 areas ⁹
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 in “dormitory” type residential areas. The PMTE will unlock the potential of its collective asset base to stimulate the local economy in meeting the accommodation requirements of its user departments. 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 collaborate with sector departments and rural municipalities to coordinate infrastructure planning and ensure maximum positive impact in rural areas by making public services more accessible. There will be a particular focus on public services that are provided by the South African Social Security Agency (SASSA), Department of Home Affairs (DHA), Department of Labour (DOL), South African Police Service (SAPS), Department of Basic Education and Department of Justice and Constitutional Development (DOJCD).
Medium Term Expenditure Framework (MTEF) Budget	R608,1 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)

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

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 objectives ¹⁰
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 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 R37,2 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"> • Number of infrastructure projects completed within approved budget • Number of infrastructure projects completed within agreed construction period • Number of private leases reduced within the security cluster • Percentage reduction of backlog in infrastructure projects

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	R191,9 million
Related performance indicators	<ul style="list-style-type: none"> • Percentage of revenue increased through rentals of harbour-related properties • Percentage of DAFF certified Operation Phakisa Ocean economy leasing requests processed within 12 months of receipt.

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

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

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	Reliable generation, transmission and distribution of energy ensured
Sub-outcome 3	An effective climate change mitigation and adaptation response
MTSF action	Green Energy in support of the South African economy ¹² Strategic policy or regulatory frameworks and programmes to promote a low carbon economy ¹³
Description	Given the reality of South-Africa’s constrained electricity supply, demand needs to be managed in a way that limits the impact of load shedding on Government’s economic and social priorities. The PMTE, mainly through its Construction Project Management and Facilities Management Divisions will prioritise electricity savings by ensuring electricity supply security through various energy efficiency projects and ensuring that all future construction and refurbishment projects are in line with the DPW’s Green Building Policy
MTEF Budget	R66,9 million
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 management ¹⁴
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	R85,1 million
Related performance indicators	<ul style="list-style-type: none"> • Reduction in water consumption (kilolitres) in identified property portfolio

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 households ¹⁵
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	R235,9 million
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

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, as a consequence, 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 4, 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 this Constitutional mandate, both the Department and the PMTE need to observe the principles of good cooperative governance and intergovernmental relations as provided for in Section 41 of the Constitution.

6.2. LEGISLATIVE MANDATES

The applicable legislative mandates for the PMTE are set out, inter alia, in the following pieces of legislation:

- a. 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;
- b. 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;
- c. 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;
- d. 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.;

- e. 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.
- f. 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
- g. Other Acts, placing specific responsibilities on the PMTE, as listed in Annexure A.

6.3. POLICY MANDATES

The PMTE's Policy mandates derive largely from the directives of the Department of Public Works, as they pertain to the following:

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

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

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

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

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

The Charter 2006, *inter alia*, aims to:

- provide the construction sector with the first quantitative method of monitoring and evaluating the progress of an enterprise towards achieving Broad-Based Black Economic Empowerment (BB-BEE) 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 which 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, 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.
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

7.1.1 GLOBAL OVERVIEW

At the start of 2016, the three global focal points were (a) China's growth prospects during economic re-balancing; (b) the struggles of primary commodity exporters; and (c) the timing and impact of the Federal Reserve's first interest rate increase since 2006. Halfway through the year, the United Kingdom (UK) sent shock waves across the globe when it voted to exit the European Union (EU) (Brexit). Towards the end of the year, the United States of America (USA) presidential election took place, the results of which may potentially change the global landscape.

China has, however, shown stable growth performance and thereby reduced short to medium term concerns. In addition, commodity prices have partially recovered, and the Federal Reserve's initial interest rate hike has taken place. Forecasts show improving global economic growth in the years ahead. This projected improvement is driven by emerging markets and developing economies, as economic conditions steadily normalise and China's growth rate - although declining - remains high.

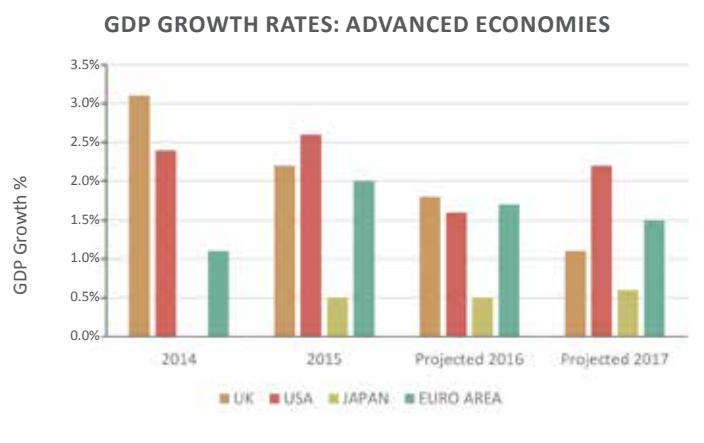
Overall, growth in most advanced economies remained lacklustre, whilst prospects remained disparate across emerging markets and developing economies, with some improvement in a few large emerging markets. The global economy has an estimated growth rate of 3.1% in 2016, down from 3.4% in 2014. Most of the growth contribution was as a result of emerging and developing markets whose estimated growth rate for 2016 is 4.2%. Although recent years' events left the global market fragile and with uncertainties, global recovery is gaining traction.

At the end of the second quarter of 2016, the International Monetary Fund (IMF) projected a 3.4% economic growth for the global economy in 2017. The factors upon which this estimate is contingent, include the aftermath of Brexit, as well as the USA's future policy stances. Recent sentiments have been that globalisation has had negative effects on certain economies, and, consequently, trends of protectionism have grown in 2016 and appear to be gaining traction as more advanced economies are raising concerns over immigration and trade policies.

These sentiments manifested in the UK Brexit referendum. France, the Netherlands, Spain and Austria have followed suit in expressing nationalist sentiments. The same sentiments were sensed when the US president-elect proposed policy stances which exhibited protectionism and nationalism. If these sentiments materialise, they could lead to inefficiencies, inflation and the impediment of technological advancement. All these contribute towards decreasing business confidence due to possible reforms and uncertainty - which could negatively affect global trade and investment flows.

South Africa's outlook is affected by events occurring across the globe. As Europe and the US are South Africa's leading trade partners, events occurring in these regions are likely to affect the country's growth prospects. With China, India and Brazil offering great opportunities through the BRICS partnership, it is important to stay abreast with activities in their economies. The charts below show the actual and forecasted GDP growth for advanced, BRICS and other emerging markets and developing countries from 2014 to 2017. The overview section sets out the economic developments for 2016 in these countries.

Figure 1: GDP Growth Rates

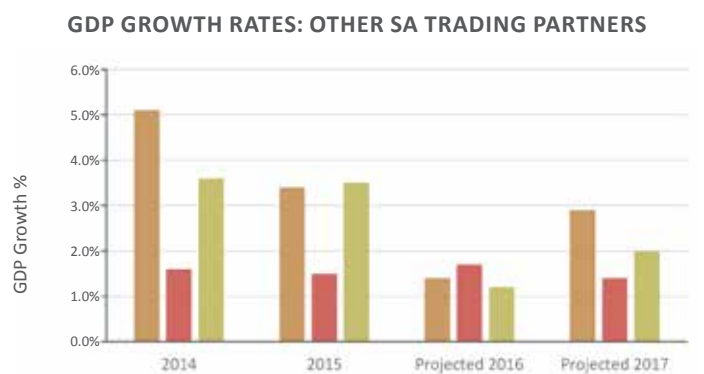


OVERVIEW

The latest growth projections show a downward revision in growth rates for the USA, Japan and Euro area. The only two countries expected to still perform in line with prior forecasts are Germany and France. The overall growth projection for developed economies is at 3.1%, down by 0.1% from April projections.



Despite efforts by the bank of Japan to increase demand and spending, the economy expanded by 0.3% in the third quarter of 2016, which was already lower than the expected 0.5% growth. The United States followed a growth of 1.2% in the second quarter of 2016, by 2.9% in the third quarter. The near future for developed economies is marked with uncertainties, as a number of major events are still expected to unfold.

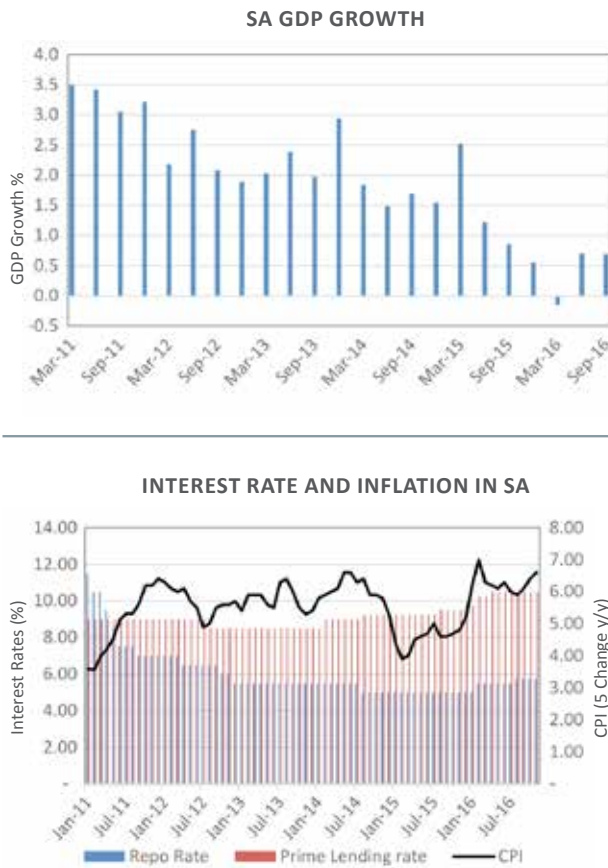


The economic outlook for emerging markets and developing countries is more positive than that of the advanced economies. All the BRIC countries had a modest upward revision in growth projections for 2016. The overall growth projection for emerging market and developing economies remains at 4.1% (including South Africa and other emerging countries).

7.1.2 SOUTH AFRICAN ECONOMIC OVERVIEW

Low growth continued to persist within the South African economy, with growth increasing by 0.2% (annualised quarter on quarter) in the third quarter of 2016, down from a 3.5% increase in the second quarter. However, when compared to the previous year, both the second and third quarters of 2016 registered growth rates of 0.7%, whilst the first quarter contracted by 0.1% relative to the first quarter of 2015. The graph below shows the South African GDP growth (year on year), interest rates and inflation over time.

Figure 2: SA GDP growth, Interest Rate and Inflation



OVERVIEW

The Mining industry contributed the most to GDP growth in the third quarter (0.37%), followed by general government services (0.28%) and the finance and business services industry (0.24%). Manufacturing (-0.4%), trade (-0.29%), electricity (-0.06%) and agriculture (-0.01%) contracted in this quarter and contributed to the lower growth relative to the previous quarter. Drought continued to affect the agricultural sector as this was the seventh consecutive quarter in which the industry has been contracting.

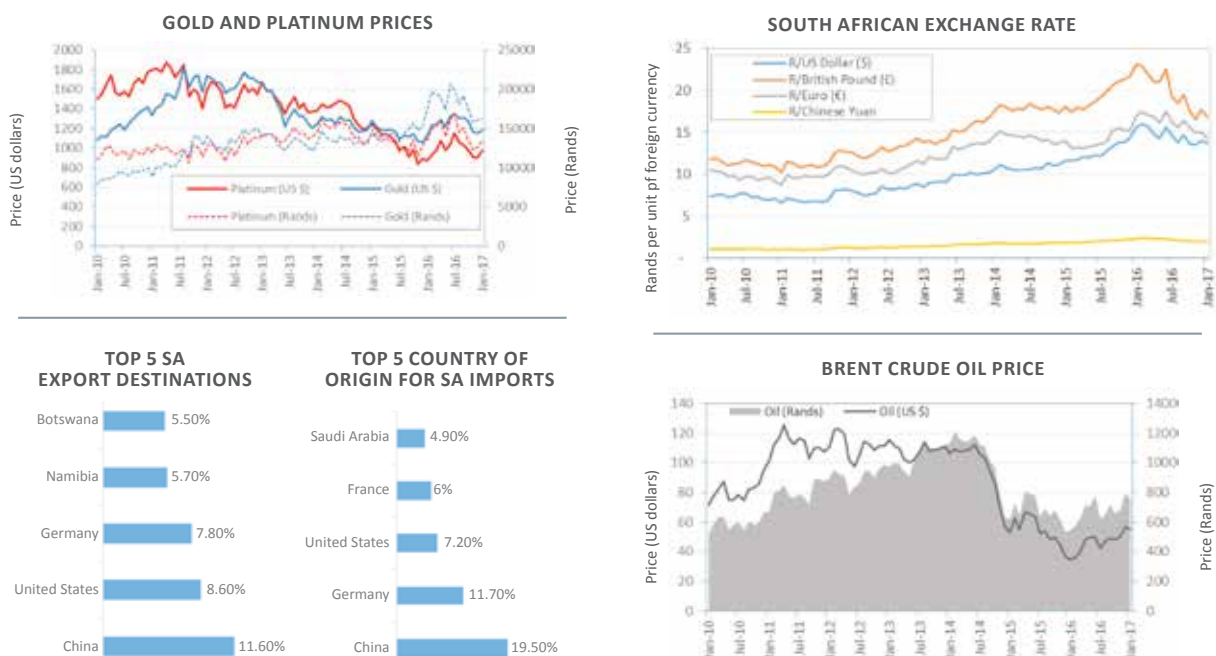
Inflationary pressures persisted through 2016, as the continued effects of drought fueled food price inflation. Increasing energy prices contributed to high inflation, and although volatility is expected in the near term, it is generally expected to be on an upward trajectory. The November headline CPI measured 6.6% year on year, which is well outside the targeted inflation band of 3 - 6%.

The Reserve Bank Monetary Policy Committee (MPC) decided to keep the repo rate unchanged at 7% in November 2016. This decision comes on the backdrop of uncertainties in advanced economies and persisting tough times domestically as growth remains low and inflation risks continue to rise.

The recovery of the mining sector is largely dependent on commodity prices. Commodity prices were on a prolonged downward trend in 2015 due to weakened global demand, but have shown recovery in 2016. The effect of the drought continues to impact on the agricultural sector. However, given the level of expected rainfall in early 2017, the performance of the sector is likely to improve.

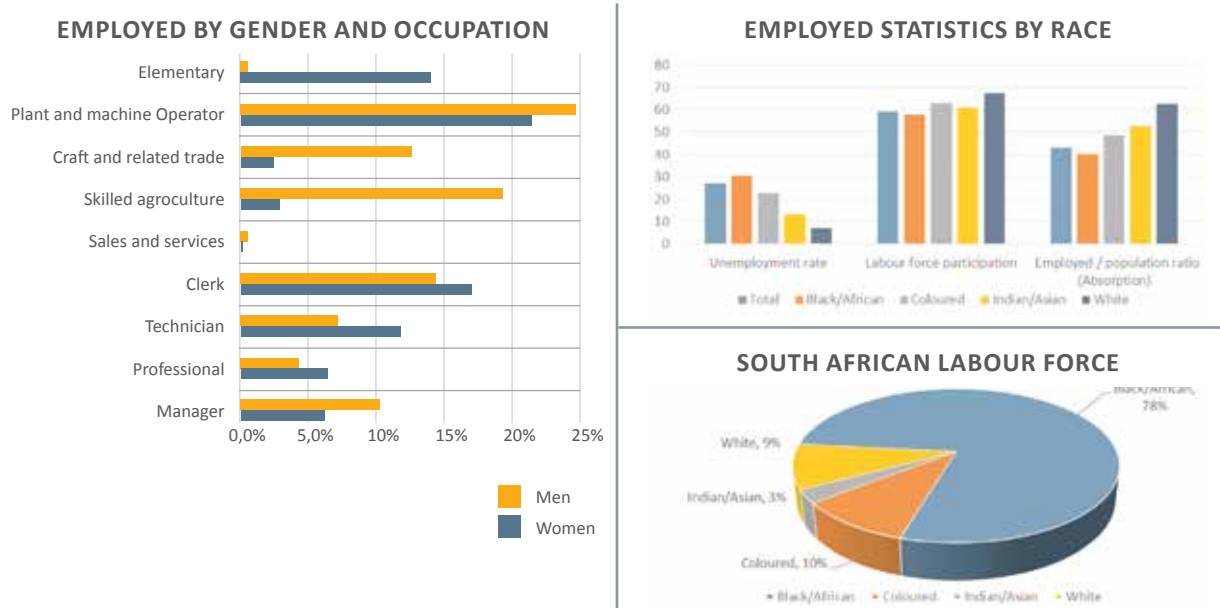
Minerals are a major export in the country, thus a rise in the price of minerals is a boost to the economy through the resources sector. The impact of recovering mineral prices can be seen in the corresponding appreciation of the rand against foreign currencies, although there are other global factors adding to the appreciation. The graphs below show the movements in commodity prices over time and the rand's performance against foreign currencies. On the other hand, the recent upward movement in oil prices exerts downward pressure on the rand and increases inflation risks. This is as a result of oil being a major import and input in the South African economy. Therefore, the recovery of commodity prices has had opposing effects on the South African economy.

Figure 3: Commodity prices and trade data



As a developing country, job creation is fundamental for the alleviation of poverty and reduction in inequality. Accordingly, the NDP has set an employment target of 24 million jobs by 2030. As at the end of the third quarter of 2016, the total number of employed people was 15 833 000. The charts below show the breakdown of employment across gender, occupation and race.

Figure 4: Employment Statistics



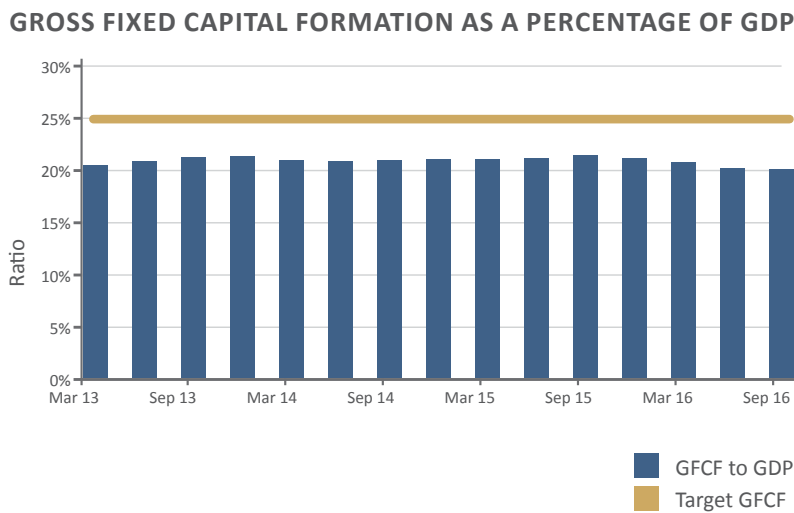
The unemployment rate increased by 0.5% as at the end of the third quarter of 2016 to 27.1%. The effects of the increase in the number of employed people was offset by an increase in the number of new entrants to the labour force, as well as job losses.

Government plays a major role in the growth of any economy, through policy and participation. Total government expenditure was 20% of gross domestic expenditure as at end of the third quarter of 2016. Government revenue for the corresponding period was 23.8% of the GDP, which is very low relative to the set target of 30.2%. The government budget deficit for the corresponding period was -8.7% of the GDP.

The continuous increase in the Government’s gross loan debt is of concern. Gross loan debt for the third quarter of 2016 was 50.9%, which equals the figure projected in the 2016/2017 budget by National Treasury. The weak business and consumer confidence places additional pressure on Government to spend, which could lead to an increase in borrowings. Government’s efforts to reduce spending is critical as the revenue generating potential is currently limited.

The Gross Fixed Capital Formation (GFCF) is an important indicator of economic activity. The NDP has set a target of the ratio of GFCF to GDP of 30% by 2030. The chart below shows how the ratio of GFCF to GDP has changed over time.

Figure 5: Gross fixed capital formation as a percentage of GDP



OVERVIEW

The target ratio for developing countries of GFCF to GDP in order to increase per capita income is approximately 25% (according to a report by the SARB during a 2012 budget review). The current ratio is approximately 20%. Some countries have shown significant reduction in poverty with ratios more or less at this level.

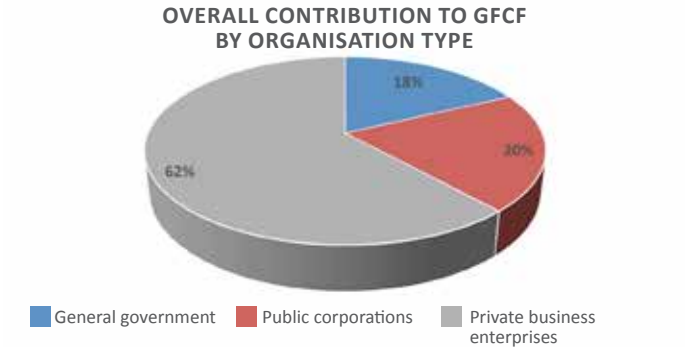
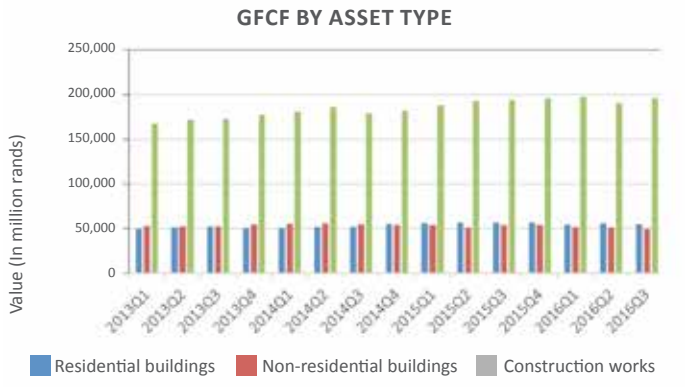
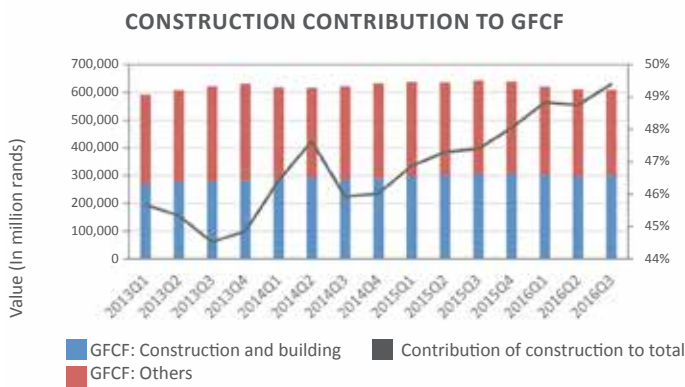
Although 2016 has been a challenging year, the outlook is expected to improve in 2017 and more so in 2018. The SARB forecasts GDP growth for 2017 to be 1.2%.

7.1.3 THE CONSTRUCTION SECTOR

The construction sector contributed 3.5% to the total GDP in the third quarter of 2016. The seasonally adjusted and annualised quarterly growth in the construction sector was 0.35% for the third quarter of 2016, a significant improvement from the 0.24% decrease in the second quarter.

An overview of the building and construction sector is provided below. The chart below shows the Gross Fixed Capital Formation (GFCF) for the country against the building and construction GFCF.

Figure 6: Construction Gross Fixed Capital Formation (GFCF)



OVERVIEW

The contribution to the country’s GFCF from the building and construction sector was approximately 49% as at the end of third quarter of 2016. This is a significant contribution to the overall number, as this indicates that the building and construction sector contributes roughly 9.8% of the GDP. The sector is contributing significantly in eradicating poverty.

BUILDINGS AND CONSTRUCTION GFCF

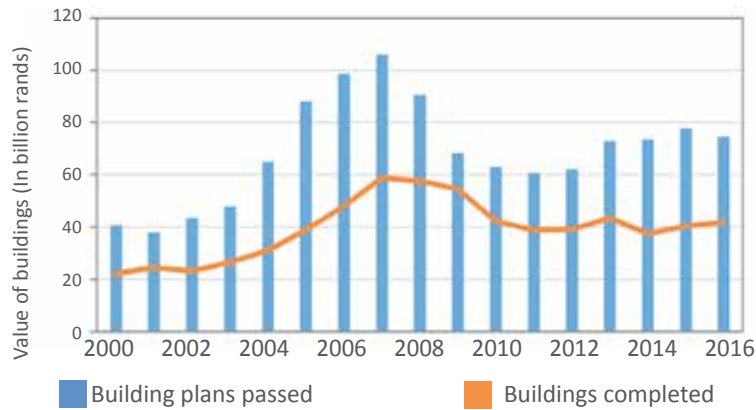
The GFCF by asset type chart provides a breakdown of GFCF. Construction works is the main contributor to the overall GFCF, with general Government contributing on average approximately 60% in the construction works asset class. This highlights the role Government is playing through infrastructure development in addressing poverty and economic growth.

Overall contribution by organisation type shows that private business enterprises are the main contributor to overall buildings and construction GFCF.

The section below summarises the activity within the building sector as at the end of October 2016. This provides an indication of the economic environment and confidence amongst businesses and households.

Figure 7: Building plans passed and completed

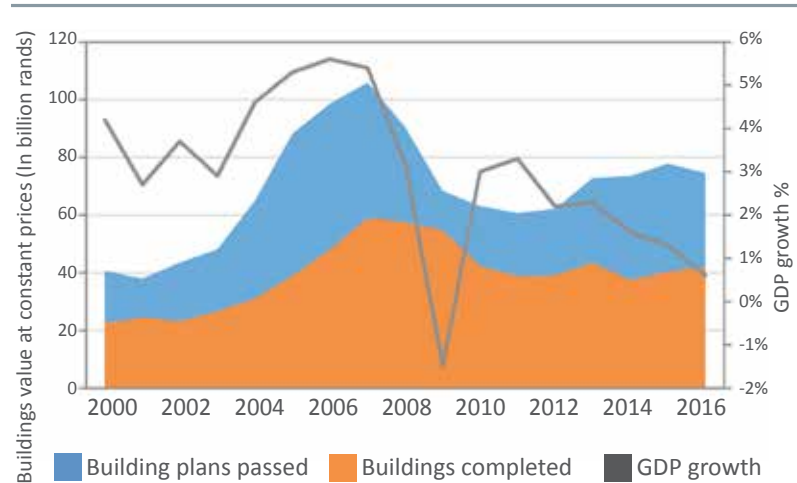
BUILDING PLANS PASSED AND BUILDING PLANS COMPLETED



OVERVIEW

The overall (cumulative) value of building plans passed from January to the end of October 2016 decreased by 4.2% relative to the corresponding period in 2015. This is in contrast to the 5.8% increase experienced in October 2015 relative to 2014.

The value of residential building plans passed decreased by 2.6% compared to 2015, a contrast to the 7.5% increase observed between 2014 and 2015. The corresponding value of buildings completed decreased by 1.2% for 2016. This indicates that the residential property market is still struggling and expected to be under pressure in the short term, given the low economic growth, as well as the looming inflation risks.



For the same period, the value of non-residential building plans passed decreased by 7.7%, whilst the completed buildings increased by 21.6% from around R 9.6 billion to R 11.6 billion. The increase in the value of buildings completed does not necessarily reflect the current economic environment and business confidence, as projects likely commenced in prior years. The decrease in building plans passed resonates the difficult economic climate. The chart shows how building plans passed and completed buildings move in relation to GDP growth.

Although the 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. In addition, the announcement that the Commonwealth games will be held in Durban in 2022 will require a host of projects, further improving the outlook for the sector.

There have been some regulatory changes within the construction sector affecting B-BBEE. In May 2015, the B-BBEE Codes were amended, with specific emphasis on direct black ownership and control of companies. The amendments to the Codes mean that there is a change in the way in which B-BBEE status is calculated, posing challenges to the construction sector. The table below shows the changes in the Codes.

Table 16: BEE codes

B-BBEE LEVEL	CURRENT CODES	AMENDED CODES
1	≥ 100	≥ 100
2	≥ 85 but < 100	≥ 95 but < 100
3	≥ 75 but < 85	≥ 90 but < 95
4	≥ 65 but < 75	≥ 80 but < 90
5	≥ 55 but < 65	≥ 75 but < 80
6	≥ 45 but < 55	≥ 70 but < 75
7	≥ 40 but < 45	≥ 55 but < 70
8	30 but < 40	≥ 40 but < 55
Non-Compliant	<30	<40

The main difference is that the revisions identify priority elements on which companies should focus, namely ownership, skills development and enterprise and supplier development. Failure to comply with a 40% sub-minimum in any of these priority elements leads to an automatic reduction of one level in the BEE contribution level. Before, B-BBEE focused on empowerment, ownership and management. Given the concerns of lack of transformation within the sector, the changes are envisaged to improve the status quo.

7.1.4 THE PROPERTY SECTOR

The role of the property sector in the South African market remains significant. The latest research published by the Property Sector Charter Council (PSCC) values the total property market at R 5.8 trillion. The residential sector contributed R 3.9 trillion to this amount, followed by the commercial sector with R 1.3 trillion. The remaining value was shared between the public sector (R 0.2 trillion) and zoned land (R 0.5 trillion). The market update shows a significant growth in the size of the property market compared with earlier estimations published by the PSCC.

The performance of the property sector in 2016 varied across the different segments – residential, office, retail, residential, and the listed property asset class. Due to a lack of data, the public sector will not be included in this overview.

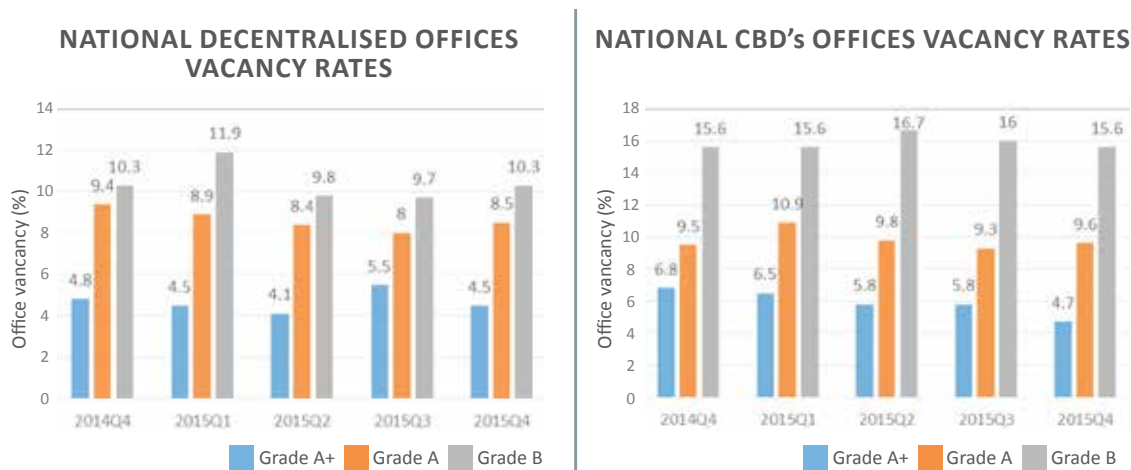
7.1.4.1 Residential

In 2016, the residential property market saw an overall increase, albeit lower than previous years, in nominal property prices. Small houses increased by 8.8%, medium by 5.9% and large by 2.4%. This has been observed to be at very low levels compared to the boom of 2007 and of 2014. However, in real terms, the real change in property prices was negative - pointing to deflation. Affordability was one of the factors that have contributed to the low property prices. South African households, in the third quarter of 2016, had a debt-to-disposable income ratio of 74%, had high interest rates which increased mortgage costs, and experienced a savings-to-disposable income ratio of -0.8%. The lower property prices combined with the prolonged depreciation in the rand were expected to increase foreign ownership (3%) of residential property – however, this was not the case due to low investor confidence.

