



2019/20

ANNUAL PERFORMANCE PLAN
PROPERTY MANAGEMENT TRADING ENTITY



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY

The 2019/20 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.

Property Management Trading Entity (PMTE)

Head Office: Public Works

CGO Building

Cnr Bosman and Madiba Streets

Pretoria Central

Private Bag X65

Pretoria

0001

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

The 2019/20 Annual Performance Plan is also available on
www.publicworks.gov.za

ISBN: 978-1-920399-26-9

CONTENTS

LIST OF TABLES.....	iii
LIST OF FIGURES.....	v
FOREWORD BY THE MINISTER.....	vi
OVERVIEW BY THE DIRECTOR-GENERAL.....	viii
OFFICIAL SIGN OFF.....	xi
SIGN OFF (MANCO).....	xii
ACRONYMS.....	xiii
PART A – STRATEGIC OVERVIEW.....	xvii
1. VISION.....	1
2. MISSION.....	1
3. VALUES.....	1
4. STRATEGIC OUTCOME-ORIENTED GOALS.....	2
5. LINKS TO LONG TERM GOVERNMENT-WIDE PLANS.....	7
6. LEGISLATIVE AND OTHER MANDATES.....	16
6.1 Constitutional mandates.....	16
6.2 Legislative mandates.....	16
6.3 Policy mandates.....	16
6.4 Relevant court rulings.....	18
7. UPDATED SITUATIONAL ANALYSIS.....	19
7.1 EXTERNAL ENVIRONMENT.....	19
7.2 EXTERNAL FACTORS INFLUENCING SERVICE DELIVERY.....	28
7.3 INTERNAL ENVIRONMENT.....	39
7.4 PERFORMANCE ENVIRONMENT.....	55
7.5 DEMAND FOR SERVICES.....	59
7.6 ORGANISATIONAL ENVIRONMENT.....	65
7.7 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS.....	69
7.8 OVERVIEW OF THE 2019 BUDGET AND MTEF ESTIMATES.....	71
PART B – PROGRAMME AND SUB PROGRAMME PLANS.....	73
8.1 Programme 1: Administration.....	75
8.1.1 Programme 1: Strategic objectives and medium term targets for 2019/20 – 2021/22.....	75
8.1.2 Programme 1: Performance indicators and medium term targets for 2019/20 – 2021/22.....	76
8.1.3 Programme 1: Quarterly targets for 2019/20.....	78
8.1.4 Reconciling performance targets with the budget and MTEF.....	79
8.1.5 Performance and expenditure trends for Programme 1.....	81
8.2 PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES.....	82
8.2.1 Programme 2: Strategic objective and medium term targets for 2019/20 – 2021/22.....	82
8.2.2 Programme 2: Performance indicators and medium term targets for 2019/20 – 2021/22.....	84
8.2.3 Programme 2: Quarterly targets for 2019/20.....	87
8.2.4 Reconciling performance targets with the budget and MTEF.....	88
8.2.5 Performance and expenditure trends for Programme 2.....	90

8.3	PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT.....	91
8.3.1	<i>Programme 3: Strategic objectives