7.1.4.2 Offices

As at the end of the fourth quarter of 2016, gross asking rentals were up by 8.3% year on year. The source of the rental growth continues to be supply-based as opposed to being demand-driven. P and A grade offices are experiencing higher rental growth rates and significantly lower vacancy rates than the other grades, as they are more attractive to businesses. The national office vacancy level, according to the South African Property Owners Association (SAPOA), was at 10.7%, which is 0.2% lower than the previous quarter. The lowest office vacancy rates were recorded in Cape Town, whilst the highest was in eThekweni. National centralised offices had a vacancy of 15.5%, whilst decentralised offices had a vacancy of 9.2%. This trend is consistent with that observed in prior years, as shown in the diagram below for the period ending in the fourth quarter of 2015.

Figure 8: Office vacancy rates



As a result of the shift in office space preference, central nodes have been experiencing a decline in demand for older nodes in the past year. Many old office buildings in these areas are being renovated and converted into accommodation for students from surrounding academic institutions. These trends are likely to continue in most cities across the country as a result of businesses moving out of central business districts, and the rising demand for student accommodation.

7.1.4.3 Retail

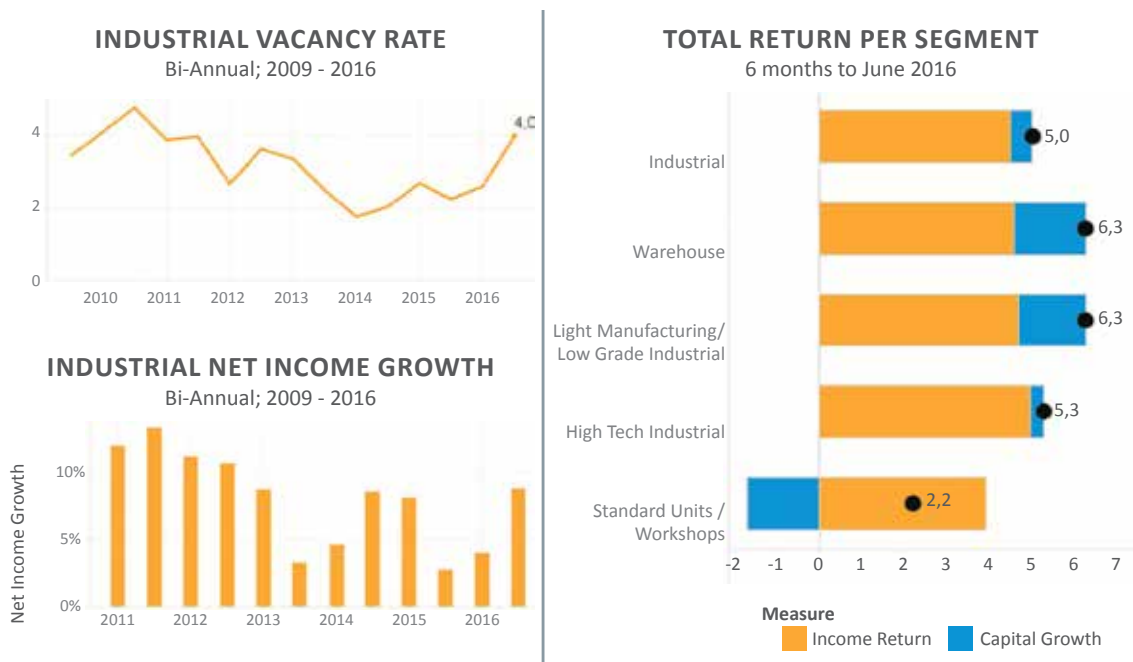
According to SAPOA, trading density within the retail sector grew by 7.9%. This was mainly driven by the 7.2% growth in sales. Retailers’ cost of occupancy, as measured by the ratio of gross rentals to sales, remained constant for the third quarter of 2016. It can be deduced that gross rental increased at around the same pace as sales for the same period.

Despite the expansions of malls across South Africa, they are expected to (a) continue on an upward trajectory, and (b) be resilient through economic cycles compared to neighbourhood centres or small complexes which display greater sensitivity to consumer spending. New developments in the retail sector slowed down in the last months of 2016. Despite oversupply perceptions, there are other developments which are still to be completed in 2017, including Springs Mall and Kyalami Corner in Gauteng; Thavhani Mall Limpopo, and Cornubia Mall in KwaZulu-Natal. The trend in the regional and the super-regional malls shows that there is a demand for these malls, with the vacancy rates observed to be at a low 3% and 2%, respectively.

7.1.4.4 Industrial

The industrial property sector showed disparate performance across segments over time. The chart below shows details on the performance of the sector:

Figure 9: Industrial Vacancy Rates and Returns

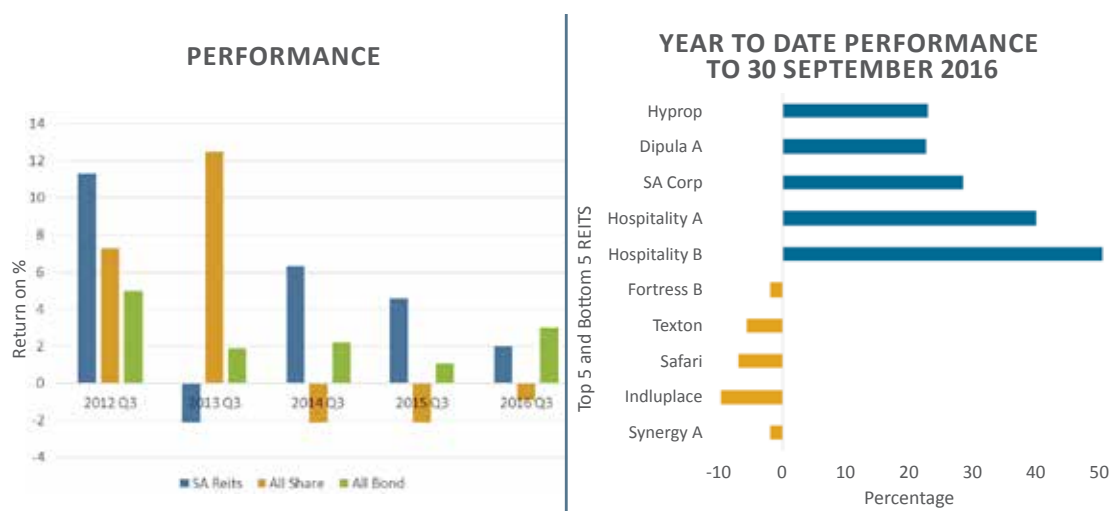


As at the second quarter of 2016, the net income growth was recorded at 8.7% - the highest since mid-2012. The strongest performance came from industrial rentals on the East Rand (Gauteng), followed by the Cape Peninsula (where industrial rentals grew in real terms). However, Central Witwatersrand and Durban showed an overall negative real growth. The national industrial vacancy rate as recorded by the Institute of People Development (IPD) was 4%. This is up from 2.6% in December 2015, and the highest level in five years. It is important to note that there is significant variance of vacancy rates between different nodes, as well as property sizes. The worsened rates were partly as a result of the deterioration of the Barclays Purchasing Managers Index (PMI) and poor global economic conditions - which still remain a concern for the sector.

7.1.4.5 Real Estate Investment Trusts (REITs)

The South African listed property sector has grown significantly over the past 10 years, with the class outperforming the South African cash, equities, bonds, as well as REITs. The South African REITs offered a return of 14.7% as at the end of the fourth quarter. The chart below shows the performance of SA REITs, All Share and All Bond indices, and how they compared to one another as at end of the third quarter of 2016, as well as the performance of the top five and bottom five SA REITs.

Figure 10: Real Estate Investment Trust Performance



In summary, the external environment refers to influences of the global economy such as the Brexit and the US presidential election, China's growth performance and prospects and performance by the other BRICS countries; as well as factors to consider within the South African economy such as the contributions by different sectors to the GDP, drought-fueled price inflation; repo rate decisions; commodity prices; the unemployment rate, and Government expenditure. Of specific importance to the PMTE is the contribution of the construction sector to the South African GDP, as well as the value of the property sector, particularly the residential, office, retail, industrial and REITs property sectors.

7.2. STRATEGIES TO RESPOND TO THE EXTERNAL ENVIRONMENT

South Africa is experiencing a challenging economic and budgetary environment, with relatively high inflation and weak growth. To sharply reduce unemployment, poverty and inequality, the South African economy needs to grow faster and more inclusively. The NDP points out that moving towards a higher-growth economy requires structural changes, including becoming less reliant on resource-intensive industries, and promoting energy-efficient, labour-absorbing sectors. In the past, substantial increases in Government social service spending has helped to reduce poverty. However, Government has placed greater emphasis on infrastructure, employment and economic growth in the current term.

The PMTE's ability to respond to the changes in the external environment is important to ensure sustainability and growth. Although the PMTE does not have control over the external environment, strategies to respond to these challenges and/or opportunities has been formulated and adopted through the PMTE's planning and management processes. These strategies include:

7.2.1 EFFECTIVELY MANAGING STATE PROPERTY TO ENSURE FUNCTIONAL, ECONOMIC AND SOCIAL BENEFIT

With the current constraints of low economic growth and high unemployment in the country, all cost-effective and informed transactions contribute to greater efficiency, reduced waste and improved composition of Government spending. The PMTE has a role to play by unlocking the latent value of the property portfolio and encouraging synergistic well-coordinated development of State properties. This leads to the generation of economic activities, and the creation of new jobs and productive opportunities for all, including interventions that empower poor and working people to access opportunities; create conditions for social cohesion and well-being; and enable environmental sustainability.

7.2.1.1 *Availing property for social-economic development*

Having concluded its IAR Enhancement Programme, the PMTE is well-placed to leverage its property portfolio to optimally use its vacant land, unutilised and under-utilised facilities. An analysis of the IAR has commenced to understand fully the contents of the immovable asset portfolio and segment it in order to ensure optimum utilisation, 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. 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; enhance 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.

The PMTE has a substantial and complex property portfolio which is frequently leveraged for the achievement of Government's socio economic objectives. 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 Department of Rural Development and Land Reform (DRDLR). This allows for the PMTE to make a meaningful contribution towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land. The disposal and transfer of land parcels to these departments will assist in the delivery of housing projects to local communities and transformation of the farming sector and rural development. In this way, the PMTE makes a significant contribution towards a broader value chain, in order to achieve change and upliftment of the citizens of South Africa.

7.2.1.2 Total Facilities Revamp

The Facilities Management division within the PMTE is mandated to ensure that immovable assets occupied by user departments and the public are optimally maintained in a safe, secure, healthy and ergonomic environment, whilst contributing to job creation and skills development. This should be done through an integrated and synchronised approach with regards to the repair, refurbishment and maintenance of State immovable assets.

Maintenance Strategy

During the 2015/16 financial year, the PMTE undertook an analysis of all maintenance services to fully understand the reasons for the inefficiencies and weaknesses present in the Facilities Management environment. Based on this analysis, a comprehensive Maintenance Strategy is being developed to improve the condition of the State's portfolio and meet the requirements of the user departments. The Maintenance Strategy will focus on both unscheduled and scheduled maintenance, with the aim of developing skills and creating work opportunities whilst aligning with National Infrastructure Maintenance Management Framework (NIMMF) and GIAMA. The approach is also aimed at reducing the number of unscheduled maintenance incidents and expenditure thereof, while preserving the condition of the immovable asset portfolio.

The development of the Maintenance Strategy for the PMTE will involve the review of the current facilities maintenance delivery model and processes to identify and address weaknesses and inefficiencies, taking into consideration:

- The implementation of the National Infrastructure Maintenance Management Framework for the Public Works Sector;
- Leveraging the emerging Information Communication & Technology (ICT) platform (telemetry for critical components, ARCHIBUS call centre module linked to the IAR and maintenance management Enterprise Resource Planning (ERP) System);
- Total Facilities Management Programme for high priority facilities; and
- Leveraging the Facilities Management Programme for skills development and job creation.

High Priority Facilities – Top 300

Due to various challenges experienced regarding the maintenance of State-owned facilities, such as the poor condition of facilities, manual and fragmented operating systems, the lack of facilities management life cycle competency and the high percentage of unscheduled maintenance services, the PMTE has a pilot programme consisting of 300 facilities that will be prioritised within the maintenance programme. The prioritisation process is based on the extent of resource consumption (energy and water), strategic nature of the accommodation, capital investment since 2009, type of accommodation (Security Cluster, national museums and archives, priority facilities of the DOL, and prestige facilities).

The objective of the Top 300 Programme is to pilot the Facilities Management Delivery Model with core elements of Facilities Management that will be rolled-out to the entire portfolio. This is aimed at:

- Developing a central command centre with real-time remote visibility of critical services of each facility;
- Implementing the Resource Efficiency Programme through Shared Savings Contracts;
- Central M&E of service providers on each facility (quality, turn-around, and cost);
- Managing compliance with the Occupational Health and Safety Act 85 of 1993;
- Implementing Total Facilities Management on prioritised facilities;
- Developing internal technical skills capacity; and
- Facilitating the greater participation of SMMEs.

7.2.1.3 Development of Government precincts in small towns and rural areas

Failure to accelerate investments in rural infrastructure will negatively impact efforts to achieve the NDP and limit opportunities for the country to benefit from economic and social transformation. The PMTE will undertake integrated planning of infrastructure in small towns and urban areas to ensure that its infrastructure plans support integrated services across the different spheres of Government to facilitate improved community access. The objectives of the Small Towns Precinct Development Intervention are:

- To support efficient and integrated planning and the development of Government infrastructure for improved service delivery;
- To address the impact of small town decay and progressively accelerate local economic growth; and
- To establish partnerships with DRDLR and the Department of Cooperative Governance (DCOG) for integrated infrastructure development opportunities that will contribute to Outcome 7: Comprehensive Rural Development.

The PMTE contributes to comprehensive rural development by aligning its infrastructure plans to DRDLR's 27 prioritised municipalities, as well as other identified municipalities to develop Government precincts as part of the IDPs and Spatial Development Frameworks (SDFs). In addition, protocol agreements have been entered into with the Vredenburg, Christiana, Matlosana, Mandeni, Howick, Mount Fletcher and Secunda Municipalities for the development of Government precincts. Protocol agreements will be prioritised with the Carolina Municipality for 2017/18. The Government precinct will include the development of purpose

built centres which will allow for accessibility to social services, including those provided by DOL, DHA, and SASSA. The development of Government precincts is site dependant, however, consideration will be taken of the proximity and accessibility for the public.

Municipalities targeted for precinct development were prioritised through the application of selection criteria, including areas of investment, areas of intervention and areas of deficiency. The development of Government precincts will guide infrastructure planning by user departments in the targeted municipalities.

7.2.1.4 Urban precinct development

Government has prioritised infrastructure investment as one of the central priorities in the medium term in order to support the massive urbanisation focussed on the eight metropolitan areas and nine secondary towns due to the job opportunities and perceived social facilities. The Precinct Development Programme aims to provide a long term infrastructure solutions for all national Government departments and agencies by providing permanent office accommodation within the urban growth nodes thereby ensure adequate access to government services.

The PMTE has identified potential locations or precincts for Government development to achieve the creation of an African City Capital Vision 2055. The priority is to facilitate alignment of development to the Tshwane Inner City Regeneration Strategy (TICRS), whilst ensuring compliance to GIAMA by planning and developing consolidated HOs within strategic identified mixed-use precincts located within the inner City of Tshwane. The PMTE and City of Tshwane Council have resolved to prioritise the development of the Government Boulevard anchored by four precincts (Capital Hill, Civic, Northern and Southern (Salvokop) precincts). Planning for two of the anchor precincts has commenced and will include various mega projects to the extent of 760 000 m², with a possible seven HO opportunities. The PMTE has prioritised the acquisition of the three city blocks, site clearances for the Northern Gateway in a phased approach, and bulk services design for the 2017/18 financial year.

As part of the Precinct Development Programme, the PMTE will also enter into agreements with other metropolitan municipalities, including: Ethekewini, City of Johannesburg, Polokwane and Mbombela in 2017/18. The planning concept applied for Government Precinct Development in metropolitan municipalities is cluster precincts which consolidates specific service types, such as security, administration and social access objectives.

7.2.2 REVENUE GENERATION AND COST SAVING INITIATIVES

The PMTE has identified specific initiatives to be implemented over the short to medium term to increase revenue, eliminate non-essential expenditure and implement measures to contain costs and ensure that value for money is achieved. The focus will be on letting out vacant surplus State-owned properties at market-related rental prices, marketing the State property portfolio to the public, conducting regular as-

assessments of the leased out properties, ensuring implementation of the debt collection as per the Revenue Management Policy, and ensuring maintenance on the State-owned properties.

7.2.2.1 Management of revenue and debt

Whilst engendering the culture of total cost of accommodation within user departments, and in an effort to collect revenue thereby, to, at a minimum, sustain the portfolio at a specific level, the PMTE has been charging its user departments in State-owned accommodation on a rate based on the original calculations of 2005, when accommodation budgets were devolved to user departments. While this has been escalated over the years, the amount devolved (and subsequently charged back) has never been enough to cover the self-sustainable target level. For this reason, the above-mentioned devolution and charge-back methodology is currently being reviewed in order to align it with the operationalisation of the PMTE.

A user charges model has been developed to calculate operating costs, maintenance and municipal costs, as well as charges designed to represent a return or cost of capital. It is important for the PMTE to recover all costs associated with any property occupied by user departments in order to become self-sustainable. It is for this reason that the PMTE aims to implement user charges within the Efficiency Enhancement Phase of the Turnaround Strategy. A short to medium term strategy of balancing the current baseline charges against the true costs associated with the properties will be developed. It is important to note that the concept of levying rentals for the users of State-owned properties and recovering rentals paid to external landlords is not intended to establish a flow of revenue, but rather to compute and allocate expenses.

An exercise is being undertaken to quantify the impact the above will have on the fiscus. A short to medium term strategy of balancing the current baseline charges against the true costs associated with the properties is being developed. The concept of levying rentals for the users of State-owned properties and recovering rentals paid to external landlords is not intended to establish a flow of revenue, but rather to compute and allocate expenses.

During the 2016/17 financial year, the PMTE focused on the implementation of automated billing for private leases. The focus for the 2017/18 financial year is on implementing the automated billing for State-owned accommodation charges and municipal services. The implementation of the automated billing will improve the efficiency and accuracy of the billed invoices to the user departments. The timely issuing of invoices will have a positive impact on the bank overdraft, by decreasing the lag time from the date of incurring the expenditure to the date of recovering the costs. This will bring further enhancement in the business process by redirecting the capacity to focus more on addressing the disputes that may have been raised by the user departments and ultimately increase the recovery rate. In addition, National Treasury has been engaged to intervene and arbitrate disputes with all affected user departments.

7.2.2.2 Identification and incubating of new revenue opportunities

The PMTE will establish a unit to focus on new revenue generation initiatives that has a macro perspective of the property and related markets and has dedicated focus on business opportunities to financially sustain the trading account.

A process has been initiated to formally establish a “Commercial Hub” within the functional domain of the Office of the Chief Financial Officer. The Commercial Hub will drive the identification and incubation of new revenue generating initiatives of the PMTE directly contributing to the financial sustainability of the entity. Where new initiatives have been properly incubated and implemented, this unit will on an ongoing basis evaluate the returns generated in consultation with the relevant line functions managing it on an ongoing basis. Appropriate corrective action will then be directed from this centralised forum where the optimisation of returns can be measured on an ongoing basis. Similarly, the appropriateness of each intervention can also be reconsidered based on the actual return on investments made.

In pursuit of this objective the unit will have the following functional responsibilities:

- Create an enabling legislative and policy environment to support revenue generating initiatives within the PMTE;
- Drive interventions that will ensure better value for money on services rendered;
- Forge strategic partnerships for commercial arrangements;
- Identify opportunities that will leverage improved returns on the asset base;
- Negotiate revenue generating deals with external parties; and
- Be the central point where all revenue generating initiatives of the PMTE are co-ordinated, overseen and monitored.

It is important that the revenue generation capability of the PMTE also be underpinned by a strategy which will properly direct specific interventions with due regard to market demands and acceptable rates. Within this context it is important that the contemplated revenue generation strategy at least take the following into account:

- Consideration of the current assets base that the PMTE has custodianship of;
- Analysis of the revenue generation capability of all assets;
- Analysis of different revenue generation opportunities that exist in the market;
- Determination of prevailing rates that exist which can direct the cost benefit of new interventions;
- Move towards expanding the private sector client base who can be charged at competitive market rates.

When this function has been firmly established, the finance model will be used as the tool to determine the impact of specific interventions and growth rates that new revenue streams would have on the financial sustainability of the PMTE.

7.2.2.3 Built environment digital strategy

By the very nature of its immovable assets spread and its national footprint, new capabilities are being explored to develop a digital strategy for improved visibility into the operations of all our buildings. This will include proactive monitoring and incident management of immovable assets using the so-called “Internet of Things” and “Internet of Everything”. This will include the capability to generate revenue where external facades of strategically located assets can be used for multimedia platforms for advertising using new digital strategic partnerships. This will also include the capability to utilise State assets as strategic points of presence and access for broadband through partnerships amongst other digital innovations.

Buildings will be enabled with embedded wi-fi and internet services for tenants’ use, including shared data centres (to decrease duplication costs). Part of the transformation will be the provision of a single physical public interface to provide multiple services to citizens.

7.2.2.4 Implementation of the PMTE Finance Model

In order to accurately determine the funding needs of the PMTE, a detailed Finance Model is being developed. 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. This analysis will be used to identify the most appropriate tariff structures and also potential efficiency enhancements with regard to both the revenue and expenditure components of the PMTE. The PMTE has already conceptualised the fundamental principles and framework of the Finance Model, which will interface with all key operational databases and systems. It is important that the expenditure side of the Model be driven by the enhanced operating model of the PMTE, designed to support improved operational efficiencies. The revenue side of the Model will be more complex and will need to also have the support of external stakeholders, such as National Treasury (i.e. as far as possible charging market-related rates generated through the User Charges Model).

Operational changes and adjustments with financial consequences will therefore be costed and appropriately reflected on the dashboard of this Model. In this regard, the Finance Model will use the appropriate tariffs generated on the User Charges Model to forecast its impact on the funding arrangements of the entity in the medium term. Similarly, all new revenue generating initiatives which are contemplated will be facilitated in the Finance Model so that its impact on the funding needs of the entity can be duly considered, given the level of its operational demands and potential risks in each case.

7.2.2.5 Reducing Maintenance, Refurbishment and Construction costs

The PMTE procures mainly built environment service providers for infrastructure and other property management related services. The costs associated with the maintenance and refurbishment of existing State-owned accommodation and new construction services continues to be higher as compared to maintaining and constructing new buildings in the private sector per square meterage. These commodities are generally complex with many limitations for a streamlined market research. This being the case, the PMTE will analyse the actual bids received from potential service providers and compare these to the prescribed fee published by relevant professional councils. A status quo report will then indicate the real situation

with regards to variance in relation with the industry norms. To stimulate effective competition, panels of consultants will be sourced through open market wherein the higher discounts offered will increase the possibility of being included onto panel. The discounted rates will be fixed for a minimum period of three years up to the end of specific project life cycles in order to realise more savings in the long term. The PMTE will also closely interrogate the cost structure of maintenance, refurbishment and new construction activities within the rest of the value chain to reduce, where possible, the higher costs associated delivery of infrastructure services.

The interaction between the PMTE and user departments during the planning of the projects is critical in ensuring that the user departments' expectations are matched to the project specifications in order to achieve value for money. The design process will be managed as an interactive process aimed at meeting the needs of user departments within efficiently determined costs. The PMTE has established a team of professionals comprising of quantity surveyors, architects and technologists to review the designs and costs on an ongoing basis within the planning process. Maintenance or refurbishment projects which have stalled in the design phase due to high costs in comparison to constructing new infrastructure, will be identified, reviewed and recommended for approval by the Sketch Plan Committee.

7.2.2.6 *Containing costs associated with leased accommodation*

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

The PMTE will continue 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 objectives of Government to reduce costs within the scope of fiscal consolidation measures announced by the National Treasury. All leases will continue as per the agreements that are in place with the respective landlords until they approach their expiry. The PMTE will then exercise its prerogative to negotiate for renewal or non-renewal, with adequate notice to the landlords.

With the assistance of the National Treasury, the PMTE will continue to regulate and optimise space utilisation in buildings leased by user departments. This will involve managing user department tenant installation costs and compiling detailed specifications on the procurement of office space for user departments in order to prevent expensive tenant installations.

The PMTE will progressively move towards providing long term State-owned accommodation solutions for the Social and Security Cluster Departments (i.e. Department of Justice (DOJCD), Department of Defence (DOD), Department of Correctional Services (DCS), and the South African Police Service (SAPS)) through the Precinct Development Programme and other interventions. The PMTE is currently leasing in a total of 1 675 functional properties on behalf of the Security Cluster departments and has identified

20 private leases of strategic functional accommodation that can be translated into permanent solutions through the purchasing of new buildings, the construction of new properties, or the remodelling of the current State-owned property portfolio in order to meet the needs of the Security Cluster. The reduction and conversion of identified leased in functional accommodation within the Security Cluster into State-owned facilities will assist in reducing lease costs and improving revenue generation.

The PMTE has recently established a register 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. This will enable the PMTE to obtain market-related rentals for accommodation; find available accommodation 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 will result in cost savings.

The PMTE has also put in place temporary measures to alleviate water shortages for leased-in accommodation. As part of a long term solution, the PMTE is developing new standards for both State-owned and privately leased buildings for the installation of water tanks. This will be rolled out to all Regional Offices in the 2017/18 financial year. The PMTE will also develop and sign standardised State Lease Agreements for private landlords that will include energy saving measures in the bid specification documents to be implemented when procuring leased-in accommodation. This will be closely monitored through the new ARCHIBUS system in order to ensure cost savings.

7.2.2.7 Savings through reduced energy consumption and correct billing

Energy savings constitute consumption savings, which result from technical interventions and financial savings, i.e. tariff correction. The technical interventions that result in actual energy savings include retrofitting, energy efficient installations and incorporating Green Building principles in the construction of new buildings. These interventions result in actual energy being saved, translating into monetary savings. The PMTE has set a target of 10% reduction in kWh consumption for State-owned facilities over the next five years.

Financial interventions related to energy consumption include: correction of tariff rates charged; correcting historical billing errors; removal of accounts where double billing took place; and the removal of additional charges. Financial savings can be categorised into two groups, i.e.:

- Refund interventions: Interventions that are designed to receive reimbursement from the municipality for incorrect billing in the past. These are typically discovered by perusing the municipal bills going back three years, and determining whether the user department was overcharged as a result of incorrect tariff calculations or incorrect meter readings. This are typically a once-off reimbursement from the municipality, usually as a credit on the account of the user department.
- Monthly savings interventions: Interventions such as removal of additional charges, tariff corrections, and double billing errors are considered a monthly saving to the user department. The actual savings generated will be determined following completion of audits and baselines determination.

7.2.3 IMPLEMENTING DIRECTIVES FROM THE STATE OF THE NATION ADDRESS (SONA)

As the custodian of the largest property portfolio in the country, the PMTE has a significant role to play in contributing to Government's economic and social objectives, and has incorporated the directives from SONA into its planning. The PMTE has identified numerous interventions during the MTEF to support the identified strategic commitments. The PMTE recognises infrastructure investment as a key priority for South Africa moving forward. It provides an effective mechanism to support socioeconomic transformation and to build a new level of economic resilience in an increasingly challenging economic environment.

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 – revitalisation of agriculture and the agro-processing value chain; effective implementation of a higher order IPAP; advancing beneficiation or adding value to our 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.

In addressing the SONA directives, the PMTE has incorporated the following issues into its Work Plan:

7.2.3.1 Resource Savings

a. Energy Efficiency

The PMTE is required to ensure that all Government owned buildings are energy efficient. Significant energy savings have been achieved thus far through the incorporation of Energy Efficient Technologies such as Smart Metering and Lighting in 7043 Government buildings. In addition, savings of 220 million kilowatts per hour has been realised in the 2015/16 financial year. A target of **300,000,000kWh** has been set for 2017/18.

The PMTE has developed the National and Provincial Green Building Policy, which will be adapted by other organs of the State. This 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 utilisation. 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**. A multipronged approach will be implemented towards achieving energy efficiency, combining the already successfully implemented interventions with new initiatives. These include:

- **Improved management systems for Shared Energy Savings Contracts:** Approval of baselines for all Regional Offices have been finalised for implementation of energy savings interventions in 2017/18.
- **Implementation of renewable energy projects:** A minimum of one Renewable Energy project is targeted per Regional Office in 2017/18. Among the projects identified is the roll out of the smart grid project in collaboration with the Department of Energy which involves the use of rooftop solar panels to generate energy and the installation of motion sensors.
- **Green building norms and standards:** The PMTE has commenced with the developed Green Building Norms and Standards to provide leadership to the sector on sustainable green buildings. These will be applicable to the design of new buildings and the operation of existing buildings.
- **Energy Management Plans (EMPs):** The PMTE will be developing first EMPs for its 11 Regional Offices. These plans will also be developed by the respective Provincial Departments of Public Works as per the finalised Green Building Sector Plan.
- **Energy Efficiency Awareness Campaigns:** Further considerable energy savings can be realised through behavioural changes by building occupants in Government buildings. The PMTE will implement energy awareness campaigns that will educate, empower and encourage an energy saving culture for long term results. Five major client departments in Pretoria, Durban and Cape Town are targeted for the pilot phase.

b. **Water Efficiency**

South Africa is currently facing a multi-faceted water crisis. The inequality between water supply and water demand is increasing causing a deficit in terms of water supply for human needs. The PMTE will set a precedence for water efficiency and introduce interventions across the immovable asset portfolio that will result in reduced water demand and reduced pressure on the public water supply network.

For this reason, 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. The Water Savings Programme is targeting a total of **20 million kilolitres** water savings over the next 5 years. This volumetric saving will directly result in a reduction in expenditure in water utility as well.

This initiative will introduce water efficient methods to the user departments, including the Department of Correctional Services (DCS), South African Police Services (SAPS), Department of Justice & Constitutional Development (DOJCD) and the Department of Defence (DOD). These interventions will be undertaken by service providers at the identified facilities and will be reimbursed through the savings generated.

c. **Waste Management**

The Integrated Waste Management initiative is aimed at contributing towards the green economy as per Green Building Framework and achieve reduction in monthly refuse tariff through the use of private waste companies. The programme will be rolled out in all Regional Offices. The Waste Management Programme will result in cost savings on the annual refuse removal tariff. A situational analysis will be conducted in order to develop waste management plans for all State-owned properties. The Programme will involve the recycling of various types of waste generated in State-owned facilities.

The PMTE will develop appropriate systems to monitor various work streams of the Programme, such as: the amount of waste collected for recycling, type and amount of waste recycled and amount paid, number of **SMME's employed** and the **green jobs created** on Waste Management Programme. The Programme will contribute to the **recycling economy** by reducing the Government buildings' footprint in municipal landfills. The PMTE will also roll out waste management awareness campaigns at all Regional Offices and Head Office.

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 asset portfolio (facilities). 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. Direct interaction between the telemetry solution project team and the energy and water savings contractor will take place thereby ensuring total alignment, maximisation of knowledge sharing and skills transfer coupled with reduction in duplication of effort. Included in the overall telemetry solution are skills development through the transfer of relevant skills for maintenance and facilities management.

7.2.3.2 Transformation the property sector

SONA 2017 called for Radical Economic Transformation, specifically with regards to fundamental changes in structure, systems, institutions and patterns of ownership, management, and control of the economy in favour of all South Africans. By leveraging the PMTE's approximate 31, 300 land parcels, 92 500 properties, and approximate R4bn a year leasing portfolio, the PMTE possesses an enormous enabling platform to accelerate transformation. It is important to note however, that it needs to happen within a broader context in line with the Constitution, various other regulations, and the priorities of the NDP to contribute towards enterprise development; skills development; job creation; and BBBEE.

The PMTE is already in the process of implementing various reforms in this regard. Key to this, is the Property Empowerment Policy to be adopted in April 2017, 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 2016/17 Financial Year, also saw the call to partner the private property sector, including the property owners associations, Real Estate Investment Trusts (REITs), and funding institutions to work together with the PMTE to craft a sustainable programme towards transforming the sector. 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, particularly black people, women and youth. Other programmes include availing State-owned properties to the public and private sectors to market, operate, develop, maintain, and/or manage.

7.2.3.3 Job Creation

The PMTE will continue to implement labour intensive projects within the Construction, Maintenance, Greening and Real Estate Services Programmes, which are expected to contribute to the creation of jobs and the development of skills, in particular, the development of artisans. The PMTE will contribute to job creation through the following programmes within the 2017/18 financial year: Construction - 11 250 EPWP work opportunities created.

Collaborations on work opportunities created through various infrastructure projects is being closely monitored by the Project Management Office (PMO), EPWP, User Demand Management (UDM) and project teams through monthly meetings, where progress is discussed on a per project basis to resolve delays and ensure proactive planning. This will result in more accurate reporting on a monthly and quarterly basis. All officials involved in the collection of the documentation are kept informed of the requirements to validate the reports and the responsibility thereof is clearly defined.

7.2.3.4 Promoting the development of Small, Medium and Emerging Enterprises

Investment in infrastructure underpins the economic growth of any country and provides opportunities for enterprise development, employment creation and poverty alleviation. The PMTE will continue leveraging the State's property portfolio to include cooperatives and SMME's through turnkey solutions in the provision of construction, facilities management and property management services for State-owned properties. The PMTE has embraced the SONA pronouncement to empower SMMEs and has targeted appropriate categories of procurement to engage SMME's and Cooperatives. In 2015/2016, the value of contracts awarded to SMME's amounted to approximately R478 million. Partnerships with municipalities have been fostered to build the capacity, business, entrepreneurial and technical skills of emerging SMME's in the construction industry.

The Contractor Incubator Programme (CIP), which is piloted by the PMTE, is being incorporated with the Expanded Public Works Programme (EPWP) Vuk'uphile Programme. Although the CIP Strategy targets contractors with CIDB gradings 3 to 7, the PMTE will roll the Programme out to contractors with CIDB Grading 1 and 2 as well. Panels of contractors per grading will be established for a three year period and CIP projects will be ring-fenced for which the panels will compete in a closed competitive process. The Programme will address transformation in the construction industry by targeting 60% women, 50% youth and 5% people with disabilities. The tools for the implementation of the Programme were developed to ensure successful implementation of the Programme. The programme was advertised for contractors CIDB 1-6 and over 5 000 applications were received. More than 100 contractors are expected to be accepted to participate in the pilot programme throughout the country.

The PMTE also recognises property as an important socio-economic lever to exert visible impact in driving capital formation, investment growth and social development. A similar incubator programme is initiated for property management, and a policy and guidelines will be developed during this MTEF.

7.2.3.5 Operation Phakisa aimed at growing the ocean economy and other sectors

The Operation Phakisa Oceans Economy Programme is aimed at growing the ocean economy and creating jobs through critical capital refurbishments and maintenance projects. The PMTE, through the Small Harbours Development Unit participates in the Operation Phakisa Oceans Economy Lab Coordinating Committee responsible for the monitoring and evaluation of Departments' performance in line with approved objectives and deliverables.

In line with the Operation Phakisa methodology, the PMTE will be convening an Operation Phakisa: Oceans Economy Small Harbours and Coastline Development Delivery Lab to ensure that all role players are consulted and informed of the work to be completed as well as to engage on possible areas of partnership with the various South African stakeholders, both private and within Government.

The PMTE has also been identified as a key role player in the Aquaculture Delivery Unit of the Oceans Economy focus area. As the custodian of all State – owned coastal property including proclaimed fishing harbours, the PMTE plays a vital role in the success of DAFF approved aquaculture projects. In order to facilitate the awarding of leases to successful applicants, a Harbour Lease Committee has been established with DAFF, DEA, PMTE and NT as standing members. As part of the committee the PMTE will ensure that land parcels and properties identified by DAFF for purposes of aquaculture development and any other approved fishing activities are made available through the signing of leases with DAFF-approved lease applicants.

Figure 11: Sea ports of entry and harbours in South Africa



The PMTE is the custodian of State-owned coastal properties including proclaimed small harbours and admiralty reserves in the Western, Eastern, Northern Cape and KwaZulu-Natal Provinces. Its main function is to oversee the utilisation of these properties as well as to develop and redevelop these properties in accordance with operational requirements and key government priorities. This process is managed through ongoing engagements between all three spheres of Government in order to ensure that all small harbours and coastline State-owned properties.

In pursuance of the commitment to improve existing small harbour facilities, PMTE and DAFF consulted with the DEA, DOD and other core stakeholders, and finalised the Spatial and Economic Development Frameworks (SEDFs) for existing 12 proclaimed fishing harbours in the Western Cape. The SEDFs detail proposed infrastructure development projects in the identified harbours aimed at maximising economic development and revenue generation.

Some of the opportunities identified in the SEDFs include:

- Identification of economic potential of each harbour through development projects;
- Identification of sustainable socio-economic opportunities for harbours;
- Facilitation of localised job creation;
- Improvement of the functionality of harbours and optimisation of the use of infrastructure and land assets; and
- Identification of recreational and commercial opportunities of harbours without impeding on, or disrupting, fishing activities.

The revenue generated during the 2016/17 financial year from the leasing out of State-owned harbour and coastline properties amounted to approximately R11 million of the R42 million reported as revenue generated. In the 2017/18 financial year the PMTE will invest approximately R100 million for critical capital maintenance programmes to modernise the harbours thus creating an enabling environment for the expansion of business opportunities which will result in security of tenure to business owners, sustainability of jobs, and further investment.

In view of the glaring neglect of the Eastern Cape, Northern Cape and KwaZulu-Natal Provinces as far as the construction of small harbours is concerned, the PMTE was able to source grant funding that will be utilised to conduct feasibility studies and provide concept designs at three identified sites for the development of new small harbours, namely: Port Edward (Ray Nkonyeni Municipality in KwaZulu-Natal), Port St Johns (Port St John's Municipality in the Eastern Cape) and Port Nolloth (Richtersveld Municipality in the Northern Cape). The development of the harbours in the Northern Cape, Eastern Cape and KwaZulu-Natal Provinces will assist in the formalisation of marine activities, including fishing, mining, and aquaculture farming and will also allow for new investment opportunities in these small and rural areas.

7.2.3.7 Cost containment measures and reduction in spending on non-essential services

In January 2014 and September 2016, National Treasury introduced cost containment measures in the context of challenging global economic conditions. The PMTE has factored into its planning the current economic realities and the need to intensify efforts to improve efficiency in expenditure and to eliminate wasteful and unnecessary expenditure. The PMTE has therefore reviewed critical internal policies and procedures ensuring that these were aligned to the stipulations outlined in the 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. Over the medium term, the PMTE will take several steps to strengthen budget controls in line with National Treasury's cost containment instructions.

7.3. INTERNAL ENVIRONMENT

7.3.1 OPERATIONALISATION OF THE PMTE

As part of the Department's 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 what was traditionally the core business of the Department and today represents the largest Real Estate portfolio in South Africa. As a catalyst, the effective optimisation of this portfolio holds extensive benefits and opportunities in respect of Government's broader developmental agenda and economic transformation.

The PMTE's main objective for the Efficiency Enhancement Phase is to optimise the immovable asset portfolio whilst ensuring cost-effective service delivery. This will be achieved by improving the quality of, and access to, State-owned properties, utilising properties optimally and extending the life-cycle of existing State-owned properties. Directed by the updated Policy Statement of the Executive Authority, the following focus areas have been identified to steer the work of the PMTE into the MTEF:

7.3.1.1 Enhancing the organisational capacity within the PMTE through the development of the structure, processes and systems

a. Professionalising and enhancing the organisational capacity

The PMTE has finalised its revised organisational structure in collaboration with the Department of Public Service and Administration (DPSA) and National Treasury. To ensure operational improvement, a direct accountability model has been adopted for each business area throughout the different functional areas. The PMTE has filled key strategic positions and placed various technical and professional experts in the property management environment. The PMTE will continue its efforts to develop, attract and retain the skills necessary to professionalise the property business, particularly in the area of construction project management and real estate management.

With the overarching importance of a skilled professional workforce that ensures high quality service delivery, enhanced productivity and a well-managed entity with high quality outcomes, the initiation of Property Management professionalisation will primarily focus on human capacity building. In this regard, the PMTE has commenced implementing various technical capacity building initiatives to address its specific skills requirements. The PMTE has partnered with the Property Owners Association (SAPOA) and the Coega Development Corporation (CDC), to re- and up-skill the organisation through tailored programmes that address the specific requirements of the PMTE.

The partnerships, involves the facilitation of training and development, aimed at improving skills and capabilities of PMTE employees. Aligned to their work plans, employees will benefit from programmes that include: Facilities Management; Property Management; Certificates for Commercial Property Practitioners; and Professional Development. To facilitate these programmes, SAPOA has enlisted Wits University, the University of Pretoria and the UCT Graduate School of Business.

b. **PMTE Business Process Review**

Although all high-level arrangements, strategies and plans for the PMTE are now in place, the PMTE is still faced with numerous organisational challenges to realise all its obligations and ambitions. On an operational level, business processes, activities, systems and policies are not yet adequately aligned to the high-level strategy of the PMTE and needs to be effectively reviewed to realise the PMTE's goals and objectives. The PMTE also needs to fully comply with Treasury Regulation 19 (TR19) prior to the trading account being migrated to any new institutional form. In this regard, a status quo report, focussing on assessing the current PMTE progress and initiatives in addressing TR19 requirements, has been developed. To this extent, extensive research has been conducted, including structured interviews with key stakeholders and an implementation plan is being finalised to map the process going forward.

The PMTE Business Process Review focusses on the consolidation of all existing business processes, evaluation thereof, the mapping of new processes, piloting and eventual implementation. The programme that commenced in September 2016, includes the development of procedures required to support the business and will result in Standard Operating Procedures for each line function. The programme covers PMTE activities countrywide and encompass all disciplines contained in the 6 PMTE Programmes. The programme further considers the four commonly accepted architecture domains as subsets of the enterprise architecture namely:

- **Business Architecture** which defines the Business Strategy, Governance, Organization and Key Business Processes.
- **Information / Data Architecture** which is the structure of the organization; logical and physical data sets and data; and management resources.
- **Application Architecture** that provides a blueprint for the individual applications to be deployed, their interactions and their relationships to the business processes of the organization.
- **Technology Architecture** which describes the logical software and hardware capabilities required to support the deployment of business, data and application services.

To this extent, the programme is being carried out in phases, and assimilates 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, the capitation of the new PMTE structure, etc.

With a targeted completion date of October 2017, the programme is currently concluding the "As-Is" analysis phase, and the validation of consolidated data has commenced in the three identified pilot regions namely: Pretoria; Port-Elizabeth; and Nelspruit. The aim of the verification phase is to diagnose gaps and challenges in areas where readjustment and streamlining is required, and to ultimately inform the reengineering of processes in these areas if required.

c. **Institutionalising the IDMS**

The PMTE Business Model, which is aligned to its mandate, defines the services and functions of the PMTE. Inherent in its design and implementation approach is the Infrastructure Delivery Management System (IDMS) as a service delivery methodology, where the aim is to "projectise" the institution through the in-

stitutionalisation of the IDMS across the business value chain. This approach will be incorporated into the PMTE Operations Management Framework across the organisation for the seamless delivery of portfolio management, project management and operations and maintenance management. A detailed Finance Model is also being developed, which 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.

d. PMTE Policy Framework:

The Lease Policy and Business Processes has been reviewed in the 2016/17 financial year. The PMTE has conducted a policy gap analysis that informs the development of the PMTE Policy Framework (ICT Plan, Performance Standards, Asset Investment Strategy and Policy, Pricing and Finance Model) and Delegations of Authority. This will be aligned to the PMTE business processes and business model. The Delegations of Authority will come into effect for the PMTE functional areas as of 01 April 2017, whereas the outstanding operational policies (as and when identified) will be developed in the 2017/18 financial year. The PMTE has developed a National Immovable Asset Maintenance Management (NIAMM) Framework following extensive consultation within the public works sector and with other infrastructure departments. The NIAMM Framework will be used to guide the maintenance of State-owned assets based on six key components. Once approved, the NIAMM Framework will be rolled out in different phases by the relevant infrastructure departments. This will ensure the uniform management and maintenance of immovable assets within the public works sector.

e. Establishment of a Research Unit to enhance decision making on investments:

The PMTE needs robust models to enhance decision making on investments, investment management policies, compliance with best practices, knowledge of changes in the environment (economy, industry and organisation), and efficient business processes. To this extent, the Research Unit has been established to assist the PMTE with the:

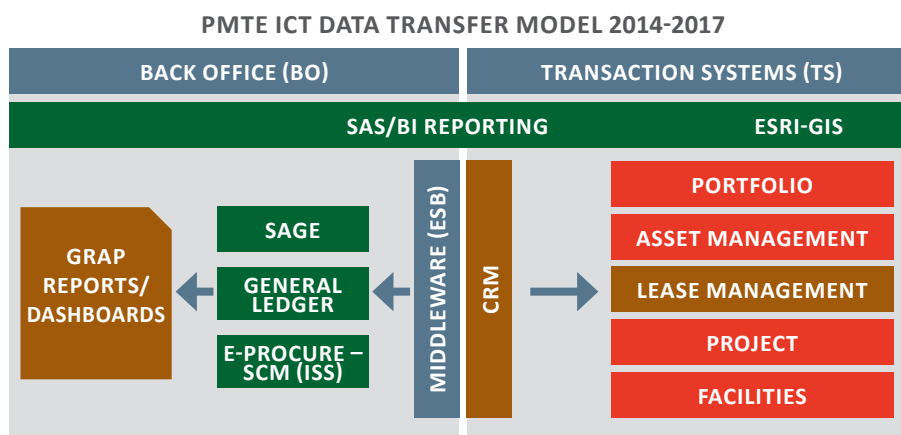
- Efficient and effective management of the State property portfolio;
- Optimum utilisation and increased value of State-owned assets;
- Contributing and influencing the property and construction industries, as the custodian of the largest property portfolio in South Africa; and
- Management of property performance and investment decisions to ensure sustainable life cycle immovable asset management and a responsive and value driven property portfolio.

f. Integrated Technology Platform:

The PMTE is phasing out inappropriate legacy and transversal systems such as the Project Management Information System (PMIS) and the Works Control System (WCS) with SAGE X3 and ARCHIBUS as a common integrated platform. This will enable the PMTE to have an integrated solution which supports end to end business processes for the property management function (including the asset register, lease management, and capital budgeting, amongst others). Since the PMTE is operational, the State Information Technology Agency (SITA) has been contracted to develop an ICT Master Strategy. The Strategy encompasses both technology and data architecture. A technology upgrade inclusive of the data centres is being

implemented. This includes projects such as unified communications, telepresence, local area network and server upgrades. This project is envisaged to be completed in the 2017/18 financial year. The figure hereunder explains the PMTE Transactional Model that will be implemented in the 2017/18 financial year.

Figure 12: PMTE ICT Data Transfer Model



- **Procurement model (SAGE)** – This project is aimed at replacing the Logistical Information System (LOGIS) transversal system which is not in line with the PMTE’s requirements for a GRAP compliant procurement system. During the MTEF, the system will be integrated into the ARCHIBUS applications suite to allow procurement to be initiated electronically for property-related functions, such as day to day maintenance.
- **GIS (Esri)** – The Geographic Information System (GIS) is currently being implemented as a decision support system. On implementation, the PMTE will be able to view spatial and cadastral information of the IAR.
- **Worx4u-lease portal:** This portal is being designed for the establishment of a panel of landlords or building owners for the PMTE. This will allow the PMTE to have the most recent information regarding space availability from different landlords.
- **Infrastructure upgrades are planned (servers, LAN, data centres):** The PMTE is currently in the process of upgrading all data centres to meet all security and related requirements. These include fire suppression, raised floors, access control, unlimited power and cooling, amongst others. This process is estimated to be completed at the end of the 2017/18 financial year.

7.3.1.2 Reduce under-spending on infrastructure budgets by improving systems and processes

The PMTE has reported an average under-expenditure of 5% over the past three financial years on the infrastructure budget across the three infrastructure programmes. In order to address the under-expenditure, the PMTE will continue to institutionalise the IDMS to ensure the allocated infrastructure budgets are efficiently managed in the creation of State immovable assets. 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 a senior committee to oversee the process to manage backlogs in the planning and delivery phase

and to subject all identified projects to an intensive Monitoring and Evaluation (M&E) process that measures the performance of project managers in expediting the delivery of infrastructure projects.

The PMTE is in the process of developing alternative procurement and contracting arrangements needed to deliver and maintain much needed infrastructure. The focus going forward will be on building technical and professional capacity to drive enhanced delivery. The key deliverables include:

- Implementing an expedited solution to resolve current disputes in construction projects;
- Enhancing ICT systems to drive improvements in planning, execution, and monitoring of construction management;
- Re-engineering business processes for IDMS institutionalisation;
- Building technical and professional capacity within the PMTE; and
- Assisting user departments in crafting U-AMPs that reflect their accommodation needs, which will in turn inform the departmental C-AMP.

The PMO has adopted a centralised approach to coordinate all the business improvement interventions within the Construction Management Programme, to ensure that:

- Proper implementation of the required project management and best practice methodologies within the IDMS, across the value chain, are enabled;
- The necessary capacity and capability to align cross cutting interventions between the DPW and the PMTE are in place;
- The use of standardised processes are implemented, and dependencies across multiple projects and the value chain, are adequately managed; and
- The relationship with the Independent Development Trust (IDT) and other Implementing Agents (IAs) are clarified and strengthened.

7.3.1.3 *Reviewing the property business, across the immovable asset life cycle, to ensure long term efficiencies, as well as short and medium term deliverables*

a. Implementation of a new SCM leasing dispensation

The PMTE provides accommodation to user departments by leasing-in properties from the private sector where State-owned accommodation is not readily available. Given the inflexibility of accommodation occupied and the unique market circumstances prevailing within the leasing environment, it is often not in the best interest of Government to initiate an open bidding process and accept the cheapest bid. When a user department is already in occupation and has indicated a preference to remain so, it is not cost effective to acquire new premises, considering the secondary costs related to relocation, the moving of Information Technology (IT) setup or new infrastructure required, tenant installations, interruption of services, proximity to clients, etc.

The current National Treasury Framework for Goods and Services does not provide optimal solutions that recognises the dynamics of the leasing environment. This Framework therefore constrains the PMTE from complying with the SCM requirements, resulting in irregular expenditure being incurred. The new leasing dispensation prescribes the use of framework agreements/panels of landlords appointed through a com-

petitive bidding process and shortlisted per province. Accommodation, when required, will be sourced from the panels using an IT leasing portal developed by the PMTE.

Furthermore, the use of the panel system of landlords will ensure that the PMTE has access to a database of accommodation currently available in the market. This can then be used to match the client's needs against what is available in the market, as well as against Government stock. A system has been developed in-house which will allow potential landlords to register on the database for a fee. The system will match the client requirements against the database stock and the best fit(s) will be selected. The PMTE will then invite offers from those landlords matched by the system. A transparent procurement evaluation process will follow, leading to the conclusion of a lease agreement. This allows for a fair and transparent process of procuring leases in a more effective and efficient manner. The panel process will not only enhance service delivery, but will also ensure that the pillars of procurement as enshrined in the Constitution are complied with.

Due to the fact that all property information will be easily available to the PMTE, the turnaround time for the procurement process will be improved. The current average turnaround time is 36 months to procure lease. With the implementation of the new reforms in 2017/2018 financial year it is anticipated that it will take an average of eight months to procure a lease, showing an improvement of 78% in the turnaround time.

b. Implementation of a new SCM infrastructure dispensation

The delivery of infrastructure is core to the business of the PMTE. Based on the number of user departments which the PMTE renders services to, and the number of projects to be implemented, the PMTE is often constrained to implement the IDMS and to drive and implement projects (due to circumstances such as capacity challenges and the availability of professionals within the built environment). The current SCM structure and regime is inadequate and unable to provide built environment expertise and support to projects. The new dispensation seeks to incorporate strategic sourcing through the implementation of framework agreements. These agreements will further serve to mitigate the risk of appointing poor performing contractors.

The PMTE is in the process of implementing a panel of construction contractors which will enhance the process in which services for engineering construction are procured. It is envisaged that once the panel has been implemented, it will reduce the time taken to procure the services of a construction contractor, in compliance of procuring services in a competitive manner. In addition, a process has already commenced to appoint a panel of built environment consultants in the various professional disciplines to facilitate efficiencies and turnaround times, as well as target emerging and young professionals.

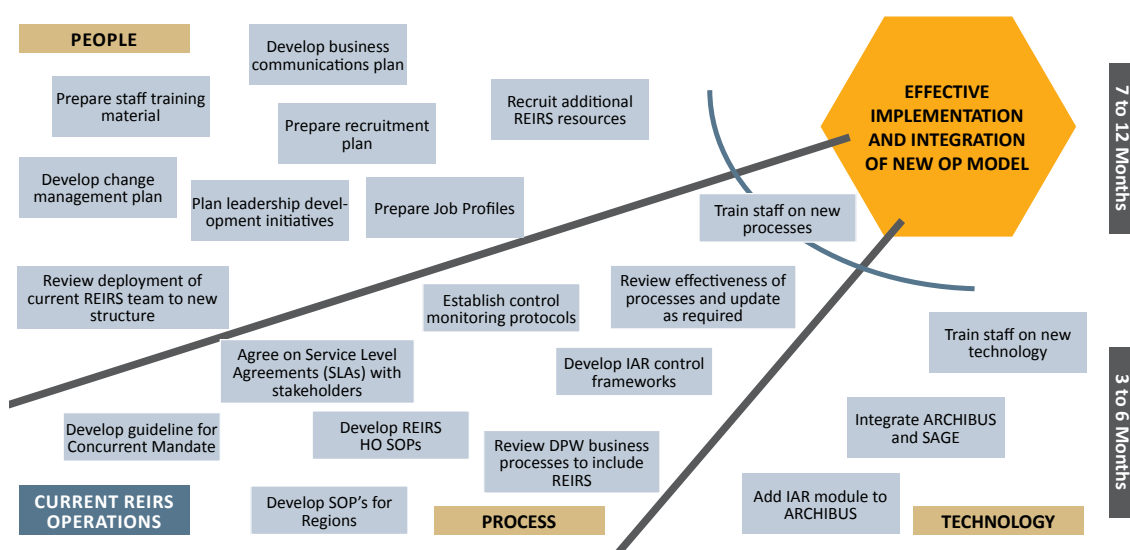
During the 2018/19 financial year, the infrastructure reform initiatives should be fully implemented, thus yielding results that would then allow the DPW to be in a position to report on the improved turnaround times within SCM and improved service delivery to clients.

c. **Maintenance of the GRAP compliant IAR**

The PMTE has produced a GRAP compliant IAR that provides reliable data to support business decision making and ensure accurate billing of accommodation. The immovable assets have been valued at R 112 billion as at the end of March 2016 (from a reported value of R3 billion in the 2012/13 financial year). The maintenance of a compliant IAR remains fundamental in building the real estate management business. In order to ensure that the IAR complies with the applicable GRAP standards and National Treasury requirements, the PMTE will ensure that:

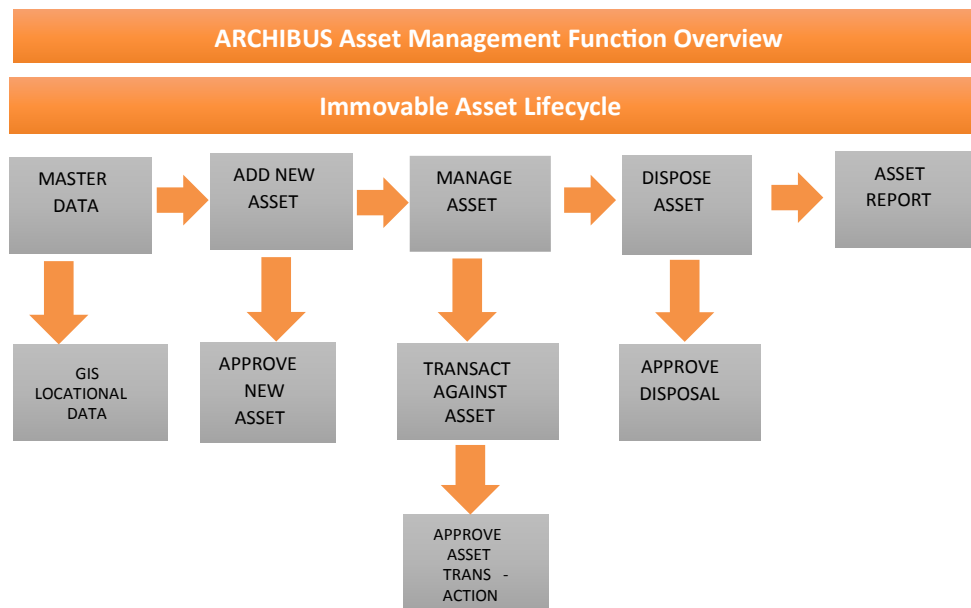
- The IAR is analysed and reconciled against the Deeds records and other national and provincial IARs;
- Fair values are assigned to all the properties disclosed on the IAR, where required;
- All improvements are linked to land and have been allocated fair value amounts;
- Physical verification of additional properties, referred to the PMTE by the Deed Registry, must be completed for the fair value process;
- Remaining period of usefulness is determined on an annual basis as per the IAR using the Immovable Asset Management Policy and condition assessments;
- New immovable assets are recognised in line with the IDMS model; and
- Approved disposals (in respect of socioeconomic purposes) are processed and transferred to the relevant departments.

Figure 13: IAR Operating Model



The IAR data is being migrated into an integrated asset management system. The figure below is the high level process diagram of the asset management functions specifically related to Immovable Asset Management in ARCHIBUS. It depicts the functions that will be utilised to manage the master data, add new assets, dispose assets, as well as provide asset reports.

Figure 14: Asset management functions related to immovable asset management in ARCHIBUS



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

d. Development of a Strategic Spatial Development Framework

The Strategic Spatial Development Framework is the result of an analysis with a spatial evidence base (using GIS data in this instance) together with an assembly of other existing planning documents, demographics, economic policies, data on client department needs, leases, State-owned assets, social facility benchmarks, etc. The data is analysed using technical instruments to arrive at a desired strategic recommendation which can be spatially expressed to guide detail planning for specific purposes. The Strategic SDF in this instance included three main guiding recommendations:

- Spatial targeting analysis is done in order to prioritise municipalities where user departments should invest in infrastructure. The results thereof are then captured into a Strategic SDF. The Framework targets 100 municipalities that should be prioritised for Government precinct development.
- A User Framework is developed which provides a clear understanding of user departments’ needs, priorities, accommodation requirements in urban and rural environments, leases and current state of accommodation. In cases where additional municipalities have been identified through the User Framework, these have been included in the Strategic SDF to expand the number to 140 municipalities where infrastructure will be planned. The integration of the results of the spatial targeting

analysis and User Framework results provides a clear planning direction for the PMTE on the areas where development should be prioritised.

- The implementation framework provides a programme for the rolling out of the infrastructure projects that are targeted in the framework. It provides a high level budget. As part of the implementation framework, high level plans for targeted municipalities are completed to narrow down the towns within the municipalities where Government precincts must be developed. These “Precinct Selection Plans” make use of criteria categorised as “areas of investment, areas of intervention and areas of deprivation” to arrive at a recommendation indicating the most suitable town for Government precinct establishment within a particular municipality.

7.3.2 PMTE BUSINESS IMPROVEMENT: EFFICIENCY ENHANCEMENT INTERVENTIONS (TURNAROUND)

The PMTE is addressing organisational and operational challenges through the implementation of various Turnaround and Efficiency Enhancement Initiatives as informed by the Technical Assistance Unit (TAU) Diagnostic Report, the operationalisation of the PMTE and the implementation of the Service Delivery Improvement Programme (SDIP). Phase II of the Turnaround Strategy, Efficiency Enhancement; extends from 2014/15 to 2018/19. Various interventions have been identified to drive efficiency within the PMTE as part of Phase II. These interventions are aimed at ensuring process, system and technology improvements, whilst also supporting identified strategic priorities. The PMTE has reprioritised the focus within Phase II to ensure improvements in the following functional areas:

- Improving the property management and construction business;
- Improving processes, systems, technologies and procedures;
- Implementing an asset management strategy;
- Intensifying the water treatment programme; and
- Supporting national Government priorities and SONA commitments.

The PMO was established mainly to support the business improvement initiatives within the Turnaround Strategy. The PMO’s role is to provide support to the PMTE with coordinating and aligning the implementation of Turnaround Strategy interventions. The PMO will be the anchor point for the PMTE to ensure the seamless delivery across all business areas in order to enable the PMTE to effectively deliver on their respective mandates.

7.3.2.1 PMTE Business Improvement Intervention

Contributing towards the strategic priority of successfully **Operationalising the PMTE**, the PMTE Business Improvement Intervention mainly focusses on the adequate realignment of business processes and activities of the PMTE to the high-level strategy and Operating Model, to ensure the proper realisation of the PMTE goals and objectives. The Programme also aims at improving and refining client requirements and expediting options analysis for improved and informed investment decisions that contribute towards the optimisation of the immovable asset portfolio.

7.3.2.2 *Water management*

Contributing towards the PMTE's SONA obligation of Water Savings, the water saving project has been prioritised within the PMTE's Efficiency Enhancement Phase to improve water management services at State-owned facilities.

a. **Water distribution**

The Water Distribution Programme is centered 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, and reporting and planning on the distribution network. The top 50 water consuming State-owned facilities are being assessed and modified to comply with the No Drop Requirements of the Department of Water and Sanitation (DWS). These facilities are occupied largely by the Department of Correctional Services (DCS) and the Department of Defence (DOD).

b. **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 largely achieved 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 initiated in nine Regional Offices and will be rolled out in 2017/18.
- The establishment of blue drop requirements, analysis of current conditions and development of a Blue Drop Improvement Plan for all water treatment facilities within the nine Regional Offices have been initiated. This project is aimed at improving compliance with the Blue Drop requirements of the DWS and also improve the Blue Drop Scores.
- 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.
- Projects to resource the analytical water quality testing laboratories in Pretoria, Cape Town and Durban through the procurement of the relevant water quality testing instruments have been initiated and will be rolled out in 2017/18.

c. **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 Blue and Green Drop requirements 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. The implementation of the Project at the identified Regional Offices has already commenced.
- Operation and Maintenance: The operation and maintenance of 13 water treatment works and 26 wastewater treatment works in the Eastern Cape Province through the Amatola Water Board.

7.3.2.3 Rural precinct development

Contributing towards the PMTE's SONA obligation of Small and Rural Town Development, the objective of the 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. To implement the programme, the PMTE is in the process of signing agreements with identified rural municipalities for the development of Government precincts, such as, Vredenburg, Christiana, Idutywa, Mafikeng, Matlosana, Secunda, KwaMhlanga, Mandeni, Howick and Mount Fletcher. In the North West Province, municipal sites have been identified towards implementation of precincts in Christiana and Matlosana. The Master Plans of both these municipalities have been completed. Phase I of the site clearance and site development for the Department of Labour (DOL) is scheduled for the 2017/18 financial year in Christiana. 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.

In Howick and Mount Fletcher, the Land Exchange Agreements have been approved. The site establishment for the development of a Government precinct will commence in the 2017/18 financial year. Notwithstanding progress made to date, the programme will receive additional built environment resources including urban planners and designers, architects and GIS Specialists to catapult the programme further.

7.3.2.4 Improvement in the management of leased accommodation

The PMTE is currently refining the business processes to direct the leasing in of accommodation in order to create greater efficiencies, better response to the requirements of user departments, have real-time access to relevant information and ensure proactive management of the leased portfolio. The PMTE has partnered with National Treasury and COEGA to refine business processes, which will take into consideration the new Leasing Framework Business Case that was approved in September 2016.

The new Leasing Framework was developed in consultation with landlords, user departments and financial institutions. Through the National Treasury and COEGA partnership, the PMTE focuses on reforming the procurement of private leases in line with the Leasing Framework. As part of the new SCM reform, the PMTE will invite all landlords that meet the specifications (competitive process) to provide bid offers. Due to the fact that all property information will be easily available to the PMTE, the turnaround time for the procurement process will be improved. The Terms of Reference (ToR) for the Lease Negotiating Teams was approved in September 2016 and the Executive and Technical Lease Negotiating Team has subsequently been established.

The establishment of the Negotiation Teams will ensure that the PMTE receives value for money for leases concluded with private landlords, and will curtail the spiraling costs of lease rentals. The Negotiation Teams consist of officials from the PMTE and National Treasury. The implementation of the Landlord Register will take effect in April 2017.

7.3.2.5 Vesting of immovable assets and endorsement of title deeds

The PMTE requires a reliable IAR which informs 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. 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 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 figures reported from time to time 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.

Table 17: Vesting statistics as at 31 December 2016

REGION	POPULATION	ACQUIRED POST- 27 APRIL 1994	VESTING COMPLETED "REGISTERED OWNER" ITEM 28(1) CERTIFICATE ISSUED	RECOMMENDED BY PROVINCIAL STATE LAND DISPOSAL AND VESTING COMMITTEE (PSLDVC) ITEM 28(1) CERTIFICATE NOT ISSUED IN TERMS OF LAW	IN PROCESS ON THE DRDLR LAW SYSTEM	POPULATION TO INVESTIGATE
Bloemfontein	3,012	820	2,043	2	31	116
Cape Town	4,101	500	2,716	75	623	187
Durban	7,477	2,617	2,612	71	1283	894
Johannesburg	2,079	284	1,353	35	252	155
Kimberly	2,195	409	1,472	2	98	214
Mmabatho	2,042	239	845	189	572	197
Nelspruit	2,211	476	1,432	18	132	153
Polokwane	3,277	1059	1,440	212	391	175
Port Elizabeth	2,152	245	1,461	146	146	154
Pretoria	2,480	216	1,926	64	161	113
Umtata	284	22	146	0	32	84
Total	31,310	6,887	17,446	814	3,721	2,442
	Properties with outstanding Item 28(1) Certificates					6,997

In summary the vesting process will confirm ownership of the State's assets and further contribute to the benefits of having an improved and reliable IAR which inter alia include:

- Enhancement of immovable asset management functions in compliance with the requirements of GIAMA,
- Enabling the PMTE to contextualise user requirements and optimise immovable assets;
- Serving as a basis for the compilation of itemised billing and the management of user charges;
- Ensuring accurate assessment of the balance sheet of the country (G20 Balance Sheet Project);
- Serving as a basis for safeguarding the immovable assets of the State (PFMA compliance, fraud prevention);

7.3.2.6 Implementing energy efficiency measures for State-owned properties

Contributing towards the PMTE's SONA obligation of Resolving the Energy Challenge, the Green Building Programme within the PMTE contributes to a climate-resilient economy in South Africa through various Green Building interventions designed to reduce consumption within Government buildings. The components of the Programme include:

- 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
- Development of Green Building Indigenous Knowledge Systems (IKS) Guidelines.

a. **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 submitted by the provincial counterparts of the DPW 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. The PMTE will ensure involvement and support of National Treasury for the intervention. A project implementation plan has been drafted for the Project to provide:

- A comprehensive overview of all the Programme components and the methodology in producing the intended outputs;
- A description of the roles and responsibilities of each of the parties in the governance structure of the Programme; and
- 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 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. One of the State facilities to benefit from this initiative will be Robben Island, where an Integrated Resource Plan will be developed for rollout in partnership with the Department of Tourism (DOT), the DPME, and the Robben Island Museum's management.

b. **M&V of shared energy savings contracts**

The PMTE is currently implementing a contract within the Pretoria Regional Office for the independent M&V of energy savings reported through shared energy savings contracts. An M&V process is a scientific and technical assessment of established baselines, and verification of interventions and savings achieved by an Energy Savings Company. Similar contracts will be implemented for all other regional Offices as part of M&V processes where high energy savings have been reported.

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

As part of ensuring the use of clean energy, the PMTE is undertaking a condition assessment of boilers in identified buildings with a view to retrofitting them with cost effective equipment. This will result in reduced maintenance costs over the life cycle, as well as reduced carbon emissions. The commissioning of the clean energy boilers will take place in 2017/18 for identified buildings.

d. **Development of Green Building IKS Guidelines**

The PMTE is developing IKS Guidelines for the design of new Green Buildings and the refurbishment of existing buildings. This is aimed at promoting indigenous principles of sustainable buildings and includes the creation of green jobs and increased social cohesion. The IKS pilot will be implemented in 2017/18 for selected buildings. IKS designs will contribute to the broader resource efficiency of the buildings.

7.3.2.7 Implementation of the Finance and SCM Reform to support the property management business

Historically, the SCM processes within the PMTE were unable to adequately support the property management business. Through the Finance and SCM Reform, the PMTE will efficiently procure contracts for infrastructure development, as well as infrastructure maintenance. This intervention will focus on the following priority areas:

- The development of a PMTE Finance Model that directs the strategies and tariff structures of the PMTE to become financially sustainable over the medium term. The Model covers both the revenue and expenditure items of the PMTE in order to accurately project the anticipated funding deficit or surplus over a multi-year period;
- The Infrastructure SCM Policy which is aligned to the recently gazetted Standard for Infrastructure Procurement has been drafted and will be implemented in 2017/18;
- Strategic sourcing initiatives have been developed, focusing on the appointment of panels, standard procurement blueprint (designs, drawings, templates, specifications and contracts) and the use of IAs; and
- E-procurement systems (the customisation of sourcing and contract management modules) are in progress.

7.3.2.8 Improvement in the delivery of construction projects

The PMTE has incorporated the IDMS into the 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 in planning. IPMPs and IPIPs for five major clients have been completed (the DoD, DCS, SAPS, Department of Arts and Culture (DAC), and DPW). A Draft Policy Framework on the Implementation of the Standard for Infrastructure Procurement and Delivery Management is being finalised. The implementation of the standard will ensure full implementation of IDMS. Panels with registered professions (quantity surveyors, engineers, and architects) will be established to commence batch tendering for IDMS implementation.

Monthly meetings are convened between HO and Regional Offices to track and review individual construction projects. In addition, directives have been issued on the review of sketch plan processes where several delays were experienced during the design stage of project delivery. Through assistance from the DBSA, a new Project Support Unit is being configured both at HO and Regional Offices. This Unit will provide support on project data management, including monthly reporting on all aspects of individual projects. The PMTE will also be utilising IAs to reduce the workload of project managers and fast-track the delivery of construction projects (capital and planned maintenance).

Phase III - Sustainability and Growth

With the conclusion of the Efficiency Enhancement Phase in 2018/2019, the PMTE has identified the following expected gains from the Efficiency Phase which will define the Sustainability Phase (Phase III) of the Turnaround Strategy:

- Clean audit: Achieving and maintaining a clean audit outcome will remain a key priority within the Sustainability Phase;
- IAR Programme: Utilising the IAR to make prudent investment decisions and leveraging the property portfolio to develop long term revenue generation solutions with a special focus on Government office accommodation precincts in all strategic cities and towns as per municipal, province and national Spatial Development Plans, including small harbour development and commercialisation for revenue generation;
- ICT: Finalising and operationalising the ERP system and integrating all IT platforms for a total automated forecasting, planning, implementation, reporting, and M&E operations system;
- Skills development and job creation: Up-scaling skills development and training in facilities maintenance trades with accreditation from SAQA; retraining the facilities maintenance workforce; and increasing the workforce in skilled trades, focussing on FM, to capacitate Government and the private sector, in collaboration with manufacturers, DOL (Unemployment Insurance Fund (UIF)) and Department of Higher Education Skills Development Fund and TVET colleges;
- Professionalisation of the PMTE: Building the professional and technical capacity of existing employees, including career progression;
- SMME development: Diversifying the focus from contractor development to the supply of inputs and manufacturing;
- Building research, professional (technical, engineering, and property expertise) and workshop capacity: Building and activating the service delivery innovation platforms for increasing in-house supply to the construction, facilities and property management business;
- Change management: Successfully transitioning individuals and teams to further advance the PMTE to drive infrastructure development and transformation; and
- Revenue Generation: Operationalising the user charge model, implementing cost saving mechanisms and collaborating with other State institutions on value creation as platforms to ensure the self-sustainability of the PMTE.

7.4. PERFORMANCE ENVIRONMENT

The value proposition of the PMTE is premised on being an autonomous service delivery entity, which remains an integral part of the public service. This means that the PMTE remains committed to public service objectives, whilst being closely acquainted with the needs of user departments. The structure of the PMTE is aligned to the public works mandate and depicts the following two distinctive focal areas:

- Core Business, consisting of Real Estate Investment Services, Real Estate Management Services, Facilities Management, REIRS, Planning and Precinct Development, and Construction Project Management; and
- Enabling Services, consisting of Financial Management and Accounting, and SCM.

The achievements realised by the PMTE during the 2015/16 financial year were propelled by the solid foundation established during the Stabilisation Phase of the Turnaround Strategy (which was announced by the Minister in 2012). Significant progress has been made with the finalisation of the IAR, redesigning of processes, systems and structural elements within the PMTE, development of a holistic approach to water saving and treatment, conservation of energy and the strategic shift towards the development of precincts in rural towns and small harbours. Significant progress has also been made in clearing the backlog of leased accommodation with further steps taken to prevent the accumulation of expired leases.

Whilst notable improvements have been observed, the following key areas have been identified for improvement within the PMTE:

- Planning and budget controls, recording and reporting of accruals and commitments relating to project expenditure;
- Discrepancies and manual errors resulting in over and under payment of private leases;
- Material errors on unscheduled maintenance and municipal services based on manual orders, incorrect invoicing and accruals that cannot be accurately determined;
- Some property rates payments are not linked to the relevant immovable assets. This is being addressed through the municipal debt settlement process where the PMTE is confirming accounts and properties with other custodians and debtors to settle the outstanding debt.
- The non-compliance to SCM guidelines is the main contributor to irregular expenditure. It must be noted, however, that improvements in the SCM environment have been recorded due to the preventative measures that have been put into place which can be evidenced by the reduction of the number of irregular expenditure cases reported in the prior year. A more stringent approach in managing deviations will be taken to further improve controls;
- Some of the challenges within the PMTE relates to manual processing of transactions and schedules supporting the financial statements. This will be addressed through the implementation of the complete ERP system.

The PMTE has identified the following interventions to address deficiencies and institutionalise service delivery improvement for sustainable and continuous progress:

7.4.1 REDUCTION OF INFRASTRUCTURE PROJECT BACKLOGS

Infrastructure projects that are considered to be backlog projects are those where the actual construction period exceeds the planned construction period by 2 years or more. The reason for the backlog in the construction phase is usually due to the poor performance of contractors that either have a lack of resources or lack of technical skills to execute construction projects. In other cases a contractor gets liquidated during the construction of the project and leaves the site without having completed the project. In such cases a new contractor must be appointed to complete the outstanding work through the required legal processes.

By the end of the MTEF, the PMTE is planning to reduce infrastructure projects backlog by 75%. The PMTE will continue to drive focused project review meetings with project teams in all Regional Offices with the aim of continuously reducing backlogs in infrastructure projects and tracking progress of the infrastructure projects on the implementation plan. Specific intervention sessions are planned with underperforming professional teams to identify corrective measures, including cessations and terminations where required. A construction conference with all project managers and professional services will be convened annually to address the challenges that impede service delivery.

7.4.2 BUILDING TECHNICAL CAPACITY WITHIN CONSTRUCTION PROJECT MANAGEMENT

In consultations with project teams, the PMTE has identified relevant projects to be allocated to implementing agents. This initiative will assist with the reduction and subsequent elimination of project backlogs. The DBSA has been engaged as part of the Turnaround Strategy Programme to establish a Project Support Unit within the PMTE that will focus on building capacity for project support. In this regard, the DBSA will recruit and capacitate both HO and Regional Offices.

The PMTE has commenced implementing various technical capacity building initiatives to address its specific skills requirements. These include tailored Capacity Building Programmes in partnership with the South African Property Owners Association (SAPOA) and the Coega Development Corporation (CDC); the internal Young Professionals Programme; and the Cuban Technical Advisory Programme where additional technical expertise is required.

The Cuban Technical Advisory Programme is a joint initiative of Human Capital Investment (HCI), PMO and Construction Project Management. The primary purpose of the programme is to assist the PMTE with technical expertise in the project planning, execution, management and quality control of construction projects, whilst transferring essential technical knowledge and skills. The Cuban Technical Advisors (CTAs) provide support based on their technical capabilities and substantial experience in the construction sector.

A total of 39 CTAs are participating in the Programme that provides support to the PMTE, and the Mpumalanga and Limpopo Provincial Departments responsible for public works. The CTAs comprise of civil engineers, mechanical engineers, electrical engineers, architects and construction project managers. The scope of the Programme has been developed based on the skills, qualifications, and work experience of the CTAs and the needs of the PMTE, in order to address critical skills constraints and the shortage of technical competencies within the PMTE. The main areas within the Programme include: project planning and project management, quality control, designing and interpretation of designs, procurement site briefings and tender evaluations, skills transfer, maintenance projects, conditions and technical assessments, and management of contract documentation.

7.4.3 IMPROVED MANAGEMENT AND MONITORING OF LEASED-IN ACCOMMODATION

The PMTE is unable to effectively manage and report on leased accommodation due to inadequate systems. The process of implementing the ARCHIBUS property management system is at an advanced stage. The system will provide the necessary tools, such as reports and dash boards to assist in monitoring progress on lease renewals. The implementation of ARCHIBUS system is envisaged to be completed in the 2016/17 financial year and implemented fully in the 2017/18 financial year. ARCHIBUS is a system developed to build a bridge between the architectural layout of buildings and the business needs of property managers. This system will provide on demand reports which will be generated for management decision making and to ensure compliance with GRAP.

ARCHIBUS will have a functionality for capturer, reviewer and approver that will preserve lease data integrity. Furthermore, ARCHIBUS will have the functionality to upload all supporting information relating to leased accommodation. ARCHIBUS can also compute the escalated rentals throughout the life of the lease without manual intervention, which will result in landlords being paid on time and according to the lease agreement. In light of these system enhancements through the implementation of ARCHIBUS, the PMTE will improve the reporting of lease revenue and expenditure.

7.4.4 IMPROVEMENTS TO THE QUALITY OF THE U-AMP

Since the promulgation of GIAMA, No. 19 of 2007, continued support and training was provided to user departments in the population and compilation of their respective U-AMP documents. Initially, a total of 12 templates were developed for the U-AMP, however, most user departments found the process cumbersome. The PMTE also noted a number of duplications that appeared on the templates. During 2015, the PMTE, in conjunction with the provincial departments, reviewed the U-AMP templates to ensure that it is more user-friendly, eliminated duplications, move certain information to the custodian to the C-AMP document where it is more appropriately placed and maintain only the most relevant information relating to new accommodation requirements, the surrender of accommodation and current commitments.

In conjunction with National Treasury the U-AMP planning and budget cycle was aligned to that of National Treasury for national departments and Provincial Treasuries for provincial departments. The submission of U-AMP documents to both DPW and National Treasury is now prescribed in the MTEF guidelines issued by the National Treasury as a compulsory supporting document for budget requests of accommodation requirements. This will ensure that user departments produce comprehensive U-AMP documents that will assist the PMTE with its planning towards the provision of accommodation solutions to its user departments.

7.4.5 IMPROVEMENTS TO THE QUALITY OF THE C-AMP

In the face of ever diminishing resources, Government is confronted with the requirement to manage a significant immovable asset portfolio that must be aligned efficiently and effectively to the service delivery requirements of a range of user departments.

It is a requirement that the Department's C-AMP contain a management plan for each immovable asset throughout its lifecycle. Feasibility studies will continue form the basis on which management plans are developed for each asset drawing information from performance and condition assessments as well as property valuations to ensure the realisation of maximum investment potential, shareholder value and socio-economic objectives.

Currently, the information contained in the IAR is related to high level condition assessments, whereas there is a need for technical condition assessments (to inform prioritisation of maintenance activities, as well as generic asset lifecycle management). In addition, performance standards developed for measuring immovable asset performance need to be enhanced to include performance benchmarks for all categories of assets within the Department's portfolio.

The earlier versions of C-AMP were informed by asset data in the IAR and so-called "unstructured" knowledge of user requirements. Going forward, the 2018/19 C-AMP will be the DPW's milestone, drawing on the first iteration of completed U-AMPs / U-AMP Templates as well as the enhanced IAR. In addition, the enhanced C-AMP will contribute to the management of State-owned immovable assets through the development of strategies for unutilised properties, the residential portfolio, small harbour development, as well as boiler and water & sewer management. Outsourcing of capital and maintenance services to the IAs such as the DBSA, IDT and the Coega Development Corporation (CDC) will also contribute in ensuring that immovable assets are in a habitable condition and contribute to service delivery. Furthermore, in order to ensure that services are brought closer to the public, precinct development and Thusong Centre initiatives has been put forward as a strategy or solution to users' space demands. These strategies will ensure that State immovable assets are better managed based on the allocation of over the MTSF.

7.4.6 CAPITALISING OF INFRASTRUCTURE PROJECTS ON THE IAR

The PMTE Immovable Asset Management Policy determines that project costs must be classified as either capital or current. Only capital projects will be capitalised to the IAR. The capital projects are deemed to be in the state that is ready for use as intended by management and qualify for capitalisation as per the definition of an asset in terms of GRAP. The recording of completed projects will ensure that the capital costs of projects are correctly reflected in the IAR. This will also contribute to the recognition and acceptance of immovable assets in terms of the IDMS model.

7.4.7 SUPPORT TO OTHER CUSTODIANS ON THE IAR

The PMTE will provide support and guidance to the provincial counterparts of the DPW to ensure uniformity in accounting for immovable assets and compliant IARs. In this regard, an IAR action plan has been developed to address management assertions (completeness, existence, rights and obligations, accuracy and valuation, presentation, and disclosure) in order to ensure that the PMTE and Provincial IARs comply with the PFMA, GIAMA and National Treasury Guidelines. The compliance criteria that have been developed with the Provinces are as follows:

- Completeness of National and Provincial IARs in terms of quantity against major sources of data (deeds records, DRDLR's vesting data, devolved properties, surveyed but not registered land, and State Domestic Facilities built on tribal and private land);
- Completeness as per National Treasury's Minimum Requirements for an IAR;
- Compliance with section 13(d) of GIAMA (conduct physical verification and high level condition assessments of immovable assets over a five year period);
- Compliance as per the Modified Cash Standard; i.e. application of the Fair Value Model to all properties over 36 months (1 April 2016 to 31 March 2019). Phase I of the process is due to be completed by the Provinces by 31 March 2017. Phase II will commence in the 2017/18 Financial Year; and
- Compliance as per National Treasury's Immovable Asset Guide; i.e. all immovable assets are recorded as per section 3, recording and reporting as per section 4 and interim arrangements (section 42 transfers among custodians and by the user departments).

7.4.8 IMPROVE TURNAROUND TIMES FOR PAYMENTS OF SUPPLIERS WITHIN 30 DAYS

The PMTE has made slow progress over the previous two financial years in complying to the legislative requirements for 30 day payments. During the 2015/16 financial year, the PMTE experienced challenges with financial systems as payments could not be processed in time, resulting in non-compliance. The PMTE therefore developed an automated invoice tracking system that tracks all invoices from date of receipt through to the actual payment date. The system has the capability to automatically send notifications to the project managers regarding receipt of the invoice and all the stages in the value chain, including reminders when the invoice payment date is imminent. The system is also used as a management tool to follow up and monitor action that should have been taken for non-payment of overdue invoices.

Internal processes have been developed to include 30 days payment reports to form part of the regional meetings to ensure continuous oversight and monitoring.

7.4.9 AWARDING OF BIDS WITHIN PRESCRIBED TIMEFRAMES

The regulatory nature of Government procurement implies protracted SCM processes. With the historic inefficiencies within the current system, it could take up to 70 days to finalise a bid. The PMTE, in pursuance of its overall Turnaround Strategy, also focuses on SCM reforms. It intends to reduce the time taken to award the bid to 40 days. The protracted turnaround times and extension of bid validity periods negatively impact on the delivery of services and also compromise the integrity of the process and fairness that is required in terms of the SCM regulatory framework. The SCM business processes in the PMTE, despite being defined with specific timelines and turnaround times, are not always complied with. Strategic planning and operational planning is not adequately linked to procurement planning. This means that the lead times of procurement are not adequately taken into consideration in project planning and execution.

A business process reengineering that will align strategy, operations, and procurement processes has therefore been prioritised under the Turnaround Strategy. This intervention will ensure alignment of the strategy to annual operational planning, ultimately leading to improved monitoring and tracking of turnaround times in the delivery of bids for efficient service delivery.

There are a number of reforms that are envisaged to be implemented in the 2017/18 financial year within SCM, including streamlining the procurement process of leases, infrastructure and Facilities Management. Specialised Bid Adjudication Committees will be set up for procurement of leases and infrastructure and Facilities Management. This will enable the PMTE to ensure the right expertise is sourced, as well as value for money. The establishment of panels within the construction environment will also enhance the turnaround efficiencies.

Awarding of quotations within agreed timeframes - The processing of quotations is necessary to sustain the day to day operations of the PMTE. Transactions within the quotation threshold are processed as part of the key planning activities that lead to the readiness of key projects to be delivered as part of the business. Awarding of quotations within the prescribed timeframes remains critical to support the delivery of services within the scheduled time and budgeted cost. The PMTE will continue to improve efficiencies within SCM for the acquisition of goods, services and works in support of service delivery expectations. Through the SCM Reform Plan, the PMTE will fully automate the quotation process and optimise the use of the Intenda Solution Suite (ISS) system.

Use of term contracts to improve service delivery turnaround times - SCM has already implemented term contracts for stationery, office furniture, protective clothing and cleaning materials. Through these term contracts, economies of scale is realised, as well as enhanced service delivery. The term contracts are further leveraged to promote preferential procurement. The PMTE is also planning to put in place three term contracts for commodities to be identified through the strategic sourcing analysis.

Procurement from black owned companies - The PMTE will utilise the G-Commerce platform to promote procurement from SMMEs and Historically Disadvantaged Individuals (HDIs). The new draft PPPFA Regulations and the Draft Procurement Bill allow for designating procurement for particular target groups. The PMTE will enforce compliance with the new legislation once promulgated by National Treasury.

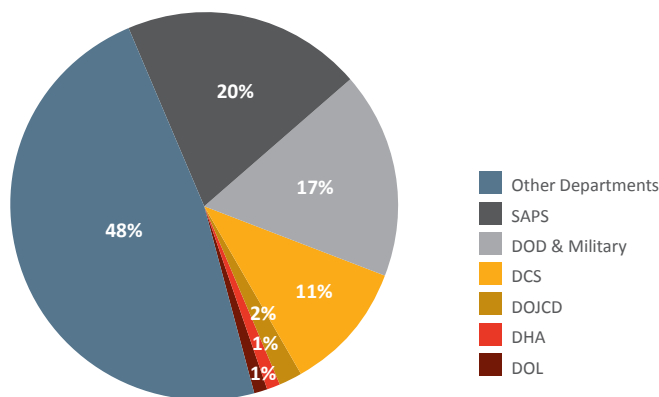
7.5. DEMAND FOR SERVICES

7.5.1 UTILISATION OF STATE-OWNED PROPERTIES PER USER DEPARTMENT

PMTE is a custodian of, and manages, an extensive property portfolio that comprises 31 146 registered and unregistered land parcels and 92 594 buildings and improvements located across 52 user departments countrywide. The PMTE's current IAR Enhancement Programme includes an assessment of its properties to ensure the required information can be recorded in the IAR. This has significantly improved the quality and completeness of the IAR, and has resulted in improved compliance, reporting and audit outcomes.

Figure 15: Summary of the buildings and structures utilised per user department

BUILDING/STRUCTURES UTILISED PER USER DEPARTMENT (m²)



The IAR serves as the primary source of data for all property-related activities and transactions. The rebuilt IAR data with the portfolios of evidence for property holdings and related condition assessment information are being migrated into an integrated asset management solution. This will significantly improve the PMTE's ability to manage and maintain its Immovable Asset Register, whilst integrating with related property management activities in line with leading practice in the real estate management industry.

The PMTE will utilise the Immovable Asset Register to make prudent investment decisions and leverage its portfolio to develop long term revenue generation solutions for Government accommodation, with a specific focus on Government office accommodation precincts in all strategic cities and towns as per municipal, provincial and national Spatial Development Plans, including small harbour development and commercialisation for revenue generation.

7.5.2 CONDITION OF IMMOVABLE ASSETS UNDER THE CUSTODIANSHIP OF THE PMTE

Based on a high level condition assessment undertaken through the enhancement of the IAR Project, 14% of the portfolio's immovable assets are in unacceptable condition and 86% are in a fair to good condition. 17% of the portfolio is in an excellent condition. The table below, which represents the current condition of the immovable assets within the portfolio, provides the total number of improvements counted at building unit level (not at complex level).

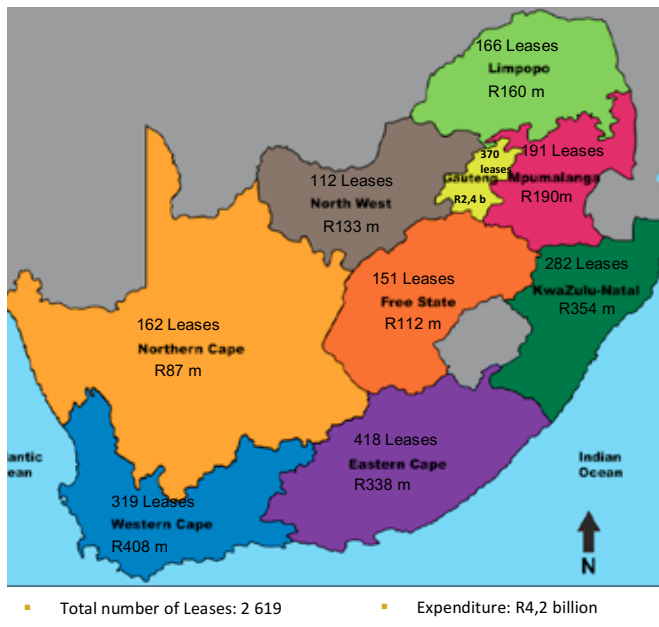
Table 18: The high level condition of State-owned immovable assets occupied by user departments

DEPARTMENT	CONDITION OF STATE-OWNED BUILDINGS										TOTAL
	(NUMBER AND PERCENTAGE)										
	VERY GOOD		GOOD		FAIR		POOR		VERY POOR		
	C5	C3	C4	C2	C1						
DCS	79	1%	1,612	15%	7,703	72%	1,045	10%	269	3%	10,708
DOD	1	0%	58	18%	241	76%	16	5%	3	1%	319
SAPS	131	1%	2,470	15%	12,011	71%	1,740	10%	598	4%	16,951
DOJCD	20	1%	407	16%	1,720	66%	334	13%	106	4%	2,587
Other user departments	473	1%	9,528	16%	40,481	69%	6,219	11%	1,765	3%	58,466
Unutilised	32	1%	584	16%	2,417	68%	427	12%	103	3%	3,563
TOTAL	736	1%	14,659	16%	64,573	70%	9,781	11%	2,844	3%	92,594

Source: IAR download as at 01 August 2016

7.5.3 DEMAND FOR LEASED ACCOMMODATION

Figure 16: Status of leasehold portfolio



Source: GIS download as at 30 November 2016

The PMTE currently has a leased portfolio of 2 619 properties. In the current office market, negotiations continue to favour tenants, particularly where leases are renewed. The PMTE will leverage the leased portfolio through partnerships with financial institutions and private sector to grow and transform the property sector.

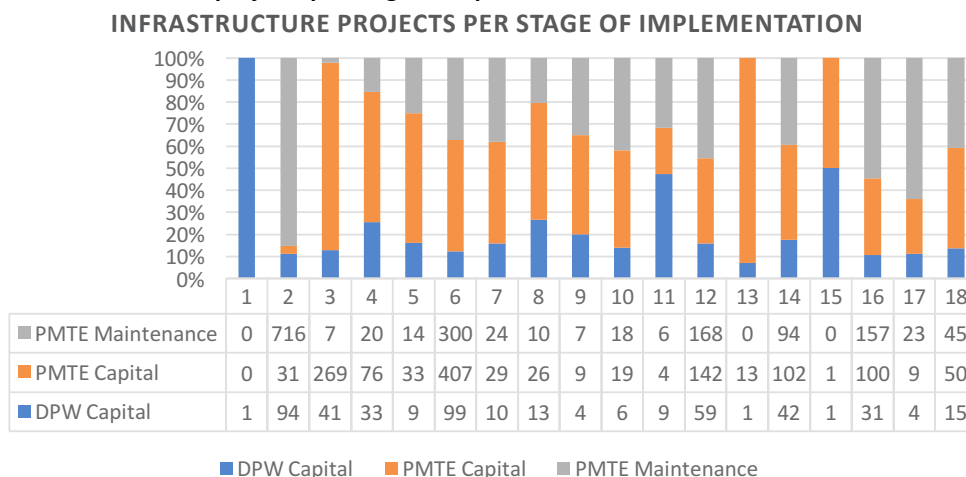
The PMTE has identified the need to find suitable State owned accommodation for the security cluster departments in order to reduce the strategic risks associated with the security, confidentiality and the disturbance of the essential security services.

The PMTE will adopt various approaches to replace expiring leases including construction of new accommodation, acquiring accommodation, consolidating existing leased accommodation etc.

7.5.4 DEMAND FOR INFRASTRUCTURE PROJECTS

The PMTE has delivered more than 480 Capital and Maintenance Projects over the past three financial years, whilst confronting some demanding challenges. The delivery of these projects translates to a total actual expenditure of R12 873 998 069 in construction and planned maintenance budgets.

Figure 17: Infrastructure projects per stage of implementation



Level description for figure 17

Number	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Status	3	3A	3B	3C	4	4A	4B	4C	5	5A	5B	5C	6A	7	7A	8	9

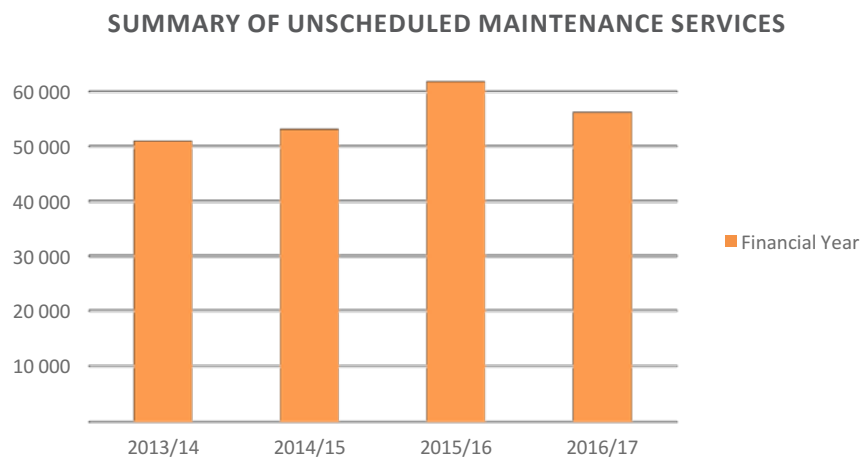
The building programmes for maintenance and new infrastructure projects will continue to be implemented in order to deliver the required infrastructure to user departments, whilst contributing to economic growth. For 2017/18 there are 3 400 projects in various stages of implementation with a budget allocation of R4 803 953 821. Some of the projects run over multiple years and will be completed over the medium term. Key projects will include the upgrading of facilities to ensure access to the disabled; 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. These projects will be funded from the infrastructure budgets of the PMTE and user departments.

7.5.5 SCHEDULED AND UNSCHEDULED MAINTENANCE SERVICES

Scheduled and unscheduled maintenance services consist of routine and corrective work required in the short term to ensure State-owned buildings remain functional and continue to serve its intended purpose and maintain its level of security and integrity. There are three categories of services falling under unscheduled maintenance, namely:

- a. Emergency – service to be resolved within 5 days after the logging a call;
- b. Urgent – service to be resolved within 15 days after the logging of a call; and
- c. Normal – service to be resolved within 30 days after the logging of a call.

Figure 18: Facilities Maintenance Services (2013/14 to 2016/17)



[Source: 2013/14 (Advance Call & PMIS) 2014/15 to 2016/17 (worx4u, PMIS and SAGE)]

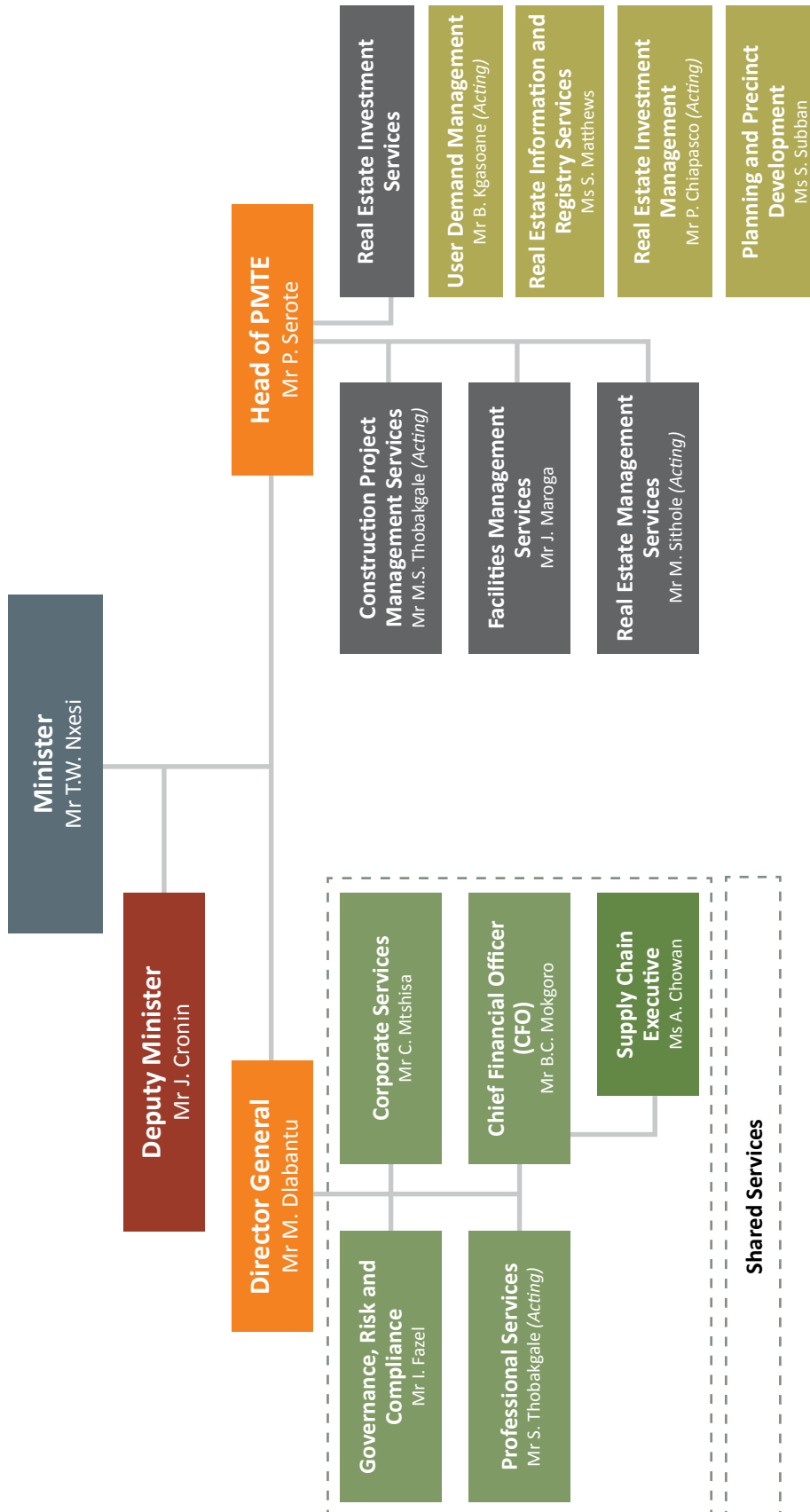
Figure 16 reflects the total number of calls logged for the 2013/14 to 2015/16 financial years. The data for the 2016/17 financial year provides estimated information as at 31 March 2017 which is based on an average calculated over 10 months. Unscheduled maintenance costs will be reduced through the implementation of the maintenance strategy, which will approach facilities management in a pro-active manner, as opposed to a reactive manner.

Over the short term, the PMTE will conduct health and safety inspections on prioritised buildings and take corrective actions on any remedial work resulting from these inspections to ensure State-owned properties comply with the Occupational Health and Safety Act 85 of 1993.

The introduction of an automated facilities management processes through ARCHIBUS will also be a major contributor to the reduction of unplanned maintenance contracts. This system will be integrated with the Worx4u application to create a complete end-to-end solution. The new process for unscheduled maintenance will operate on a database of approved service providers with different disciplines, such as mechanical, electrical, civil, etc. With this fully automated system, every stage of the service is monitored, which will allow the PMTE continuously improve efficiencies.

7.6. ORGANISATIONAL ENVIRONMENT

Figure 19: High level organisational structure of the PMTE



7.6.1 KEY ISSUES RELATING TO THE ORGANISATIONAL STRUCTURE

The PMTE has reviewed its organisational structure to ensure that it is optimally aligned to its mandate and strategy. The approval of the revised structure, in September 2016, was followed by several months of extensive internal consultation as well as consultation with the Department of Public Service and Administration (DPSA) and National Treasury. The revised Organisational Structure takes into consideration the relevant legislative and regulatory requirements, the operationalisation of the PMTE (which resulted in the separation of functions), building the necessary capacity and capability and the reduction of non-core services such as security and cleaning.

Although the revised organisational structure has been approved, the structure does not fully meet the requirements of the PMTE due to cost containment measures and repeated reductions in compensation of employees' budget that have been enforced by National Treasury. Other pressures hindering full implementation of the structure is that the budget allocation is based on the previous organisational structure of the DPW, which has resulted in a skewed allocation for compensation of employees.

The approved organisational structure will be implemented in a phased approach over the MTEF. The DPW has developed a Migration Framework to manage the roll-out of the structure. The Framework outlines, in detail, the processes that the DPW will follow to deal with issues relating to the decommissioning of the old structure and the commissioning of the new structure, matters around matching and placement of personnel, as well as capacitation through training, re-skilling and recruitment in accordance with the new structure.

7.6.2 FACTORS WITHIN THE ORGANISATIONAL ENVIRONMENT THAT HAVE INFORMED THE ANNUAL PERFORMANCE PLAN

The PMTE's objective is to optimise the immovable asset portfolio by improving access to, and the quality of, buildings; utilising the State's unutilised land and buildings productively; creating funding streams for capital, maintenance and refurbishment programmes; and extending the life cycle of existing State-owned properties. To achieve this, the key focus of the PMTE's investment mandate is to ensure a lowered total cost of ownership and higher returns to save costs and improve service delivery. However, the PMTE is still faced with the challenge of attracting and retaining the skills necessary to professionalise the property business and address the demand for services. To support and streamline the core areas of the PMTE (facilities management, asset investment, real estate management, and construction), the PMTE aims to develop commercial and specialist capabilities within the business areas to develop and implement systems and processes that enhance competitiveness, decision making, valuations, performance monitoring, change management, best practice implementation, and operations standardisation.

The primary focus of the PMTE will be to capacitate on the construction project management, FM, real estate management and real estate investment areas to improve performance and efficiencies across these functions. The PMTE will undergo a comprehensive reprioritisation due to budget constraints to introduce cost containment measures. This may entail that not all vacancies will be filled, and the review of contracts and appointments additional to the establishment will be required. The budget allocation for the MTEF does not

cater for the full capacitation of the new structure. This has led to serious compensation pressures that will result in the continued implementation of cost containment measures. The following strategies will be used to remain within the baseline:

- Vacancies caused by natural attrition will not be filled (except critical positions) (within the budget limit);
- Non-renewal of fixed term contracts (for non-critical functions);
- Management of overtime (overtime on critical areas); and
- Activation of funded positions in the implementation of the new structure.

Table 19: PMTE staff establishment

SALARY LEVEL	FILLED POSTS	VACANT POSTS	TOTAL (FILLED & VACANT)	CURRENT VACANCY RATE (%)	ADDITIONAL TO THE ESTABLISHMENT
1	0	0	0	0	127
2	0	239	239	100,00	147
3	1023	78	1101	7,08	7
4	668	53	721	7,35	63
5	133	49	182	26,92	12
6	211	58	269	21,56	20
7	226	114	340	33,53	67
8	467	96	563	17,05	59
9	357	17	374	4,55	14
10	89	69	158	43,67	18
11	265	97	362	26,80	39
12	117	84	201	41,79	74
13	259	12	271	4,43	21
14	42	8	50	16,00	6
15	21	4	25	16,00	6
16	2		2	0,00	0
Total	3 880	978	4 858	20,14	680

The PMTE has a total establishment of 4 858 posts of which 3 880 are filled permanently, 680 are filled additionally and 978 are vacant. An integrated human resources (HR) Plan has been developed to respond to Government's priorities and to align the PMTE's workforce with the mission, vision, strategic goals and financial resources of the PMTE. The HR Plan, which identifies current and future HR needs for PMTE to achieve its strategic goals, is reviewed annually in line with the PMTE's strategy and structure, in order to ensure that the appropriately skilled people are in the right place at the right time to respond to critical areas in the course of delivering on the mandate of the PMTE.

Table 20: Employment and vacancies by critical occupations

CRITICAL OCCUPATIONS	NUMBER OF POSTS	NUMBER OF POSTS FILLED	VACANCY RATE	NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT
Architects, town and traffic planners	70	32	37.14	12
Chemical and physical science technicians	18	13	11.11	3
Civil engineering technicians	24	8	20.83	11
Electrical and electronics engineering technicians	110	3	95.45	2
Engineers and related professionals	262	196	22.14	28
Mechanical engineering technicians	16	3	68.75	2
Quantity surveyors & related professions	53	29	20.75	13
Grand Total	553	284	39.42	71

The PMTE has a 39% vacancy rate in the critical occupations. In order to address this skills gap, the PMTE will engage with critical stakeholders, including the CBE and Professional Councils to embark on a programme of recruitment and professionalisation of the built environment sector. The PMTE will also enter into agreements with IAs to supplement its professional capacity. Cuban Technical Advisors (CTAs) will be recruited during the MTEF as part of project support to the Regional Offices and will provide support on infrastructure projects as technologists and technicians.

The PMTE will further be supported by the Professional Services Programme of the DPW, which is coordinating a Talent Pipeline Strategy that contributes to high level human capital development and the creation of a pool of critical skills. It aims at changing the profile of the workforce by growing a representative workforce for the built and property environment, whilst growing the size and raising the quality of the human capital base. The implementation of the Talent Pipeline Strategy supports talent management for the PMTE and is operationalised in the form of the Schools Programme, the Bursary Scheme, internships, work integrated learning, learnerships, young professionals, management trainees, artisan development and mentorship programmes.

7.7. DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The PMTE's strategic planning process was largely informed by the 2030 Agenda for Sustainable Development, the NDP and the MTSF. The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the environment and ensure that all people enjoy peace and prosperity. Building on the MDGs, the 2030 Agenda aims to go further to end all forms of poverty and provides an integrated approach to address a range of social needs, including education, health, social protection, and job opportunities, whilst also addressing climate change and environmental protection. It brings together social, environmental and economic dimensions that are essential for sustainable development.

The NDP is the country's Strategic Plan which articulates the South Africa's 2030 vision. 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 cross-cutting strategies, namely the NGP, the NIP, the 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 that coordinate Government's work towards the achievement of its 14 priority 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 (ENEs), which describes in detail the planned spending in all national government votes over three financial years, is informed by the MTSF.

7.7.1 PMTE STRATEGIC PLANNING PROCESS

The PMTE's strategic planning process which informs the development of the 2017/18 Annual Performance Plan is set out hereunder:

Figure 20: The PMTE's Strategic Planning Process that informs the development of the 2017/18 Annual Performance Plan

Recap of the policy statement	The Minister of Public Works provides his vision to the Executive Committee of the PMT and reconfirms the current strategic direction, taking into consideration the changes in both the internal and external environments
Performance dialogue with National Treasury and Department of Planning, Monitoring and Evaluation (DPME)	Performance dialogues held with National Treasury and DPME to agree on institutional performance indicators for 2017/18
Integrated planning session	An integrated planning session is convened to review the programme performance indicators (i.e. unpack dependencies, address omissions and ensure all programmes are aligned to national cross cutting priorities)
Strategic management training	Training sessions were conducted for Senior Management Services (SMS) members and Middle Managers on strategic planning and M&E
Submission of the 1st Draft Annual Performance Plan	The 1st Draft Annual Performance Plan is submitted to National Treasury and DPME
Mid term review and planning session	A mid term review and planning session is convened to review the six month performance, identify emerging strategic risks and confirm the final set of Key Performance Indicators
Submission of the 2nd Draft Annual Performance Plan	The 2nd Draft Annual Performance Plan is submitted to National Treasury and the DPME
Review of the Annual Performance Plan based on mid term Cabinet Review, SoNA, Budget Vote Speech	The Annual Performance Plan is updated, where required, based on the outcomes of the Cabinet Lekgotla, budget confirmation from National Treasury, the Budget Speech and the SONA
Review of the final Draft Annual Performance Plan (internal/external)	The Annual Performance Plan is presented internally (EXCO) for final consideration. Presentations are also made to the Audit Committee, Peer Review Workshop (National Treasury, DPME, DPSA) and MINTOP
Annual Performance Plan tabled in Parliament	The Annual Performance Plan is tabled in Parliament within the timelines provided in the National Treasury Regulations
Development of business plans and performance agreements	Business plans are developed to direct the activities required for implementation of the Annual Performance Plan. Performance agreements are signed based on the activities contained in the business plans.

7.8. OVERVIEW OF THE 2017 BUDGET AND MTEF ESTIMATES

7.8.1 EXPENDITURE ESTIMATES

Table 21: 2017 Budget and MTEF estimates for PMTE

PROGRAMMES	AUDITED OUTCOME	ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE					
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	
Administration	1,016,723	848,437	1,475,555	1,079,005	711,997	1,113,716	1,121,680	
Real Estate Investment Services	-	100,639	103,896	110,327	117,792	122,313	132,103	
Construction Project Management	-	282,373	291,513	256,660	274,853	214,741	231,522	
Real Estate Management Services	4,431,449	5,183,959	5,638,328	5,850,797	10,874,739	11,842,893	12,924,799	
Real Estate Information and Registry Services	56,264	2,627,955	2,796,902	2,836,177	72,209	54,663	57,134	
Facilities Management Services	2,780,424	2,712,496	3,513,517	2,929,501	3,202,514	3,207,598	3,400,756	
Total for Programmes	8,284,860	11,755,859	13,819,711	13,062,467	15,254,104	16,555,924	17,867,994	

ECONOMIC CLASSIFICATION	AUDITED OUTCOME	ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE					
	2013/14 (R'000)	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	6,791,550	10,936,067	12,810,854	11,920,670	13,912,349	15,079,994	16,244,471	
Compensation of employees	-	1,268,405	1,309,460	1,469,782	1,674,303	1,736,150	1,876,777	
Salaries and wages	-	1,268,405	1,309,460	1,264,013	1,439,902	1,493,089	1,614,028	
Social contributions	-	-	-	205,769	234,401	243,061	262,749	
Goods and services	6,427,134	6,766,165	8,143,392	7,305,722	12,237,046	13,342,844	14,366,694	
Computer services	3,548	13,848	19,961	29,234	31,046	32,878	34,719	
Consultants	50,406	43,638	219,472	-	-	-	-	
Contractors	239	-	-	-	-	-	-	
Lease payments	3,557,111	3,923,763	4,084,346	4,052,512	4,452,192	4,808,367	5,193,037	
Repairs and maintenance	2,581,046	2,008,466	2,783,131	2,004,709	2,184,164	2,313,029	2,442,560	
Travel and subsistence	19,676	40,379	69,227	-	-	-	-	
Other	215,108	736,071	967,255	1,219,267	5,569,644	6,188,570	6,696,378	
Depreciation	56,264	2,617,630	2,786,243	2,750,000	-	-	-	
Losses and damages	306,694	283,146	475,125	372,056	-	-	-	
Impairments and adjustments to fair value	279,815	184,390	414,383	350,000	-	-	-	
Adjustments to fair value of financial assets	279,815	184,390	414,383	350,000	-	-	-	
Other	26,879	98,756	60,742	22,056	-	-	-	
Interest, dividends and rent on land	1,458	721	96,634	23,110	1,000	1,000	1,000	
Interest	1,458	721	96,634	1,000	1,000	1,000	1,000	
Rent on land	-	-	-	22,110	-	-	-	
Transfers and subsidies	1,493,310	819,792	1,008,857	1,141,796	1,341,755	1,475,930	1,623,523	
National government	642,958	-	-	-	-	-	-	
Municipalities	850,352	819,792	1,008,857	1,141,796	1,341,755	1,475,930	1,623,523	
Total Expenditure	8,284,860	11,755,859	13,819,711	13,062,467	15,254,104	16,555,924	17,867,994	

7.8.2 RELATING EXPENDITURE TRENDS TO STRATEGIC GOALS

Figure 21: Budget allocation per Budget Programme

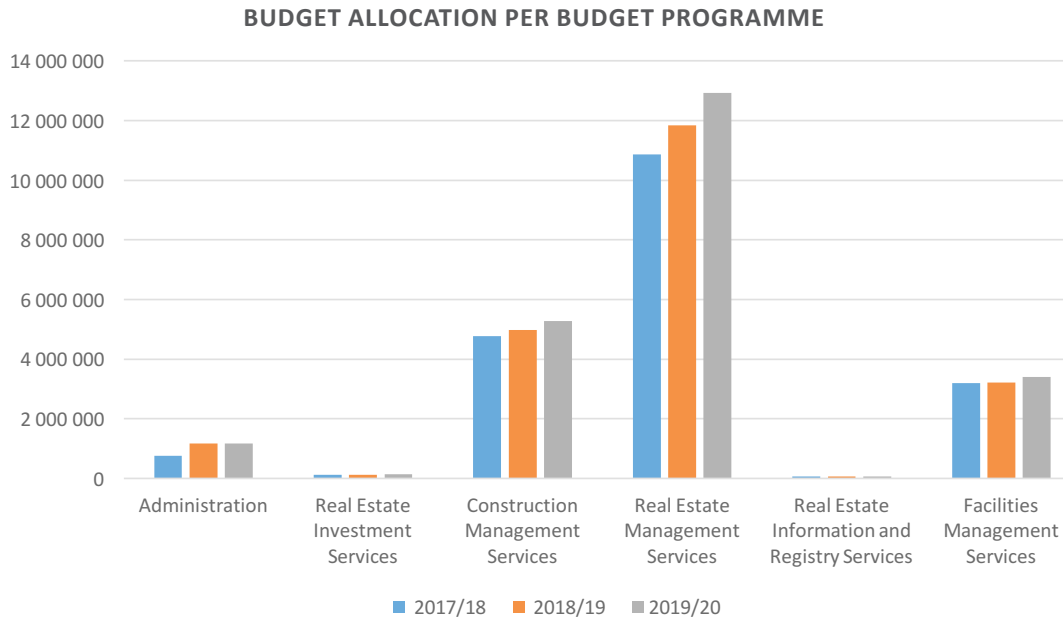
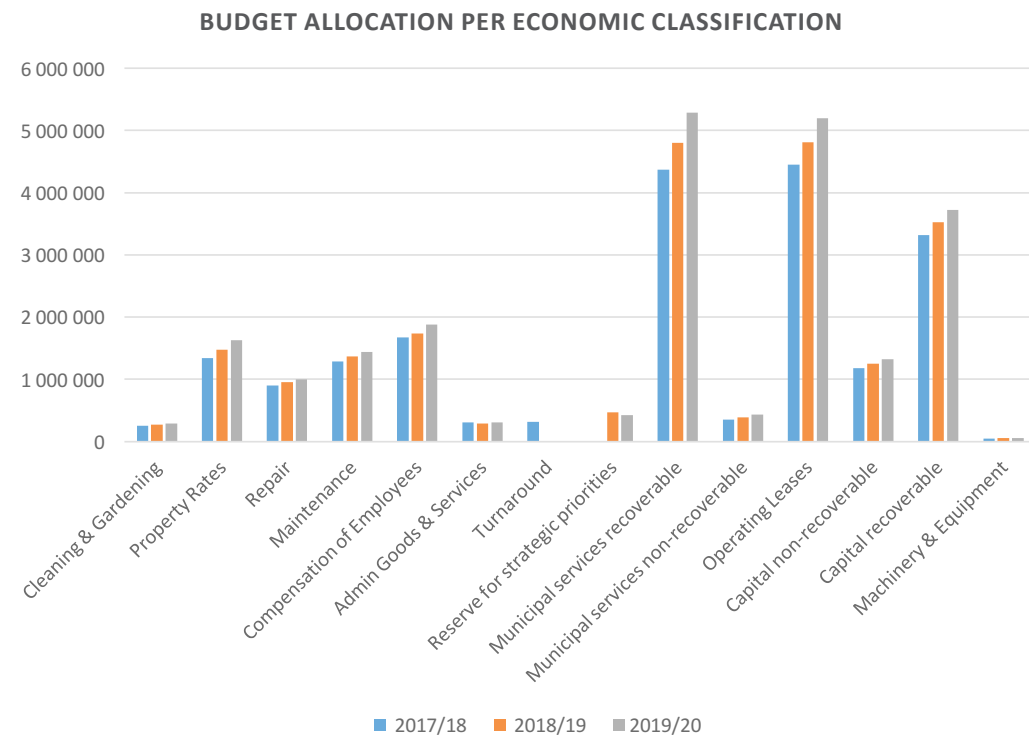


Figure 22: Budget allocation per Economic Classification



Over the medium term, the PMTE will focus on optimising the immovable asset portfolio, whilst ensuring cost-effective service delivery. This will be achieved by improving the quality of, and access to, State-owned properties, utilising properties optimally and extending the life-cycle of existing State-owned properties. South Africa is experiencing a difficult monetary policy environment, with relatively high inflation and weak growth. As a result, the PMTE has experienced budget cuts to the value of R210 million over the MTEF, which will have a direct impact on the PMTE's ability to meet its service delivery demands.

The PMTE has reviewed its organisational structure to ensure that it is optimally aligned to its mandate and strategy. Although the revised organisational structure has been approved, the structure does not fully meet the requirements of the PMTE due to cost containment measures and repeated reductions on the compensation of employees' budget that have been enforced by National Treasury. As a result of the reductions on the MTEF budget, the PMTE has reprioritised R40,3 million from administrative goods and services budget and R325,7 million from the refurbishment programme to fund the compensation of employees. The PMTE will implement its revised organisational structure during the 2017/18 financial year through a process of matching and placing appropriately skilled officials on the new structure. All posts that become vacant during the 2017/18 financial year will have to be prioritised. Contract appointments will be reviewed and only critical posts will be considered for renewal. An amount of R5,3 billion has been allocated over the MTEF for compensation of employees in line with the approved streamlined structure.

The PMTE is addressing organisational and operational challenges through the implementation of various Turnaround and Efficiency Enhancement Initiatives. As part of the projects to be implemented under the Turnaround Strategy, the PMTE will develop an Operations Management Framework for the seamless delivery of portfolio management, project management and operations and maintenance management, with a 2017/18 budget allocation of R19 million which is funded through the Turnaround Strategy. The PMTE is continuously improving the accuracy and completeness of information in the IAR and R79 million has been allocated over the MTEF towards the maintenance of the IAR. This will ensure optimum utilisation of the portfolio, whilst unlocking its value and development potential. In order to accurately determine the funding needs of the PMTE, a detailed Finance Model is being developed. An allocation of R15 million will be utilised in 2017/18 for this purpose. 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 a long term.

In supporting the SONA Nine Point Plan, the PMTE will continue to focus on its Green Building Programme. In this regard, a budget of R122 million has been allocated over the 2017/18 financial year towards water and energy efficiency interventions. A further R30 million has been allocated for drinking and waste water treatment works, water distribution systems and water quality monitoring. The PMTE will invest approximately R190 million over the MTEF in critical capital and maintenance programmes to modernise the 12 proclaimed fishing harbours. There are a number of reforms that are envisaged to be implemented over the 2017/18 financial year within SCM, including streamlining the procurement process of leases, infrastructure and facilities management. An allocation of R15,9 million has been allocated for the SCM

reform. An allocation of R22,3 million will be spent in 2017/18 on the Anti-Fraud and Corruption Programme for Special Investigating Unit (SIU) investigations as part of the Turnaround Strategy. The PMO was established, mainly to support the business improvement initiatives within the Turnaround Strategy. An allocation of R68,6 million has been allocated for PMO over the 2017/18 financial year, which also includes funding for the Cuban Professional Programme, addressing challenges in respect of infrastructure backlogs and alternative dispute resolutions with service providers. An allocation of R 1,6 million will be spent on the Change Management Programme in the 2017/18 financial year to facilitate readiness and to support stakeholders during the operationalisation of the PMTE.

An integrated ICT platform is being rolled out to replace legacy systems within the PMTE. An allocation of R99 million has been allocated over the MTEF from administrative goods and services towards the design of the applications, technology and data architecture in line with the ICT strategy, which will provide an integrated solution that supports end to end business processes for the property management function.

An MTEF allocation of R235,9 million will be spent on integrated planning of infrastructure in small towns and urban areas to ensure that the infrastructure plans of the PMTE support integrated services across the different spheres of Government in order to facilitate improved community access. The PMTE contributes to comprehensive rural development by aligning its infrastructure plans to the 27 prioritised municipalities identified by the DRDLR, as well as other identified municipalities to develop Government precincts as part of the IDPs and SDFs. The Precinct Development Programme also aims to provide long term solutions for all national Government departments and agencies in terms of providing permanent office accommodation within the city and making these offices accessible to the general public. The PMTE has identified potential locations/precincts for Government development towards achieving the creation of an African City Capital Vision 2055.

In terms of the infrastructure budget, there has been a reprioritisation of R1,3 billion from the infrastructure budget over the MTEF period to make funding available for the Turnaround Strategy and other national Government priorities. This has resulted in proportional reductions across all infrastructure projects. No new projects will be initiated during the MTEF due to budget cuts which will slow down the delivery trend on the infrastructure programme. The projects funded by the PMTE as well as those funded from user departments' infrastructure budgets, which the PMTE has planned to deliver on over the medium term, are in different stages of implementation, ranging from planning, design and construction to finalisation.

No new infrastructure projects will be initiated during the 2017/18 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. The main infrastructure projects on the PMTE capital budget include the Research Station on Antarctica Island, acquisition of the Northern Gateway Precinct in Pretoria, the upgrading of the Rygersdal Complex in Cape Town, the upgrading of the facilities in the Groote Schuur Estate in Cape Town, and the replacement and upgrading of engineering

services at SAPS and Justice Offices in Springs. The main spending projects over the MTEF period on the Repair and Refurbishment Programme include the repair to the Masimanyani complex, the rehabilitation of 85 Anderson Street for the DPW in Johannesburg, the refurbishment of 14 SAI Military base in Umtata, the repair and renovation of Police Camp in Umtata, and the rehabilitation of the old DPW workshop on Prince Edward Street in Durban.

An MTEF allocation of R35,6 billion will be spent on operating leases, property rates and municipal services under Programme 4 (Real Estate Management Services). The bulk of this expenditure is funded on a cost recovery basis. The PMTE remains intent on finding an appropriate balance between the State-owned portfolio and reliance on leased-in accommodation. The Finance Model will be used to find optimal accommodation solutions by encouraging the use of State-owned accommodation. In addition, the PMTE has developed a comprehensive Maintenance Strategy that focusses on improving the condition of its portfolio, which will ensure optimal utilisation of State-owned accommodation. This Strategy, which includes approximately 300 facilities, has been developed to improve the condition of the State's portfolio and meet the requirements of the user departments. The Strategy is based on a review of the current facilities maintenance delivery model and processes to identify and address weaknesses and inefficiencies. The Strategy will focus on both unscheduled and scheduled maintenance aligned to NIMS and GIAMA. The approach is also aimed at reducing the number of unscheduled maintenance incidents and expenditure thereof, whilst preserving the condition of the immovable asset portfolio. An amount of R6,9 billion has been allocated over the MTEF period for the repairs and maintenance programme which includes the prioritised 300 facilities.



PROPERTY MANAGEMENT TRADING ENTITY
ANNUAL PERFORMANCE PLAN
2017/2018

PART B –
PROGRAMME AND
SUB PROGRAMME PLANS

8. PROGRAMME BUDGET STRUCTURE

PROGRAMME		SUB-PROGRAMME
Administration	A	Management Leadership
	B	Operations Support Management (COO)
	C	Financial and Accounting Management
	D	Supply Chain Management
Real Estate Investment Services	A	User Demand Management
	B	Planning and Precinct Development Services
	C	Property Performance Management
		Investment Analysis
Construction Project Management	A	Construction Project Planning
	B	Construction Project Management
Real Estate Management Services	A	Management of Freehold Property
		Land Administration & Management
	B	Surplus Freehold (Revenue) Management
		Leasehold Management
Real Estate Information & Registry Services	A	Asset Registry Services
		Conveyancing
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 2017/18 – 2019/20

Table 22: Programme 1 Strategic objectives and medium term targets for 2017/18 – 2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED / ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16	2015/16	2017/18		2018/19	2019/20	
1	To provide a compliant internal control and financial services	Negative 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 (3 qualification areas and 10 negative emphasis of matter)	Unqualified audit outcome for 2015/2016 (3 qualification areas and 10 negative emphasis of matter)	Unqualified audit outcome for 2016/2017 (7 negative emphasis of matter)	Unqualified audit outcome for 2017/2018 (3 negative emphasis of matter)	Unqualified audit outcome for 2018/2019 (2 negative emphasis of matter)	Unqualified audit outcome for 2018/2019
2	To provide a compliant Supply Chain Management services	Negative 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 (1 qualification area and 1 negative emphasis of matter)	Unqualified audit outcome for 2016/2017 (1 qualification area and 1 negative emphasis of matter)	Unqualified audit outcome for 2016/2017 (1 qualification area and 1 negative emphasis of matter)	Unqualified audit outcome for 2017/2018 (1 negative emphasis of matter)	Unqualified audit outcome for 2018/2019	Unqualified audit outcome for 2018/2019

8.1.2 PROGRAMME 1: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2017/18 – 2019/20

Table 23: Programme 1 Performance indicators and medium term targets for 2017/18 – 2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM-TERM TARGETS		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic Objective: To provide a compliant internal controls and financial services							
1	Percentage of compliant invoices settled within 30 days	86% (183 414) compliant invoices settled within 21 working days	76% (128 262) compliant invoices settled within 21 working days	85% (128 562) compliant invoices settled within 21 working days	87% (131 278) compliant invoices settled within 30 days of receipt of invoice	100% compliant invoices settled within 30 days	100% compliant invoices settled within 30 days
2	Number of new revenue generation sources incubated	-	-	-	-	2 newly identified revenue sources incubated	2 newly identified revenue sources incubated
Strategic Objective: To provide a compliant Supply Chain Management Services							
3	Percentage of bids awarded within 56 working days of closure of tender advertisement	161 bids awarded for PMTE	131 bids awarded for PMTE	18% (45) bids awarded for PMTE within 56 working days of closure of tender advertisement	60% (180) bids awarded for PMTE within 56 working days of closure of tender advertisement	70% bids awarded within 56 working days of closure of tender advertisement	75% bids awarded within 56 working days of closure of tender advertisement
4	Percentage of quotations awarded within 30 working days from requisition date	45% (260) quotations awarded within 30 days	49% (419) quotations awarded within 30 days	47% (229) quotations awarded within 14 days	85% (4250) quotations awarded within 30 days from requisition date	90% quotations awarded within 30 working days from requisition date	92% quotations awarded within 30 working days from requisition date
5	Percentage savings for Built Environment consultants	23% (R4 399 192) savings for Built Environment consultants (Quotation Services)	15% (R924 873) savings for Built Environment consultants (Quotation Services)	18% (R2 546 361) savings for Built Environment consultants (Quotation Services)	22% (R1 540 000) savings for Built Environment consultants (Quotation Services)	27% savings for Built Environment consultants	30% savings for Built Environment consultants

8.1.3 PROGRAMME 1: QUARTERLY TARGETS FOR 2017/18

Table 24: Programme 1 Performance indicators and quarterly targets for 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Percentage of compliant invoices settled within 30 days	Quarterly	100% compliant invoices settled within 30 days	100% compliant invoices settled within 30 days	100% compliant invoices settled within 30 days	100% compliant invoices settled within 30 days	100% compliant invoices settled within 30 days
2 Number of new revenue generation sources incubated	Annual	2 newly identified revenue sources incubated	-	-	-	2 newly identified revenue sources incubated
3 Percentage of bids awarded within 56 working days of closure of tender advertisement	Quarterly	65% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement
4 Percentage of quotations awarded within 30 working days from requisition date	Quarterly	88% quotations awarded within 30 working days from requisition date	88% quotations awarded within 30 working days from requisition date	88% quotations awarded within 30 working days from requisition date	88% quotations awarded within 30 working days from requisition date	88% quotations awarded within 30 working days from requisition date
5 Percentage savings for Built Environment Consultants	Quarterly	24% savings for Built Environment consultants	24% savings for Built Environment consultants	24% savings for Built Environment consultants	24% savings for Built Environment consultants	24% savings for Built Environment consultants

8.1.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 25: Expenditure estimates for Programme 1: Administration

Programmes	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate		
	2013/14 (R'000)	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	1,016,723	848,437	1,475,555	1,079,004	711,997	1,113,716	1,121,680	

Table 26: Economic classification of MTEF budget for Programme 1: Administration

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	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	373,765	848,437	1,475,555	1,079,004	711,997	1,113,716	1,121,680	
Compensation of employees	-	271,075	279,849	392,752	458,366	474,927	513,845	
Salaries and wages	-	271,075	279,849	337,767	394,195	408,437	441,907	
Social contributions	-	-	-	54,985	64,171	66,490	71,938	
Goods and services	92,492	372,483	679,503	335,252	252,631	637,789	606,835	
Communication (G&S)	-	-	12,614	-	-	-	-	
Computer services	3,548	13,848	19,961	29,234	31,046	32,878	34,719	
Consultants and professional services: Business and advisory services	50,406	43,638	219,472	-	-	-	-	
Contractors	239	72,912	5,435	-	-	-	-	
Travel and subsistence	19,676	40,379	69,227	-	-	-	-	
Other	18,623	201,706	352,794	306,018	221,585	604,911	572,116	
Adjustments to Fair value of financial assets	279,815	184,390	414,383	350,000	-	-	-	

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Other losses	-	19,768	5,186	-	-	-	-	
Interest and rent on land	-	-	-	-	-	-	-	
Interest (Incl. interest on finance leases)	1,458	721	96,634	1,000	1,000	1,000	1,000	
Transfers and subsidies	-	-	-	-	-	-	-	
National Government	642,958	-	-	-	-	-	-	
Total	1,016,723	848,437	1,475,555	1,079,004	711,997	1,113,716	1,121,680	

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 bulk of this expenditure is for compensation of employees to appoint various specialists to assist in rebuilding the PMTE technical and professional capacity; and a reserve created to fund strategic priorities. The Turnaround Strategy will be finalised in 2017/18 and the funds reprioritised historically from refurbishments will be ring fenced in 2018/19 and 2019/20 to fund strategic priorities across the PMTE amidst the current cost pressures being experienced.

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 2017/18 – 2019/20

Table 27: Programme 2 Strategic objectives and medium term targets for 2017/18 – 2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
User Demand Management								
1	To ensure that the User Asset Management Plans (U-AMPs) are produced in compliance with relevant prescripts	12% (U-AMPs) 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
Planning and Precinct Development								
2	To direct precinct planning and development for national government in urban and rural areas	-	-	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	5 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts
Real Estate Investment Management								
3	To inform asset management decisions through optimal investment solutions	-	-	260 investment solutions completed	136 investment solutions completed	128 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	-	-	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

8.2.2 PROGRAMME 2: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2017/18 – 2019/20

Table 28: Programme 2 Performance indicators and medium term targets for 2017/18 -2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
	2013/14	2014/15	2015/16	2016/17		2017/2018	2018/19	2019/20
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	5 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
2	Number of 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
Planning and Precinct Development								
Strategic objective: To direct precinct planning and development for national government in urban and rural areas								
3	Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)	2 Government Precinct Development Plans completed	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
4	Number of sites established for development	1 site established for development	1 site established for development	1 site established for development	3 sites established for development	3 sites established for development	4 sites established for development	4 sites established for development
5	Number of concept designs completed for identified user departments	-	1 concept design completed (DPW and SAPS)	1 concept design completed for identified user departments	3 concept designs completed for identified user departments	4 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 2016/17	MEDIUM TERM TARGETS		
	2013/14	2014/15	2015/16	2016/17		2017/2018	2018/19	2019/20
Real Estate Investment Management								
Strategic objective: To inform asset management decisions through optimal investment solutions								
6	Percentage of feasibility studies completed within scheduled timeframes	150 feasibility studies completed	87 feasibility studies completed	99% (179 of 181) feasibility studies completed within scheduled timeframes	80% (224 of 280) feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes
7	Percentage of valuations completed within scheduled timeframes	250 valuations completed	300 valuations completed	65 backlog feasibility studies completed 72% (218 of 303) valuations completed within scheduled timeframes	80% (280 of 350) valuations completed within scheduled timeframes	85% 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								
8	Percentage of responsive disposal requests processed by 31 March	1 disposal requests approved	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	20% (16 of 81) disposal requests approved by 31 March 2017.	85% disposal requests processed by 31 March 2018	90% disposal requests processed by 31 March 2019	90% disposal requests processed by 31 March 2020
9	Custodian Asset Management Plan (C-AMP) submitted to NT	1 C-AMP approved	1 C-AMP approved	1 C-AMP approved	1 C-AMP submitted to NT	1 C-AMP submitted to NT	1 C-AMP submitted to NT	1 C-AMP submitted to NT
10	Number of buildings performance measured in identified performance areas	-	-	300 buildings' performance measured in identified performance areas	400 buildings' performance measured in identified performance areas	600 buildings' performance measured in identified performance areas	800 buildings' performance measured in identified performance areas	800 buildings' performance measured in identified performance areas

8.2.3 PROGRAMME 2: QUARTERLY TARGETS FOR 2017/18

Table 29: Programme 2 Performance indicators and quarterly targets 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	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 U-AMPs received from user departments
2 Number of signed off infrastructure worklists	Annually	10 signed off infrastructure worklists	-	-	-	10 signed off infrastructure worklists
Planning and Precinct Development						
3 Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)	Bi-Annually	3 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	-	1 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
4 Number of sites established for development	Bi-Annually	3 sites established for development	-	-	1 site established for development	2 site established for development
5 Number of concept designs completed for identified user departments	Bi-Annually	4 concept designs completed for identified user departments	-	2 concept design completed for identified user departments	-	2 concept designs completed for identified user departments
Real Estate Investment Management						
6 Percentage of feasibility studies completed within scheduled timeframes	Quarterly	85% feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes	85% feasibility studies completed within scheduled timeframes
7 Percentage of valuations completed within scheduled timeframes	Quarterly	85% valuations completed within scheduled timeframes	85% valuations completed within scheduled timeframes	85% valuations completed within scheduled timeframes	85% valuations completed within scheduled timeframes	85% valuations completed within scheduled timeframes
8 Percentage of responsive disposal requests processed by 31 March	Annually	85% disposal requests processed by 31 March 2018	-	-	-	85% disposal requests processed by 31 March 2018
9 Custodian Asset Management Plan (C-AMP) submitted to NT	Annually	1 C-AMP submitted to NT	1 C-AMP submitted to NT	-	-	-
10. Number of buildings performance measured in identified performance areas	Quarterly	600 buildings' performance measured in identified performance areas	150 buildings' performance measured in identified performance areas	150 buildings' performance measured in identified performance areas	150 buildings' performance measured in identified performance areas	150 buildings' performance measured in identified performance areas

8.2.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 30: Expenditure estimates for Programme 2: Real Estate Investment Services

Programmes	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
User Demand Management	-	-	-	-	-	-	
Planning and Precinct Development Services	-	-	-	-	-	-	
Investment Management	-	-	-	-	-	-	
Total	-	100,639	103,896	110,327	117,792	122,313	132,103

Table 31: Economic classification of MTEF budget for Programme 2: Real Estate Investment Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Current payments	-	100,639	103,896	110,327	117,792	122,313	132,103
Compensation of employees	-	100,639	103,896	99,672	107,795	111,651	120,758
Salaries and wages	-	100,639	103,896	85,718	92,704	96,020	103,852
Social contributions	-	-	-	13,954	15,091	15,631	16,906
Goods and services	-	-	-	10,655	9,997	10,662	11,345
Other	-	-	-	10,655	9,997	10,662	11,345
Total	-	100,639	103,896	110,327	117,792	122,313	132,103

8.2.5 Performance and expenditure trends for Programme 2

The spending focus over the medium-term will be on User Demand Management, Planning and Precinct Development and Investment Management. The bulk of the expenditure within Programme 2 will be for compensation of employees and to appoint various specialists to assist in rebuilding the PMTE technical and professional capacity. An MTEF allocation of R32 million will be spent on the completion of concept designs, establishment of sites for precinct development, compilation of U-AMPs and C-AMP, completion of valuations and feasibility studies, and to assess the performance of building against predetermined criteria.

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 2017/18 – 2019/20

Table 32: Programme 3 Strategic objectives and medium term targets for 2017/18 –2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
1 To develop detailed construction plans that direct the execution of construction projects	7 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 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
2 To ensure that construction programmes are implemented according to approved criteria	90% implementation of IDMS for key user departments	-	-	-	60% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments	80% implementation of IDMS for key user departments	90% implementation of IDMS for key user departments

8.3.2 PROGRAMME 3: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2017/18 – 2019/20

Table 33: Programme 3 Performance indicators and medium term targets for 2017/18 -2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE		MEDIUM-TERM TARGETS			
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20			
Strategic objective: To develop detailed construction plans that direct the execution of construction projects										
1	Number of approved infrastructure project designs	151 approved infrastructure project designs	231 approved infrastructure project designs	225 approved infrastructure project designs	200 approved infrastructure project designs	117 approved infrastructure project designs	137 approved infrastructure project designs	160 approved infrastructure project designs		
2	Number of approved infrastructure projects ready for tender	151 approved infrastructure projects ready for tender	231 approved infrastructure projects ready for tender	225 approved infrastructure projects ready for tender	170 approved infrastructure projects ready for tender	174 approved infrastructure projects ready for tender	156 approved infrastructure projects ready for tender	156 approved infrastructure projects ready for tender		
3	Number of infrastructure sites handed over for construction	138 infrastructure sites handed over for construction	214 infrastructure sites handed over for construction	145 infrastructure sites handed over for construction	150 infrastructure sites handed over for construction	117 infrastructure sites handed over for construction	137 infrastructure sites handed over for construction	160 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	179 infrastructure projects completed	180 infrastructure projects completed	192 infrastructure projects completed	182 infrastructure projects completed	106 infrastructure projects completed	130 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	100 (55%) infrastructure projects completed within agreed construction period ¹⁶	85 (80%) infrastructure projects completed within agreed construction period	111 (85%) infrastructure projects completed within agreed construction period	117 (90%) infrastructure projects completed within agreed construction period		
6	Number of infrastructure projects completed within approved budget	-	-	109 (57%) infrastructure projects completed within approved budget	101 (56%) infrastructure projects completed within approved budget	85 (80%) infrastructure projects completed within approved budget	111 (85%) infrastructure projects completed within approved budget	117 (90%) infrastructure projects completed within approved budget		
7	Number of EPWP work opportunities created through construction projects	5 309 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	11 200 EPWP work opportunities created through construction projects	11 250 EPWP work opportunities created through construction projects	11 300 EPWP work opportunities created through construction projects	11 300 EPWP work opportunities created through construction projects		
8	Percentage reduction of infrastructure project backlog	62 infrastructure project backlogs reduced in the planning phase	73 infrastructure project backlogs reduced in the planning phase	15% (216) infrastructure project backlogs reduced in the planning phase	15% (180) infrastructure project backlogs reduced across all project phases	75% (32) reduction of infrastructure project backlogs in the construction phase	75% reduction of infrastructure project backlogs in the construction phase	75% reduction of infrastructure project backlogs in the construction phase		

16 The 2016/17 Estimated Performance for KPI 5 and KPI 5 is provided as at the end of Q3 of the 2016/17 financial year.

8.3.3 PROGRAMME 3 QUARTERLY TARGETS FOR 2017/18

Table 34: Programme 3 Performance indicators and quarterly targets for 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Number of approved infrastructure project designs	Quarterly	117 approved infrastructure project designs	29 approved infrastructure project designs	29 approved infrastructure project designs	29 approved infrastructure project designs	30 approved infrastructure project designs
2 Number of approved infrastructure projects ready for tender	Quarterly	174 approved infrastructure projects ready for tender	43 approved infrastructure projects ready for tender	45 approved infrastructure projects ready for tender	44 approved infrastructure projects ready for tender	43 approved infrastructure projects ready for tender
3 Number of infrastructure sites handed over for construction	Quarterly	117 infrastructure sites handed over for construction	-	39 infrastructure sites handed over for construction	39 infrastructure sites handed over for construction	39 infrastructure sites handed over for construction
4 Number of infrastructure projects completed	Quarterly (cumulative)	106 infrastructure projects completed	24 infrastructure projects completed	56 infrastructure projects completed	80 infrastructure projects completed	106 infrastructure projects completed
5 Number of infrastructure projects completed within agreed construction period	Quarterly (cumulative)	85 (80%) infrastructure projects completed within agreed construction period	24 infrastructure projects completed within agreed construction period	52 infrastructure projects completed within agreed construction period	74 infrastructure projects completed within agreed construction period	85 infrastructure projects completed within agreed construction period
6 Number of infrastructure projects completed within approved budget	Quarterly (cumulative)	85 (80%) infrastructure projects completed within approved budget	24 infrastructure projects completed within approved budget	52 infrastructure projects completed within approved budget	74 infrastructure projects completed within approved budget	85 infrastructure projects completed within approved budget
7 Number of EPWP work opportunities created through construction projects	Quarterly	11 250 EPWP work opportunities created through construction projects	2 812 EPWP work opportunities created through construction projects	2 812 EPWP work opportunities created through construction projects	2 812 EPWP work opportunities created through construction projects	2 813 EPWP work opportunities created through construction projects
8 Percentage reduction of infrastructure projects backlogs	Quarterly	75% (32) reduction of infrastructure projects backlogs	-	-	-	75% reduction of infrastructure projects backlogs

8.3.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 35: Expenditure estimates for Programme 3: Construction Project Management

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Pre-Construction Project Planning	-	-	-	-	-	-	-
Construction Project Management	-	-	-	-	-	-	-
Total	-	282,373	291,513	256,660	274,853	214,741	231,522

Table 36: Economic classification of MTEF budget for Programme 3: Construction Project Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
Current payments	-	282,373	291,513	256,660	274,853	214,741	231,522
Compensation of employees	-	282,373	291,513	157,017	168,672	174,672	188,884
Salaries and wages	-	282,373	291,513	135,035	145,058	150,218	162,440
Social contributions	-	-	-	21,982	23,614	24,454	26,444
Goods and services	-	-	-	99,643	106,181	40,069	42,638
Other	-	-	-	99,643	106,181	40,069	42,638
Total	-	282,373	291,513	256,660	274,853	214,741	231,522

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 appoint various specialists to assist in rebuilding the PMTE technical and professional capacity. The total current expenditure is expected to reduce over the MTEF as the Turnaround Strategy is planned to be completed in 2017/18. Capital expenditure will increase consistently over the MTEF in line with National Treasury's guidelines. In addition to the R228 million reduction in the BCOC allocation for the MTEF.

The allocation of R14.3 billion over the MTEF will be prioritised for the completion of infrastructure projects within agreed time and budget, approval of infrastructure designs for tender and creating work opportunities through the infrastructure programme. Sufficient funding is available to proceed only with existing projects. There is no capacity to start with any new projects over the MTEF.

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 2017/18 – 2019/20

Table 37: Programme 4 Strategic objectives and medium term targets for 2017/18 – 2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
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% 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
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% vacancy rate on unutilised buildings	3% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings

8.4.2 PROGRAMME 4: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2017/18 – 2019/20

Table 38: Programme 4 Performance indicators and medium term targets for 2017/18 – 2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM-TERM TARGETS			
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20	
Strategic objective: To provide functional leased accommodation for user departments								
1	Percentage of lease agreements signed within prescribed timeframes	-	-	-	<ul style="list-style-type: none"> 20% (1) lease agreements signed within prescribed timeframes 5 Leases signed out of prescribed timeframes 148 extensions finalised. 	60% lease agreements signed within prescribed timeframes	70% lease agreements signed within prescribed timeframes	80% lease agreements signed within prescribed 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
3	Percentage of new leases awarded to black owned companies	-	-	-	67% (4) new leases awarded to black owned companies	25% new leases awarded to black owned companies	30% new leases awarded to black owned companies	35% new leases awarded to black owned companies

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM-TERM TARGETS		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic objective: To optimise the utilisation of State owned buildings							
4	-	-	-	2 private lease reduced for the security cluster	6 private leases reduced for the security cluster	12 private leases reduced for the security cluster	13 private leases reduced for the security cluster
5	R34mil revenue generated (incl. harbour related properties)	R28mil revenue generated (incl. harbour related properties)	R31mil revenue generated (incl. harbour related properties)	10% (R3,1 mil) increase in revenue generation through letting of state-owned properties	20% increase in revenue generation through letting of state-owned properties	30% increase in revenue generation through letting of state-owned properties	40% increase in revenue through rentals of harbour related properties
6	-	-	53 state-owned properties let out	50% (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
7	-	-	R10 821 759 revenue generated for 2015/16 through rentals of harbour related properties	10% (R1 050 175) increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties
8	-	-	6 of 8 (75%) DAFF certified Operation Phakisa Ocean economy leasing requests signed within agreed timeframes	1 of 4 (25%) DAFF certified Operation Phakisa Ocean economy leasing requests signed within agreed timeframes	100% DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt	100% DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt	100% DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt

8.4.3 PROGRAMME 4: QUARTERLY TARGETS FOR 2017/18

Table 39: Programme 4 Performance indicators and quarterly targets for 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1	Quarterly	60% lease agreements signed within prescribed timeframes	60% lease agreements signed within prescribed timeframes	60% lease agreements signed within prescribed timeframes	60% lease agreements signed within prescribed timeframes	60% lease agreements signed within prescribed timeframes
2	Quarterly (cumulative)	R100 mil savings through the renegotiation of identified private leases	-	R30 mil savings realised on identified private leases	R60 mil savings realised on identified private leases	R100 mil savings realised on identified private leases
3	Quarterly (cumulative)	25% of leases awarded to black owned companies	-	10% of leases awarded to black owned companies	20% of leases awarded to black owned companies	25% of leases awarded to black owned companies

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
4	Number of private leases reduced within the security cluster	6 private leases reduced for the security cluster	-	-	-	6 private leases reduced for the security cluster
5	Percentage increase in revenue generation through letting of state-owned properties (excluding harbour related properties)	20% of increase in revenue generation through letting of state-owned properties	-	-	-	20% of increase in revenue generation through letting of state-owned properties
6	Percentage of identified vacant surplus state-owned properties let out	60% of identified vacant surplus state-owned properties let out	-	30% of identified vacant surplus state-owned properties let out	-	60% of identified vacant surplus state-owned properties let out
7	Percentage of revenue increased through rentals of harbour related properties	10% increase in revenue through rentals of harbour related properties	-	-	-	10% increase in revenue through rentals of harbour related properties
8	Percentage of DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt	100% DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt	-	-	-	100% DAFF certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt

8.4.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 40: Expenditure estimates for Programme 4: Real Estate Management Services

PROGRAMMES	AUDITED OUTCOME			ADJUSTED APPROPRIATION		MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(R'000)	(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	4,431,449	5,183,959	5,638,328	5,850,797	10,874,740	11,842,893	12,924,799	

Table 41: Economic classification of MTEF budget for Programme 4: Real Estate Management Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2016/17 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	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	3,581,097	4,364,167	4,629,471	4,709,001	9,532,985	10,366,963	11,301,276	
Compensation of employees	-	161,492	166,719	296,919	339,443	352,248	381,698	
Salaries and wages	-	161,492	166,719	255,350	291,921	302,933	328,260	
Social contributions	-	-	-	41,569	47,522	49,315	53,438	
Goods and services	3,581,097	4,202,675	4,462,752	4,389,972	9,193,542	10,014,715	10,919,578	
Operating leases	3,557,111	3,923,763	4,084,346	4,052,512	4,452,192	4,808,367	5,193,037	
Other	23,986	278,912	378,406	337,460	4,741,350	5,206,348	5,726,541	
Interest and rent on land	-	-	-	22,110	23,879	25,789	27,852	
Interest (Incl. interest on finance leases)	-	-	-	-	-	-	-	
Rent on land	-	-	-	22,110	23,879	25,789	27,852	
Transfers and subsidies	850,352	819,792	1,008,857	1,141,796	1,341,755	1,475,930	1,623,523	
Provinces and municipalities								
Municipalities	850,352	819,792	1,008,857	1,141,796	1,341,755	1,475,930	1,623,523	
Total	4,431,449	5,183,959	5,638,328	5,850,797	10,874,740	11,842,893	12,924,799	

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 46.4% of the PMTE's total spending. Both operating leases and municipal services are funded on a cost recovery basis. An MTEF allocation of R45 million will be prioritised for the signing of leases and optimising the State-owned property portfolio.

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 2017/18 – 2019/20

Table 42: Programme 5 Strategic objectives and medium term targets for 2017/18 – 2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
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)	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	-	-	Compliance criteria agreed with Provinces	30% (average) compliance of provincial and national immovable asset registers	40% (average) compliance of provincial and national immovable asset registers	50% (average) compliance of provincial and national immovable asset registers	60% (average) compliance of provincial and national immovable asset registers

8.5.2 PROGRAMME 5: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2017/18 – 2019/20

Table 43: Programme 5 Performance indicators and medium term targets for 2017/18 – 2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM-TERM TARGETS		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic objective: To maintain a compliant Immovable Asset Register							
1	Percentage of approved disposals (in respect of socio economic purposes) processed for transfer	-	-	60% (16 out of 27) disposals approved in 2015/16 processed for transfer	70% of 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
2	Percentage of immovable assets updated on the IAR for completed infrastructure projects	-	-	100% (70) 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	100% of immovable assets updated on the IAR for completed infrastructure projects
3	Number of land parcels vested (confirmation of ownership)	1 174 land parcels vested	761 land parcels vested	775 land parcels vested	800 land parcels vested	900 land parcels vested	1 000 land parcels vested
Strategic objective: To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers							
4	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
5	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

8.5.3 PROGRAMME 5 QUARTERLY TARGETS FOR 2017/18

Table 44: Programme 5 Performance indicators and quarterly targets for 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2017/18	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1 Percentage of approved disposals (in respect of socio economic purposes) processed for transfer	Quarterly	70% of disposals approved in 2016/17 processed for transfer	-	-	-	70% of disposals approved in 2016/17 processed for transfer
2 Percentage of immovable assets updated on the IAR for completed infrastructure projects	Bi annual	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
2 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
3 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	3 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance	2 Provincial Immovable Asset Registers assessed for compliance
4 Number of National and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)	Bi-annual	2 National and Provincial Immovable Asset Registers incorporated into the single repository	-	1 National Immovable Asset Register incorporated into the single repository	-	1 Provincial Immovable Asset Register incorporated into the single repository

8.5.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 45: Expenditure estimates for Programme 5: Real Estate Information and Registry Services

PROGRAMMES	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2016/17 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	2014/15 (R'000)	2015/16 (R'000)	2016/17 (R'000)		2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)
	Asset Register Management	-	-	-		-	-	-
Conveyancing and Vesting	-	-	-	-	-	-	-	
Total	56,264	2,627,955	2,796,902	2,836,177	72,209	54,663	57,134	

Table 46: Economic classification of MTEF budget for Programme 5: Real Estate Information and Registry Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION 2016/17 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	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	56,264	2,627,955	2,796,902		2,836,177	72,209	54,663
Compensation of employees	-	10,325	10,659	25,710	28,760	29,822	32,291	
Salaries and wages	-	10,325	10,659	22,111	24,734	25,647	27,770	
Social contributions	-	-	-	3,599	4,026	4,175	4,521	
Goods and services	-	-	-	60,467	43,449	24,841	24,843	
Other	-	-	-	60,467	43,449	24,841	24,843	
Depreciation	56,264	2,617,630	2,786,243	2,750,000	-	-	-	
Total	56,264	2,627,955	2,796,902	2,836,177	72,209	54,663	57,134	

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) Programme, which is implemented in a phased process and 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 appoint various specialists to assist in rebuilding the PMTE technical and professional capacity and the Turnaround Strategy to maintain the IAR. Total expenditure is expected to reduce over the MTEF as the Turnaround Strategy is planned to be completed in 2017/18. An MTEF Budget of R79 million will be used to maintain a GRAP compliant IAR and to assess provincial IAR's 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 2017/18 – 2019/20

Table 47: Programme 6 Strategic objectives and medium term targets for 2017/18 – 2019/20

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM TERM TARGETS		
		2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
1	To manage maintenance programmes in accordance with an approved 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
2	To ensure resource efficiency in State-owned buildings	-	-	National Green Building Plan approved	50% implementation of water and energy management plans	80% 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 2017/18 – 2019/20

Table 48: Programme 6 Performance indicators and medium term targets for 2017/18 – 2019/20

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2016/17	MEDIUM-TERM TARGETS		
	2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strategic objective: To manage maintenance programmes in accordance with an approved plan							
1	Number of facilities with maintenance contracts in place	-	300 facilities with maintenance contracts in place	350 facilities with maintenance contracts in place	450 facilities with maintenance contracts in place	500 facilities with maintenance contracts in place	550 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 incidents resolved within agreed timeframes	7% (3 124) unscheduled reported maintenance incidents resolved within agreed timeframes	10% 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
3	Percentage of term contracts awarded to black owned companies	-	-	30% (114) maintenance contracts awarded compliant to BBEE property sector targets ¹⁷	30% term contracts awarded to black owned companies	35% term contracts awarded to black owned companies	40% maintenance term contracts awarded to black owned companies
Strategic objective: To ensure resource efficiency in State-owned buildings							
4	Reduction in energy consumption (kilowatt hours) in identified property portfolio	188 833 980kWh reduction in energy consumption for identified property portfolio	190 000 000kWh reduction in energy consumption for identified property portfolio	220 000 000kWh reduction in energy consumption for identified property portfolio	250 000 000kWh reduction in energy consumption for identified property portfolio	300 000 000kWh reduction in energy consumption for identified property portfolio	350 000 000kWh reduction in energy consumption for identified property portfolio
5	Number of kilowatt hours of renewable energy generated	-	-	-	2,215,000kWh of renewable energy generated	10,400,000kWh of renewable energy generated	100,000,000kWh of renewable energy generated
6	Reduction in water consumption (kilolitres) in identified property portfolio	1 328 627kl reduction in water consumption for identified property portfolio	3 550 480kl reduction in water consumption for identified property portfolio	4 090 865kl reduction in water consumption for identified property portfolio	4 300 000kl reduction in water consumption for identified property portfolio	6 000 000kl reduction in water consumption for identified property portfolio	8 000 000kl reduction in water consumption for identified property portfolio

17 The baseline information for KPI5 is based on maintenance contracts awarded compliant to BBEE property sector targets as it appears in the 2016/17 Quarterly Reports. The MTEF Target is based on term contracts awarded to black owned companies.

8.6.3 PROGRAMME 6: QUARTERLY TARGETS FOR 2017/18

Table 49: Programme 6 Performance indicators and quarterly targets for 2017/18

PERFORMANCE INDICATOR	REPORTING PERIOD	QUARTERLY TARGETS			
		1 ST	2 ND	3 RD	4 TH
1. Number of facilities with maintenance contracts in place	Quarterly	75 facilities with maintenance contracts in place	100 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place	125 facilities with maintenance contracts in place
2. Percentage of unscheduled maintenance incidents resolved within agreed timeframes	Quarterly	10% unscheduled reported maintenance incidents resolved within agreed timeframes	10% unscheduled reported maintenance incidents resolved within agreed timeframes	10% unscheduled reported maintenance incidents resolved within agreed timeframes	10% unscheduled reported maintenance incidents resolved within agreed timeframes
3. Percentage term contracts awarded to black owned companies	Annual	30% of term contracts awarded to black owned companies	-	-	30% of term contracts awarded to black owned companies
4. Reduction in energy consumption (kilowatt hours) in identified property portfolio	Quarterly	62,000,000kWh reduction in energy consumption for identified property portfolio	62,500,000kWh reduction in energy consumption for identified property portfolio	63,000,000kWh reduction in energy consumption for identified property portfolio	112,500,000kWh reduction in energy consumption for identified property portfolio
5. Number of kilowatt hours of renewable energy generated	Quarterly	2,215,000kWh of renewable energy generated	-	-	1,107,500kWh of renewable energy generated
6. Reduction in water consumption (kilolitres) in identified property portfolio	Quarterly	4 800 000kl reduction in water consumption for identified property portfolio	1 200 000kl reduction in water consumption for identified property portfolio	1 200 000kl reduction in water consumption for identified property portfolio	1 200 000kl reduction in water consumption for identified property portfolio

8.6.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 50: Expenditure estimates for Programme 6: Facilities Management

PROGRAMMES	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	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	2,780,424	2,712,496	3,513,517	2,929,501	3,202,513	3,207,598	3,400,756	

Table 51: Economic classification of MTEF budget for Programme 6: Facilities Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				ADJUSTED APPROPRIATION	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2013/14 (R'000)	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	2,780,424	2,712,496	3,513,517	2,929,501	3,202,513	3,207,598	3,400,756	
Compensation of employees	-	442,501	456,824	497,712	571,267	592,830	639,301	
Salaries and wages	-	442,501	456,824	428,032	491,290	509,834	549,799	
Social contributions	-	-	-	69,680	79,977	82,996	89,502	
Goods and services	2,753,545	2,191,007	3,001,137	2,409,733	2,631,246	2,614,768	2,761,455	
Administrative fees	-	-	-	-	-	-	-	
Venues and facilities	-	-	-	-	-	-	-	
Repairs & maintenance	2,581,046	2,008,466	2,783,131	2,004,709	2,184,164	2,313,029	2,442,560	
Other	172,499	182,541	218,006	405,024	447,082	301,739	318,895	
Losses from	-	-	-	-	-	-	-	
Other	26,879	78,988	55,556	22,056	-	-	-	
Total	2,780,424	2,712,496	3,513,517	2,929,501	3,202,513	3,207,598	3,400,756	

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 appoint various specialists to assist in rebuilding the PMTE technical and professional capacity; perform repair and maintenance and cleaning and gardening. An MTEF budget of R6.9 billion will be prioritised to implement scheduled maintenance contracts for prioritised buildings and resolve unscheduled maintenance incidents within agreed timeframes. A further R122 million has been allocated over the 2017/18 financial year against the Turnaround Programme for water and energy efficiency interventions.



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PART C – LINKS TO OTHER PLANS

9. LINKS TO LONG-TERM INFRASTRUCTURE PLAN

Table 52: Infrastructure Programme: New, replacement, upgrades and additions

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
43	Various	Departmental	Various	Various	250 041 000	139 832 000	197 918 000	187 000 000	-	146 500 000	170 661 000	180 560 000	190 671 000
119	Various	Accessibility	Various	Various	7 098 000	10 156 000	6 650 000	20 000 000	-	20 000 000	24 479 000	15 320 000	16 178 000
31	Various	Dolomite Risk Management	Various	Various	24 717 000	85 026 000	74 951 000	115 000 000	-	113 000 000	114 370 000	121 000 000	127 776 000
114	Various	Land Ports of Entry	Various	Various	191 684 000	137 164 000	167 908 000	185 159 000	-	169 193 000	200 664 000	216 553 000	228 680 000
11	Various	Inner City Regeneration	Various	Various	36 199 000	3 718 000	44 588 000	14 400 000	-	23 385 000	61 786 000	84 676 000	89 418 000
64	Various	Prestige	Various	Various	57 626 000	46 524 000	136 428 000	180 850 000	-	214 365 000	176 279 000	186 500 000	196 944 000

Table 53: Infrastructure Programme: Maintenance and Repairs

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1211	Various	Facilities Management	Various	Various	966 310 619	757 828 156	782 486 615	919 950 101	-106 339 230	813 610 871	896 319 999	949 202 000	1 002 358 000

Table 54: Infrastructure Programme: Rehabilitation, renovation and refurbishment

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			MAIN APPROPRIATION	ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1105	Various	Construction Project Management	Various	Various	1 004 617 375	1 342 565 261	1 203 450 801	1 237 832 899	-143 660 777	1 094 172 122	1 180 513 000	1 250 163 000	1 320 172 000

10. SERVICE DELIVERY IMPROVEMENT PLAN (2017/18 – 2019/2020)

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, Redress Information, Redress and Value for Money.	Client Departments	Active management of client relations (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, 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	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 hand over certificates issued	-	52	52	52	52
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	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%
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Conduct client portfolio meetings.	Achieve alignment with clients on priorities for Facilities Management	Number of client meetings attended	1	8	16	24	24
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
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Facilitate client portfolio meetings.	Facilitate client portfolio meetings.	Number of portfolio reports issued to clients	-	16	24	32	32

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
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

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
ACCOMMODATION IMPROVEMENT										
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Drinking Water Treatment Works (WTW) & 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	-	-	-
			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	-	-	-
Courtesy, Openness and transparency, Value for money, Service standards, Redress	Client Department	Maintenance Plans for priority facilities	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

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

In compliance with the approved Risk Management Plan, the PMTE conducted risk reviews to update the Strategic Risk Registers. The strategic risks for 2017/18 were reviewed in line with the revised strategic goals of the Department and included in the Department's Annual Performance. The review of the strategic risks takes into consideration the Audit Report, Internal Audit Reports and information contained in the risk registers.

The updated Strategic Risk Register is based on various engagements that were held before, during and after the Annual Strategic Planning session. A Strategic Risk Workshop was conducted on 02 February 2017 to reflect on the consolidated risk information and finalise the Strategic Risk Register for 2017/18. The updated Strategic Risk Register was subsequently presented and discussed at various forums including the PMTE MANCO, EXCO and Audit Committee.

As per the Departmental risk management policy and risk management strategy, these risks will be tracked throughout the financial year through the implementation of the 2017/18 APP to ensure that the PMTE maximises its efforts to achieve the identified strategic objectives and associated targets.

The action plans that have been identified in the Strategic Risk Register assist the PMTE to focus its attention and resources on the most significant risks that could potentially impact the delivery of its mandate. The table below highlights the key contributing factors, consequences, controls, action plans and responsibilities associated with each strategic risk as aligned to the relevant strategic goals.

Table 55: Property Management Trading Entity – Strategic Risk Register – 2017/18 Financial Year

STRATEGIC GOAL NO.	RISK DESCRIPTION	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCES	IR	CURRENT CONTROLS	RR	ACTION PLANS	RESPONSIBILITY	TARGET (COMPLETION DATE)
1.	<p>Weakening financial viability and sustainability of DPW entities with an emphasis on PMTE</p> <p>To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements</p>	<p>Reduction of National Treasury allocations</p> <p>Insufficient revenues generated to cover costs of maintaining and adding to the DPW portfolio of immovable assets</p> <p>High cost of the revised PMTE Operating Model</p> <p>Payment of rates and taxes for on vacant properties</p> <p>Absence of a Costing Model for Project execution</p> <p>Lack of Revenue Generation Strategy and Letting - out Policy</p> <p>Insufficient technical capacity to support PMTE (Inability to source and retain the technical capacity)- Moratorium</p>	<p>Failure to deliver on the mandate</p> <p>Failure to implement programmes</p> <p>No growth in asset portfolio to meet future needs</p> <p>Inability to deliver on the core business"</p>	<p>High</p>	<p>Stringent budget management</p> <p>Proposed structure streamlined to fit within budget</p> <p>Master Data Base (MDB) excel spreadsheet</p> <p>PMIS system in place</p>	<p>High</p>	<p>Develop a revenue generation policy/Letting - out policy"</p> <p>Implementation of a Costing Model for Project execution</p> <p>Implementation of revenue generation and letting out policy</p> <p>Development of operating frameworks and service delivery model</p> <p>Implementation of the HR plan including</p> <p>Enhancement of the skills development programme</p> <p>Development of the Small Harbours Business Case</p>	<p>DDG: Real Estate Management Services</p> <p>Chief Financial Officer</p> <p>DDG: Governance, Risk and Compliance</p> <p>DDG: Corporate services</p> <p>DDG: Small Harbours & Coastline Development</p>	31/03/2018

STRATEGIC GOAL	NO.	RISK DESCRIPTION	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCES	IR	CURRENT CONTROLS	RR	ACTION PLANS	RESPONSIBILITY	TARGET (COMPLETION DATE)
To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	2.	Loss of State Resources through Fraud and Corruption	Lack of culture in embedding fraud and awareness in the Department Collusion in the perpetration of fraud and corruption Poor internal control and information systems Poor ethical conduct Misuse of delegations for emergency maintenance work Irregular transactions arising from failure to comply with legislative prescripts and other internal procedures Inadequate controls around the processes for infrastructure procurement Ineffective management of contracts awarded to contractors	Reputational damage Low levels of esteem by the public towards the Department High prevalence of fraud and corruption incidents Poor service delivery Decline in available resources	High	Anti-Fraud and Corruption Policy and Strategy in place Usage of the Whistle blowing Policy Assistance by the Law enforcement community SCM Policies and Procedures in place Policy on Management of Financial Misconduct Manual ordering system for Day to day maintenance	High	Implementation of the Fraud Prevention Plan and the holistic anti- corruption strategy based on minimum Anti -corruption requirements Implementation of the Ethics and Compliance Framework Implementation of the Targeted Operating Model Approval of the Contract Management Policy Implementation of the electronic Contract Management system"	DDG: Governance, Risk and Compliance Chief Financial Officer	31/03/2018
To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	3.	Breach of key legislation prescripts, acts, regulations and policies (e.g. PFMA and Treasury Regulations, GRAP, FMPI, Safety and Health, GIAMA etc.)	Lack of compliance unit to foster integrated compliance Ineffective Change Management with regards to new Policies, regulations and standards Lack of Compliance Framework Lack of effective accounting controls over financial records Lack of capacity and proper systems in the Department and clients to implement GIAMA	Irregular expenditure Reputational Damage Penalties and Criminal Charges for death and injury of people and other litigations Qualified audit reports	High	EXCO resolutions and DG directive HR Plan (Recruitment Plan) in place Partial Manual Accounting System	High	Establishment of a Compliance Unit Roll-out of the awareness plan Develop & implement Compliance Framework Model for the Department Implementation of SAGE ARCHIBUS and related action plans	DDG: Governance, Risk and Compliance DDG: Corporate services DDG: Governance, Risk and Compliance DDG: Corporate services	31/03/2018

STRATEGIC GOAL	NO.	RISK DESCRIPTION	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCES	IR	CURRENT CONTROLS	RR	ACTION PLANS	RESPONSIBILITY	TARGET (COMPLETION DATE)
To oversee the efficient delivery of identified services to prestige clients To meet user departments accommodation requirements as per the approved Infrastructure Programme Implementation Plan (IPIP)	4.	Failure to provide quality accommodation within time and cost (i.e. building new, maintaining or refurbishing existing properties)	Inability to plan and implement construction programmes Insufficient technical and professional capacity Incompetent and under resourced Contractors Inadequate quality control Inadequate contract management Unclear job specifications and poor workmanship Breakdown of intergovernmental relations between DPW and its clients Non adherence to Regulatory frameworks and / or all Service Level Agreements Non adherence to agreed planning and delivery processes Non adherence to prestige processes by officials within the Department Inadequate U-AMPs information Inadequate maintenance of a compliant Immovable Asset Register (IAR) Inadequate maintenance of a compliant Immovable Asset Register (IAR)	Non-delivery in terms of time and costs Termination of Contracts Late delivery of project Reputational damage Disagreements with Departments Inability to perform Property Performance and Investment Management functions comprehensively	High	Project Management Office in place Integrated development plan in place Sketch plan committee Risk Assessment delegated to consultants Site Technical Meetings SCM prescripts in place Population of Property Strategies by Custodians	High	Develop a plan to in source professional capacity Approved scope of works prior to project implementation Establishment of term contracts Appointment of Departments own Site Staff to monitor the works of both Contractor/ Consultants Review of Business processes and standard operating procedures Fast tracking completion the UAMP's	DDG Construction Project Management ADDG: User Demand Management	31/03/2018 31/03/2018

STRATEGIC GOAL	NO.	RISK DESCRIPTION	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCES	IR	CURRENT CONTROLS	RR	ACTION PLANS	RESPONSIBILITY	TARGET (COMPLETION DATE)
To increase the value of states immovable asset portfolio	5	Deterioration in the value of the state's portfolio of immovable assets	Vandalism and illegal occupation of State-owned properties Vacation of Client Department without notifying the Department Insufficient capacity to conduct regular inspections Sub-optimal facilities management policies and plans : Lack of scheduled maintenance plan Lack of integrated plan to rollout the Retrofitting programme Inability to increase the value of the State's Immovable Asset Portfolio Lack of investment property policy Out-dated Investment Management Policy Framework Out-dated business processes Inadequate alignment between Investment, Property, Facilities and Construction Management Services within the Department	Inability to optimally utilize freehold properties for User Departments and National Strategic priorities High level of unscheduled maintenance High maintenance costs Degradation of the natural environment Huge consumption of water and electricity Huge infrastructure maintenance backlog" Uninformed accommodation solutions Inadequately informed custodial planning and investment decisions Under expenditure on allocated budgets Undesirable escalation of accommodation cost	High	Adhoc meetings held with Client departments for the signing of SLA's Inspection of assets to compile condition assessment. Rehabilitation program" Day to day maintenance guidelines and business processes in place Energy and water saving projects (Retrofitting programme) Measuring and verification process" Leasing out of unutilised property Application of existing legislation, policies and circulars (PFMA, GIAMA, etc.) Application of improved business processes on a case-by-case basis PMTE Business Processes enhancement initiative Disposal Policy	High	Finalisation of the Illegal Occupation strategy and Operation Bring Back. Revision of the Facilities Management Policy, Strategy and Maintenance Plan Implementation of Energy and water saving projects (Retrofitting programme) Development of the Immovable Asset Management policies for Property performance and Investment Management Signed agreements with Municipalities Initiate Sector Department engagement to create aligned infrastructure development Development of strategic Precinct framework and Policy	DDG: Governance, Risk and Compliance DDG: Facilities Management DDG: Real Estate Investment Management	31/03/2018 31/03/2018 31/03/2018
To provide quality accommodation and contribute to the financial sustainability of the PMTE										
To ensure optimal performance of the State's immovable asset portfolio.										
To develop accommodation solutions in collaboration with relevant spheres of Government	6.	Non-Integration of spatial planning activities with national, provincial and local spheres of government	No signed agreements with municipalities to support spatial development of government infrastructure priorities. Lack of funding to develop accommodation solutions Lack of strategic framework for Precinct identification	Inefficient infrastructure delivery leading to ineffective service delivery. Inability to provide serviced sites for development Reputational damage	High	Individual agreements with municipalities. Monthly technical precinct meetings with Stakeholders Adhoc intervention by top management (DG and DDG) Signed commitments by the Municipalities	High	Signed agreements with Municipalities Initiate Sector Department engagement to create aligned infrastructure development Development of strategic Precinct framework and Policy	DDG: Planning and Precinct Development	31/03/2018

STRATEGIC GOAL	NO.	RISK DESCRIPTION	ROOT CAUSE / CONTRIBUTING FACTOR	CONSEQUENCES	IR	CURRENT CONTROLS	RR	ACTION PLANS	RESPONSIBILITY	TARGET (COMPLETION DATE)
To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirement	7.	Failure to integrate business information for cross-cutting functions that informs proper planning's	Non-alignment of Business Processes Manual processing of transactions and schedules Lack of integrated ERP system Systems across different functional areas within asset management do not interface Lack of integrated Property Management System PMTE does not have integrated and effective accounting and Project management systems	No integration of asset registers for all spheres of Government	High	Use of Excel Spread sheets Usage of DPW business processes and use of circulars DPW Sector Immovable Asset Register (IAR) task team Compliance criteria with Provinces Reliance on existing non-integrated property and project management information systems and use of external property data information systems Analysis of Deeds records and physical verification Quarterly GIAMA forums Property Management System integrated to a new financial management system Oversee signing off of User Requirements Specification (URS)	High	Implementation and review of the Property Management System (ARCHIBUS) Full implementation of the integrated Immovable Asset Management WORX4U suite.	DDG: Corporate services DDG Real Estate Information and Registry Services	31/03/2018 31/03/2018

12. PUBLIC PRIVATE PARTNERSHIPS

There are no Public Private Partnerships to report for the 2017/18 period



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13. AMENDMENTS TO THE STRATEGIC PLAN

The Objective Indicator in Strategic Objective 2.3 has been amended to ensure that the Indicator and Target are aligned.

Table 56: Revised Strategic Objective 2.3

Strategic objective 2.3	To inform asset management decisions through optimal investment solutions
Objective statement	Manage property performance and provide investment decisions to ensure sustainable life cycle immovable asset management and a responsive and value driven property portfolio under the custodianship of the Department of Public Works
Objective indicator	Number of investment solutions completed
Baseline	260 investment solutions completed.
5 Year target	724 investment solutions completed
Justification	To comply with the legislative requirements of GIAMA in maximizing and coordinating the management of immovable assets in relation to service delivery objectives of user departments
Links	Strategic Goal 2: To increase the value of the State's immovable asset portfolio Effective asset life cycle management contributes directly to the delivery of an efficient, competitive and responsive infrastructure network that supports socio economic development imperatives

Revised Strategic Objective 2.3 (Technical Objective Description)

Objective title	To inform asset management decisions through optimal investment solutions
Short definition	Manage property performance to inform investment decisions that ensure sustainable life cycle immovable asset management and a responsive property portfolio under the custodianship of the Department of Public Works
Purpose/importance	To comply with the legislative requirements of GIAMA in maximizing and coordinating the management of immovable assets in relation to service delivery objectives of user departments
Source/collection of data	User Asset Management Plans, Custodian Asset Management Plan, ENE, Annual Report, WCS, PMIS, Immovable Asset Register and feasibility studies
Method of calculation	A simple count of the number of investment solutions completed
Data limitations	Adequacy of information received from user departments and entities
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New objective	Yes
Desired performance	Investment decisions that inform socio economic development and provide value for money
Objective responsibility	Chief Director: Investment Analysis

Table 57: Revised Strategic Objective 2.4

Strategic objective 2.4	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions
Objective statement	To demonstrate the improvement in the performance of immovable assets within the total immovable asset portfolio under the Department’s custodianship in relation to operating cost and utilization to ensure assets are performing at acceptable levels
Objective indicator	Number of interventions identified to improve the performance of the property portfolio
Baseline	19 interventions identified to improve the performance of the property portfolio
5 Year target	3 interventions identified to improve the performance of the property portfolio
Justification	To comply with the legislative requirements of GIAMA in maximizing and coordinating the management of immovable assets in relation to service delivery objectives of user departments
Links	Strategic goal 2: To increase the value of the State’s immovable asset portfolio Effective asset life cycle management contributes directly to the delivery of an efficient, competitive and responsive infrastructure network that supports socio economic development imperatives

Revised Strategic Objective 2.4 (Technical Objective Description)

Objective title	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions
Short definition	To demonstrate the improvement in the performance of immovable assets within the total immovable asset portfolio under the Department’s custodianship in relation to operating cost and utilization to ensure assets are performing at acceptable levels
Purpose/importance	To comply with the legislative requirements of GIAMA in maximizing and coordinating the management of immovable assets in relation to service delivery objectives of user departments
Source/collection of data	User Asset Management Plans, ENE, WCS, PMIS, Immovable Asset Register and feasibility studies
Method of calculation	Simple count of the number of interventions recommended to relevant line function units within the PMTE / user departments
Data limitations	Incomplete life cycle asset information
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New objective	Yes
Desired performance	To ensure an optimally performing immovable asset portfolio.
Objective responsibility	Chief Director: Property Performance Management

Table 58: Revised Strategic Objective 3.1

Strategic objective 3.1	To develop detailed construction plans that direct the execution of construction projects
Objective statement	To develop design solutions for functional accommodation for identified user departments that will standardise different categories of accommodation and shorten the planning timeframes.
Objective indicator	Number of design solutions completed for user departments
Baseline	2 design solutions completed for user departments
5 Year target	7 design solutions completed for user departments
Justification	Well-designed, sustainable, and resilient infrastructure enhances economic growth, boosts productivity, and provides significant positive flow-on effects including improved access to markets, job creation and economic growth across sectors.
Links	Strategic goal 5: To meet user departments accommodation requirements as the approved IPIP ¹⁸ Outcome 12: Improved planning and delivery of immovable assets that are utilised for delivering various Government services in a way that yield functional, economic and social benefits to the State.

Revised Strategic Objective 3.1 (Technical Objective Description)

Objective title	To develop detailed construction plans that direct the execution of construction
Short definition	To develop design solutions for functional accommodation for identified user departments that will standardise different categories of accommodation and shorten the planning timeframes.
Purpose/importance	To ensure that CPM within the PMTE constructs buildings in to meet the accommodation requirements for the DPW and user departments to deliver public services.
Source/collection of data	WCS, PMIS, Immovable Asset Register and Feasibility Studies
Method of calculation	A simple count of the design solutions completed for user departments
Data limitations	Completeness of user requirements received from user departments and entities
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New objective	Yes
Desired performance	Design solutions completed within time and cost
Objective responsibility	Chief Director: Construction Project Management

The PMTE has amended its Strategic Objectives for Programme 4 to (1) demonstrate efficiency in the provision of leased accommodation from the perspective of user departments and (2) to ensure growth of the investment portfolio of the Department. The PMTE has removed Strategic Objective 4.3 and incorporated this as part of Strategic Objective 4.1. The reason for the consolidation of the two Strategic Objectives is that the empowerment of black owned companies is a subset of the objective which is to provide functional leased accommodation since the PMTE prioritises the empowerment of historically disadvantaged individuals in the procurement of leased accommodation.

Table 59: Revised Strategic Objective 4.1

Strategic objective 4.1	To provide functional leased accommodation to user departments
Objective statement	To ensure that new leased accommodation is procured in accordance to approved user departments' needs in terms of location, time and extent
Objective indicator	Percentage of new leases procured according to user department's minimum requirements
Baseline	20% (1) new leases procured for user departments
5 Year target	70% new leases procured according to user department's minimum requirements
Justification	The PMTE is the primary provider of accommodation to 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 provides suitable, cost-effective and functional leased accommodation to user departments.
Links	Strategic goal 6: To provide quality accommodation and contribute to the financial sustainability of the PMTE ¹⁹ Outcome 12: An efficient, effective and development-oriented public service.

Revised Strategic Objective 4.1 (Technical Objective Description)

Objective title	To provide functional leased accommodation to user departments
Short definition	To ensure that new leased accommodation is procured in accordance to approved user departments' needs in terms of location, time and extent
Purpose/importance	The PMTE is the primary provider of accommodation to 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 such as private leases, the PMTE provides suitable, cost-effective and functional accommodation to user departments.
Source/collection of data	Property Management Information System, User Asset Management Plans
Method of calculation	Count the number of new leases procured that comply with the requirements set out by user departments and express this as a percentage of the total number of new leases procured for the same time period. <u>Count the number of new leases procured according to user department's minimum requirements</u> Total number of new leases procured for the same time period
Data limitations	Incomplete lease agreements (not all documents included in the files)
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New objective	Yes
Desired performance	All new leased accommodation is provided in the correct quantity, at the right time whilst ensuring value for money to the State.
Objective responsibility	Chief Director: Real Estate Management Service

Table 60: Revised Strategic Objective 4.2

Strategic objective 4.1	To optimise the utilisation of State-owned buildings
Objective statement	Improve the utilisation of the State's buildings that are in a very good, good and/or fair condition thereby decreasing the number of private leases and increasing the revenue generated from State-owned buildings
Objective indicator	Percentage vacancy of unutilised State-owned buildings
Baseline	4% (3 033)
5 Year target	2% vacancy of unutilised State-owned buildings that are in a very good, good and/or fair condition
Justification	To respond to the national priority of increasing revenue, reducing leased accommodation by using State-owned buildings.
Links	Strategic goal 6: To provide quality accommodation and contribute to the financial sustainability of the PMTE ²⁰ Outcome 12: An efficient, effective and development-oriented public service.

Revised Strategic Objective 4.2 (Technical Objective Description)

Objective title	To optimise the utilisation of State-owned buildings
Short definition	Improve the utilisation of the State's buildings that are in a very good, good and/or fair condition thereby decreasing the number of private leases and increasing the revenue generated from State-owned buildings
Purpose/importance	To respond to the national priority of increasing revenue, reducing leased accommodation by using State-owned buildings.
Source/collection of data	Immovable Asset Register, Rental Debtors Workbooks
Method of calculation	The total number of unutilised buildings that are in a very good, good and/or fair condition express that as a percentage of the total number of buildings that are in a very good, good and/or fair condition. <u>Total number of unutilised buildings in very good, good and fair condition</u> Total number of buildings in a very good, good and fair condition for the same reporting period
Data limitations	Incomplete Immovable Asset Register, manual debtors workbook incomplete
Type of objective	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New objective	Yes
Desired performance	Non-cumulative
Objective responsibility	Chief Director: Real Estate Management Services

Strategic Objectives 6.1 and 6.2 has been combined into one Strategic Objective. The two Strategic Objectives for scheduled and unscheduled maintenance are interdependent and will therefore be reported on collectively. The Facilities Management Programme will therefore have two Strategic Objectives being:

- 6.1 To manage maintenance programmes in accordance with an approved plan
- 6.2 To ensure resource efficiency in State-owned buildings

Table 61: Revised Strategic Objective 6.1

Strategic objective 6.1	To manage maintenance programmes in accordance with an approved plan
Objective statement	<ul style="list-style-type: none"> To provide planned maintenance services that meets the requirements of users, occupants, custodian and the public in a manner consistent with regulatory and other policy imperatives at an acceptable life cycle cost. To ensure compliance with SHERQ (Safety, Health, Environment, Risk & Quality) regulatory framework To respond to the unscheduled maintenance needs times of user departments within appropriate times and prevent service delivery interruptions.
Objective indicator	Simple count of the number of prioritised buildings maintained through scheduled maintenance as per approved maintenance plan.
Baseline	300 buildings maintained through scheduled maintenance as per the approved maintenance plan
5 Year target	2 000 buildings maintained through scheduled maintenance as per the approved maintenance plan
Justification	The PMTE will develop maintenance plans to reduce the reliance on unscheduled maintenance and ensure that building infrastructure provides and enabling environment for user departments to implement their service delivery mandates for the effective delivery of public services.
Links	Strategic goal 8: Ensure optimal performance of the State’s immovable asset portfolio ²¹ Outcome 6 - efficient competitive and responsive infrastructure network ²² Outcome 12 - efficient and effective development-oriented public service.

Revised Strategic Objective 6.1 (Technical Objective Description)

Objective title	To manage maintenance programmes in accordance with an approved plan
Short definition	<ul style="list-style-type: none"> To provide planned maintenance services that meets the requirements of users, occupants, custodian and the public in a manner consistent with regulatory and other policy imperatives at an acceptable life cycle cost. To ensure compliance with SHERQ (Safety, Health, Environment, Risk & Quality) regulatory framework. To respond to the unscheduled maintenance needs times of user departments within appropriate times and prevent service delivery interruptions.
Purpose/importance	The PMTE will develop maintenance plans to reduce the reliance on unscheduled maintenance and ensure that building infrastructure provides and enabling environment for user departments to implement their service delivery mandates for the effective delivery of public services.
Source/collection of data	Custodian Asset Management Plan, approved maintenance plan for various facilities
Method of calculation	Simple count of the number of prioritised buildings maintained through scheduled maintenance as per approved maintenance plan.
Data limitations	Lack of data on condition assessments on State-owned facilities
Type of objective	Output
Calculation type	Non-cumulative.
Reporting cycle	Annually
New objective	No, amended from the previous year
Desired performance	All identified properties maintained as per approved maintenance plan
Objective responsibility	Chief Director: Facilities Management

21 Outcome 6: Sub Outcome 2: Page 12 and Sub Outcome 3: Page 19

22 Outcome 12: Sub Outcome 4: Page 15

14. TECHNICAL INDICATOR DESCRIPTIONS

14.1. PROGRAMME 1: ADMINISTRATION

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 controls 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.				
Source/collection of data	Invoices received from suppliers, payments register/ Reapatala Invoice Tracking System and SAGE X3				
Method of calculation	Count the number of compliant invoices settled within 30 days and express this as a percentage of the total number of compliant invoices paid. <u>Number of compliant invoices paid within 30 days</u> Total number of compliant invoices paid for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
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				
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	
Baseline	Year – 3 Audited Actual 86%	Year – 2 Audited Actual 76%	Year – 1 Audited Actual 85%	Current Year (Estimated Performance) 87%	
Annual Targets	2016/17 100%	2017/18 100%	2018/19 100%	2019/20 100%	2020/21 100%
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
Quarterly targets 2017/18	Quarter 1 100%	Quarter 2 100%	Quarter 3 100%	Quarter 4 100%	
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	

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 controls and financial service
Indicator Title	Number of newly identified 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	Draft PMTE Financial Model
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	Annual
New indicator	Yes
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: Commercial Hub

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

Annual Targets	2016/17	2017/18	2018/19	2019/20	2020/21
	-	2	2	2	2
Portfolio of Evidence	-	New revenue generation agreements signed	New revenue generation agreements signed	New revenue generation agreements signed	New revenue generation agreements signed

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	2
Portfolio of evidence	-	-	-	New revenue generation agreements signed

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 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 R 500 000 threshold.
Source/collection of data	Register of all bids awarded for services within the PMTE and Procurement Plan
Method of calculation	Count the number of bids over the R500 000 threshold 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 validity period with no variations
Indicator owner	DDG Supply Chain Management
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	161	131	45	60%

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
		60%	65%	70%	75%
Portfolio of Evidence	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		65%	65%	65%
Portfolio of Evidence	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R 500 000) indicating the date of tender closure and award date (supported by letter of award)

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 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 awarded 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 R 500 000 threshold
Source/collection of data	Register of all quotations awarded for PMTE services through the quotation process
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. Count the number of quotes awarded within 30 working days from the requisition date Total number of quotes 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 quotations within 30 working days from the requisition date for the next three years with no deviations.
Indicator owner	DDG Supply Chain Management
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	45% (333)	49% (419)	47% (229)	85%

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	85%	88%	90%	92%	94%
Portfolio of Evidence	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	88%	88%	88%	88%
Portfolio of Evidence	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)	Register of quotations awarded (below R 500 000) indicating date of requisition and award date (supported with letters of appointment/ purchase order)

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 Supply Chain Management service
Indicator Title	Percentage savings for built environment consultants
Short description	The indicator is measuring the savings in the cost of services (tenders and quotations) awarded to Built Environment Consultants (Architects, Quantity Surveyors, Electrical, Civil, Mechanical and Structural Engineering) based on the prescribed guidelines of the Built Environment Councils (BECs) for the reporting period
Purpose/importance	To indicate the savings realised when acquiring services of Built Environment Consultants at rates below the industry norm. To ensure cost effective procurement of built environment consultants in line with the PMTE's strategy for overall cost containment
Source/collection of data	Register of all awarded contracts for Built Environment Consultants, Professional Council Guidelines, bid documentation
Method of calculation	Subtract the total bid amount awarded from the total estimated amount based on the guideline fee published in the prescribed guidelines of the BECPs and then express that as a percentage of the total estimated amount based on the guideline fee published in the prescribed guidelines of the BECPs <u>(Total estimated amount based on the guideline fee – total bid amount awarded)</u> Total estimated amount based on the guideline fee
Unit of Measure	Percentage
Data limitations	Baseline information limited to quotation transactions as analysis were not made for tender transactions for the prior years. Manual reporting systems subjected to human error.
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	Yes
Desired performance	The aim is to reduce the costs associated with appointment of Built Environment Consultants in the PMTE
Indicator owner	DDG Supply Chain Management
Indicator updater	Chief Director: Supply Chain Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	23%	15%	18%	22%

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	22%	24%	27%	30%	30%

Portfolio of Evidence	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	24%	24%	24%	24%

Portfolio of Evidence	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)	Awarded Bids & Quotations Register indicating the total estimates, total awards and savings generated (supported by bid documents)

14.2. PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES

USER DEMAND MANAGEMENT

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	To count 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 the 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	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	5	3	42	42

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019 /20	2020 /21
		42	42	42	42
Portfolio of Evidence	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		-	-	-
Portfolio of Evidence	-	-	-	Schedule of U-AMPS received (supported by UAMP documents for User Departments and Entities)

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 of signed off infrastructure worklists				
Short description	To develop a worklist of infrastructure projects in line with IDMS that are based on the User Asset Management Plans which contain a schedule of prioritised and funded projects for the financial year ahead				
Purpose/importance	To enable the PMTE to mobilise its resources for the execution of the prioritised and funded capital works projects.				
Source/collection of data	User Asset Management Plans for all User Departments and Entities				
Method of calculation	Simple count of the number of signed-off work lists completed for 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 on infrastructure worklists a year in advance for user department 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)	
	-	-	-	10	
Annual Target	2016 / 17 (EP)	2017 / 18	2018 /19	2019 /20	2020 /21
	10	10	10	10	10
Portfolio of Evidence	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	10	
Portfolio of Evidence	-	-	-	List of users prioritised capital infrastructure requirements (supported by the signed worklist)	

PLANNING AND PRECINCT DEVELOPMENT

Indicator 2.3

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 contributes 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	Framework documents; GIS Mapping; UAMP & CAMP				
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. Client needs. 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: Planning and Precinct Development				
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)	
	2	5	6	2	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019 /20	2020 /21
	2	3	4	4	4
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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2017/18	-	1	-	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)	

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 sites established for development				
Short description	To ensure that the identified sites are fully ready for development by meeting the requirements in terms of legalisation, feasibility and ownership of the sites encapsulated in a site clearance certificate				
Purpose/importance	To deliver a site that is ready for design, documentation and development.				
Source/collection of data	Site clearance progress report. IDPs, Framework documents, Legal, Statutory and due diligence				
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	Quarterly				
New indicator	No				
Desired performance	100% of the identified sites established within the required timeframes				
Indicator owner	Deputy Director-General Planning and Precinct Development				
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	1	3	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019 /20	2020 /21
	3	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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2017/18	-	-	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)	

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 concept designs completed for identified user departments				
Short description	A concept design provides 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 decision and procurement options for a User Department				
Source/collection of data	User needs, certified staff structures and established site with development parameters				
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 Planning and Precinct Development				
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	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019 /20	2020 /21
	3	4	6	6	6
Portfolio of Evidence	Schedule of concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	Schedule of concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	Schedule of concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	Schedule of concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	Schedule of concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)
Quarterly targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
2017/18	-	2	-	2	
Portfolio of Evidence	-	Schedule of all concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	-	Schedule of all concept designs completed. Schedule of identified user departments (supported by Concept designs and drawings)	

REAL ESTATE INVESTMENT MANAGEMENT

Indicator 2.6

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 structured studies completed to determine the best 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 requested for the same period. <u>Count the number of feasibility reports completed within the scheduled timeframes</u> Total number of feasibility studies requested 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 65% to 85% over the next five years.
Indicator owner	Deputy Director-General: Real Estate Investment Management
Indicator updater	Chief Director: Investment Analysis

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	150	87	99%	80%

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	80%	85%	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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	85%	85%	85%	85%
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)

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 valuations completed within scheduled timeframes
Short description	The indicator is measuring the completion of valuations undertaken of immovable assets within the scheduled timeframes for all requests received within the respective financial year
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 requested for the same period. <u>Count the number of valuations completed within scheduled timeframes</u> Total number of valuations requested 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 Management
Indicator updater	Chief Director: Investment Analysis

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	250	300	72%	80%

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	80%	85%	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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	85%	85%	85%	85%
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)

Indicator 2.8

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 for 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. List of total requests received from HDA/DHS, municipalities and DRDLR.
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 and the DRDLR which contribute to the Government's socio-economic objectives
Indicator owner	Deputy Director-General: Real Estate Investment Management Services
Indicator updater	Chief Director: Property Performance Management

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

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	20%	85%	90%	90%	90%
Portfolio of Evidence	Approved submissions	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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	85%
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)

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	Custodian Asset Management Plan submitted to National Treasury				
Short description	The C-AMP is produced annually in line with the requirements of GIAMA that measures the development of an infrastructure plan that indicates 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 Management				
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	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury	1 C-AMP submitted to National Treasury
Portfolio of Evidence	Letter to NT (submitted with signed off C-AMP 2017/18)	Letter to NT (submitted with signed off C-AMP 2018/19)	Letter to NT (submitted with signed off C-AMP 2019/20)	Letter to NT (submitted with signed off C-AMP 2020/21)	Letter to NT (submitted with Signed off C-AMP 2021/22)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1 C-AMP submitted to National Treasury	-	-	-	
Portfolio of Evidence	Letter to NT (submitted with signed off C-AMP 2018/19)	-	-	-	

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	Number of buildings performance measured in identified performance areas
Short description	To measure the performance of the immovable asset portfolio in relation to operating cost and utilisation at facility level in compliance with GIAMA
Purpose/importance	To ensure that immovable assets are performing at required /acceptable levels
Source/collection of data	Schedule of properties from the IAR that have been identified for performance measurement
Method of calculation	Simple count of the number of buildings 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 Management
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	400

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	400	600	800	800	1000
Portfolio of Evidence	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	150	150	150	150
Portfolio of Evidence	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)	Schedule of buildings measured against identified performance areas (supported by building performance reports)

14.3. PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Indicator 3.1

Strategic Goal	To meet user department 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	To measure the development of infrastructure project designs that have been approved by the Sketch Plan Committee				
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				
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)	
	151	231	225	200	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	200	117	137	160	160
Portfolio of Evidence	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	29	29	29	30	
Portfolio of Evidence	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	Schedule of infrastructure projects with approved sketch plans (supported by Approval certificate - PA 16)	

Indicator 3.2

Strategic Goal	To meet user department 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
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
Method of calculation	Simple count of the number of 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)
	151	231	225	170

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	170	174	156	156	156
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	43	44	44	43
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01)

Indicator 3.3

Strategic Goal	To meet user department 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	This 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
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.
Method of calculation	Simple count of the number of 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)
	138	214	145	150

Annual Targets	2016 /17 (EP)	2017 /18	2018 /19	2019/20	2020/21
	150	117	137	160	160
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 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	39	39	39
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)

Indicator 3.4

Strategic Goal	To meet user department 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 (including any extension of time, variation orders that has been approved).
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
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	Yes
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	Year – 2	Year – 1	Current Year
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)
	179	180	192	182

Annual Targets	2016 /17 (EP)	2017 /18	2018 /19	2019/20	2020/21
		182	106	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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
		24	56	80
Portfolio of Evidence	Schedule of infrastructure projects completed in the quarter (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the quarter (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the quarter (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the quarter (supported by Practical Completion Certificates)

Indicator 3.5

Strategic Goal	To meet user department 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 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.
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 90% of 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	100

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	100	85	111	117	120
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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	24	52	74	85
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)

Indicator 3.6

Strategic Goal	To meet user department 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 measure the completion of awarded infrastructure projects within approved budgets (including any variations that have been approved) and adherence to statutory requirements.				
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.				
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	101	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	101	85	111	117	120
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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	24	52	74	85	
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)	

Indicator 3.7

Strategic Goal	To meet user department 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
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)
	5 309	4 343	11 126	11 200

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	11 200	11 250	11 300	11 300	11 300
Portfolio of Evidence	Validated list of work opportunities reported through the EPWP RS	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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	2 812	2 812	2 812	2 813
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)

Indicator 3.8

Strategic Goal	To meet user department 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 project 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
Method of calculation	Subtract the number of backlogged 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 $\frac{\text{Total number of infrastructure backlogged projects in construction phase} - \text{number of infrastructure backlogged projects that have moved to practical completion}}{\text{Total number of infrastructure backlogged projects in construction phase}}$
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)
	62	73	216	15%

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	15%	75%	75%	75%	75%
Portfolio of Evidence	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	75%
Portfolio of Evidence	-	-	-	Schedule of infrastructure projects indicating the previous status and current year’s status (supported by 3 year expenditure report)

14.4. PROGRAMME 4: REAL ESTATE MANAGEMENT SERVICES

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	Percentage of lease agreements signed within prescribed timeframes
Short description	The indicator measures the percentage of lease agreements (new and renewals) signed within timeframes as per the approved circular / business process. The prescribed timeframe is 8 months from date of receipt of the Procurement Instruction. The prescribed timeframe is applicable only to the Procurement Instructions that are received from the 2017/18 financial year. There are no prescribed timeframes that are applicable to leases signed in the prior years.
Purpose/ importance	To ensure that the lease agreements are signed within the prescribed 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
Method of calculation	Count the number of signed lease agreements that comply with prescribed timeframes and express this as a percentage of lease agreements signed for the same reporting period. Count the number of lease agreements signed within prescribed timeframes Total number of lease agreements signed for the same reporting period
Unit of Measure	Percentage
Data limitations	Inadequate system information on private leases
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	Through the alignment of applicable policies and procedures, the PMTE will increase performance from 60% to 80% within the next 3 years
Indicator owner	Deputy Director-General: Real Estate Management Services
Indicator updater	Regional Managers

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

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	20%	60%	70%	80%	80%
Portfolio of Evidence	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	60%	60%	60%	60%
Portfolio of Evidence	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)	Schedule of leases indicating the date of receipt of the Procurement Instruction, expected date for signing of lease and actual date signed (supported by lease agreements)

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	<p>The indicator is measuring the savings that the user departments will realise from the enhancement of lease management through (a) the renegotiation of lease terms and/or payable rates and/or escalations for identified leases/landlords (b) application of the revised space and cost norms for new leases</p> <p>The intervention(s) 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.</p>
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	<p>Subtract the total actual expenditure of identified leased portfolio after applied intervention(s) from the total expected expenditure on identified leased portfolio prior to the implementation of the cost reduction intervention(s)</p> <p>(Total expected expenditure on identified leased portfolio prior to the implementation of the cost reduction intervention(s)) – (total actual expenditure of identified leased portfolio after applied intervention(s))</p>
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	Yes
Desired performance	Consistent reduction in leasing costs to ensure value for money to the State.
Indicator owner	Deputy Director-General: Real Estate Management Services
Indicator updater	Real Estate Managers

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	-	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 / 19	2019/20	2020/21
	-	R100 mil	R200 mil	R300 mil	R400 mil
Portfolio of Evidence	-	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	R30 mil	R60 mil	R100 mil	
Portfolio of Evidence	-	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	Schedule indicating the expected expenditure of the identified leases prior to implementation of intervention(s) and actual expenditure after the implementation of the intervention(s) (supported by space and cost norms for new leases or signed agreement with the landlord for renegotiated leases)	

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 black owned companies
Short description	The indicator measures the number of new leases awarded to black owned companies in line with the approved policy/applicable legislation. The black ownership of the company must be above 50%.
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
Method of calculation	Count the number of private leases awarded to black owned companies expressed as a percentage of the total number of private leases awarded $\frac{\text{Number of private leases awarded to black owned companies}}{\text{Total number of private leases awarded for the same time period}}$
Unit of Measure	Percentage
Data limitations	Incomplete procurement documents
Type of indicator	Output
Calculation type	Cumulative
Reporting cycle	Quarterly
New indicator	No
Desired performance	A minimum of 25% private leases are allocated to black owned companies
Indicator owner	Deputy Director-General: Real Estate Management
Indicator updater	Regional Managers

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

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	67% (4)	25%	30%	35%	40%
Portfolio of Evidence	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	10%	20%	25%
Portfolio of Evidence	-	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)	Schedule of new leases awarded to black owned companies (supported by lease agreement, BBBEE Certificates or ownership documentation)

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 reduction of the private leases is dependent on the expiration of the lease agreement within the relevant 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 $(\text{Number of private leases for the security cluster departments in the previous financial year}) - [(\text{number of private leases for the security cluster departments for the current year}) - (\text{new leases for the current year})]$
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, modified from the previous year
Desired performance	The gradual reduction of leased in accommodation for security cluster departments through various methods of procurement
Indicator owner	Deputy Director-General: Real Estate Management
Indicator updater	Real Estate Manager

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

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	2	6	12	13	15
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 and occupation certificate)	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 and occupation certificate)	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 and occupation certificate)	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 and occupation certificate)	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 and occupation certificate)

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	6
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 and occupation certificate)

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
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 $\frac{\text{Revenue generated (excl. small harbours) for the current year} - \text{Revenue generated for the prior year (excl. small harbours)}}{\text{Revenue generated for the prior year (excl. small harbours)}}$
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	Deputy Director-General: Real Estate Management
Indicator updater	Regional Managers

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	R34 mil	R28 mil	R31 mil	10%

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	10%	20%	30%	40%	50 %
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 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	-	20%
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)

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	Percentage 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				
Method of calculation	Count the number of surplus State owned properties let out and express it as a percentage of the total number of State owned properties identified for letting in the same reporting period. $\frac{\text{Number of surplus State owned properties let out}}{\text{Total number of surplus State owned properties identified for letting in the same reporting period}}$				
Unit of Measure	Percentage				
Data limitations	Incomplete documentation, incomplete property information				
Type of indicator	Output				
Calculation type	Cumulative				
Reporting cycle	Bi- annually				
New indicator	Yes				
Desired performance	100% of surplus immovable assets leased out in line with up to date valuations and market rentals				
Indicator owner	Deputy Director-General: Real Estate Management				
Indicator updater	Regional Managers				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	53 State-owned properties let out for revenue generation	50%	
Annual Targets	2016/17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	50%	60%	65%	70%	75%
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)	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)	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)	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)	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)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	30%	-	60%	
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)	-	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)	

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	Percentage of revenue increased through rentals of harbour related 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 around the country's harbours and ensure utilisation of State-owned properties
Source/collection of data	PMIS Immovable Asset Register
Method of calculation	Subtract the revenue generated for 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 for harbour related properties in the prior year $\frac{\text{Revenue generated for harbours related properties for the current year} - \text{revenue generated for the prior year harbours related properties}}{\text{Revenue generated for harbour related properties in the prior year}}$
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	Divisional Head: SHDU
Indicator updater	Divisional Head: SHDU

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	-	-	R10 821 759	10%

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	10%	10%	10%	10%	15%
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 2017/18	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)

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	Percentage of DAFF (Department of Agriculture Forestry and Fisheries) certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt				
Short description	The indicator is measuring the number of leases signed within 12 months of receipt of request with private sector companies which have been pre-approved and recommended by the Department of Agriculture Forestry and Fisheries (DAFF) for the purposes of economic development through marine and aqua – culture projects, etc. Only those requests where property is readily available can be processed in 12 months.				
Purpose/importance	To maximise the use of State land for the purpose of socio-economic development, job creation and growth in the ocean economy				
Source/collection of data	PMIS / Immovable Asset Register				
Method of calculation	Count the number of certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt where property is readily available and express that as a percentage of the total number of certified Operation Phakisa Ocean economy leasing requests received for the same period Number of certified Operation Phakisa Ocean economy leasing requests signed within 12 months of receipt Total number of certified Operation Phakisa ocean economy leasing requests received for the same period				
Unit of Measure	Percentage				
Data limitations	Inaccurate/ incomplete data on the Immovable Asset Register.				
Type of indicator	Output				
Calculation type	Non - Cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	100% leases signed within 12 months of receipt				
Indicator owner	Divisional Head: Small Harbours Development Unit				
Indicator updater	Divisional Head: Small Harbours Development Unit				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current year Estimated Performance	
	-	-	75%	25%	
Key Performance Indicator: Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	100%	100%	100%	100%	100%
Portfolio of Evidence	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	100%	
Portfolio of Evidence	-	-	-	Operation Phakisa Ocean Economy Leasing schedule indicating date of requests received and actual date of approval (supported by signed lease agreements)	

14.5. PROGRAMME 5: REAL ESTATE INFORMATION REGISTRY SERVICES

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 immovable assets that have been processed for transfer as per the approved disposals within the respective financial year for socio-economic purpose. The process commences with receipt of Ministerial approval from the REIM Branch and ends with lodging of an application for transfer with the Deeds Office
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 the Department of Rural Development and Land Reform (DRDLR)
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 for socio-economic purpose received for the same time period. $\frac{\text{Count the number of transfers processed for socio-economic purposes}}{\text{Total number of approved disposals for socio-economic purposes received for the same time period}}$
Unit of Measure	Percentage
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Annually
New indicator	No
Desired performance	To transfer the total number of immovable assets that have been identified by the Department of Human Settlements (DHS) and the Department of Rural Development and Land Reform (DRDLR) 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)	
	-	-	-	60%	
Annual Targets	2016/17 (EP)	2017/18	2018 /19	2019/20	2020/21
	60%	70%	80%	90%	100%
Portfolio of Evidence	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	70%	
Portfolio of Evidence	-	-	-	Schedule of immovable asset transfers processed for socio-economic purposes (supported by a copy of transfer application lodged with the Deeds Office and section 42 transfers)	

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 newly completed infrastructure projects that are updated on the IAR 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 Project Management System
Method of calculation	Count the number of newly completed infrastructure projects updated on the IAR where completion certificates have been issued and express this as a percentage of the total number of completion certificates issued to REIRS for newly completed infrastructure projects for the same time period $\frac{\text{Number of newly completed infrastructure projects updated on the IAR where completion certificates have been issued}}{\text{Total number of completion certificates issued to REIRS for newly completed infrastructure projects for the same time period}}$
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	Activity
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	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	-	-	-	100%	
Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	100%	100%	100%	100%	100%
Portfolio of Evidence	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by Project Management System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by Project Management System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by Project Management System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by Project Management System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by Project Management System information and completion certificates)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	100%	-	100%	
Portfolio of Evidence	-	Schedule of immovable assets that have been updated on the IAR based on newly completed projects (supported by Project Management System information and completion certificates)	-	Schedule of immovable assets that have been updated on the IAR based on newly completed projects (supported by Project Management System information and completion certificates)	

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				
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 surveyed but not yet registered land parcels				
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	Yes				
Desired performance	To confirm ownership of State owned immovable assets under the custodianship of DPW				
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)	
	1 174	761	775	750	
Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	750	800	900	1000	1100
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 2017/18	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)	

Indicator 5.4

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	Measure progress on 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 IARs 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	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	9	9	9	9	9
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	2	3	2	2	
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	Schedule of Provincial Asset Registers assessed against checklist	

Indicator 5.5

Strategic Goal	To provide reliable immovable asset information that informs investment decisions and portfolio management
Strategic Objective	To provide support and guidance 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 oversight, regulation and monitoring of the IAR for the State
Source/collection of data	National and Provincial IARs
Method of calculation	Count the number of National and Provincial IARs to be incorporated into the single repository
Unit of Measure	Number
Data limitations	None
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Bi-annual
New indicator	Yes
Desired performance	A complete and reliable single repository of all State immovable assets
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)
	-	-	-	-

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	-	2	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

Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	1	-	1
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

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	To measure 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
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	Revised from the previous year
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)
	-	-	300	350

Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	350	450	500	550	600
Portfolio of Evidence	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)

Quarterly targets 2017 / 18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	75	100	150	125
Portfolio of Evidence	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract and appointment letter)

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 seeks to measure 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.
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)	
		26 800	18% (9 680)	5% (5 553)	7% (3 124)
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	7%	10%	15%	20%	25%
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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)
Quarterly targets 2017 / 18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	10%	10%	10%	10%	
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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	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 Worx4U and ARCHIBUS incidents report)	

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 black owned companies				
Short description	The indicator is measuring a number of term contracts awarded to black owned companies to undertake maintenance on State owned buildings. The black ownership of the company must be above 50%.				
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				
Method of calculation	A count of the number of contracts awarded to black owned companies on the maintenance programme expressed as a percentage of the total number of contracts awarded for the same time period. Count the number of term contracts awarded to black owned companies Total number of term contracts awarded for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Cumulative				
Reporting cycle	Quarterly				
New indicator	Yes				
Desired performance	The aim is to create opportunities for Black Owned Companies whilst implementing scheduled maintenance in our buildings.				
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%	
Annual Targets	2016/17 (EP)	2017/18	2018/19	2019/20	2020/21
	30%	30%	35%	40%	45%
Portfolio of Evidence	Schedule to maintenance contracts awarded that are complaint to BBBEE property sector charter targets	Schedule of maintenance term contracts awarded to black owned companies (supported by maintenance term contracts, BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to black owned companies (supported by maintenance term contracts, BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to black owned companies (supported by maintenance term contracts, BBBEE Certificates or ownership documentation)	Schedule of maintenance term contracts awarded to black owned companies (supported by maintenance term contracts, BBBEE Certificates or ownership documentation)
Quarterly targets 2017/18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	30%	
Portfolio of Evidence	-	-	-	Schedule of maintenance term contracts awarded to black owned companies (supported by maintenance term contracts, BBBEE Certificates or ownership documentation)	

Indicator 6.4

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To ensure resource efficiency in government buildings				
Indicator Title	Reduction in energy consumption (kilowatt hours) in identified property portfolio				
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				
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)				
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)	
	188 833 980 kWh	190 000 000 kWh	220 000 000 kWh	250 000 000 kWh	
Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	250 000 000 kWh	300 000 000 kWh	350 000 000 kWh	400 000 000 kWh	410 000 000 kWh
Portfolio of Evidence	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)
Quarterly targets 2017 / 18	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	62 000 000 kWh	62 500 000 kWh	63 000 000 kWh	112 500 000 kWh	
Portfolio of Evidence	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations (supported by Energy Management Report, Energy Consumption Baseline Document, corresponding municipal invoices for the reporting period)

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	Installation of roof top solar panels, photo voltaic in selected buildings to generate energy for the respective building. 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)
	-	-	-	-

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	-	2,215,000 kWh	10,400,000 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)

Quarterly targets 2017 / 18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	-	-	1,107,500kWh	1,107,500kWh
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)

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) in identified property portfolio
Short description	The indicator measure the reduction in water consumption per identified building 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
Method of calculation	Difference between baseline volume and the monthly actual volume is determined as the reduction in KL. The summation of each month in the respective financial year equals the total water reduction volume for the financial year in kilolitres.
Unit of Measure	Number
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 : Facilities Management

Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	1,328,627 KL	3,550,480 KL	4,090,865 KL	4,300,000 KL

Annual Targets	2016 / 17 (EP)	2017 / 18	2018 /19	2019/20	2020/21
	4,300,000 KL	4 800,000 KL	6,000,000 KL	8,000,000 KL	9,000,000 KL
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)

Quarterly targets 2017 / 18	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	1 200 000 KL	1 200 000 KL	1 200 000 KL	1 200 000 KL
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (supported by Shared Savings Report, Invoices, Baseline Reports)

15. LEGISLATION THE DEPARTMENT OF PUBLIC WORKS ADMINISTERS

Table 62: 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.

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

SHORT TITLE OF THE ACT	PURPOSE OF THE ACT
Landscape Architectural Professional Act 45 of 2000	To provide for the establishment of the Council for the Landscape Architectural Profession and matters incidental thereto.
Engineering Profession of South Africa Act 46 of 2000	To provide for the establishment of the Council for the Engineering Profession and matters incidental thereto.
Property Valuers Profession Act 47 of 2000	To provide for the establishment of the Council for the Property Valuers Profession and matters incidental thereto.
Project and Construction Management Profession Act 48 of 2000	To provide for the establishment of the Council for the Project and Construction Management Profession and matters incidental thereto.
Quantity Surveying Profession Act 49 of 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Government Immovable Asset Management Act 19 of 2007	To provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.

16. LIST OF REFERENCES

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- National Treasury. 2016. Budget Review.
- Presidency. National Planning Commission. 2011. National Development Plan.
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PROPERTY MANAGEMENT TRADING ENTITY

The 2017/18 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.

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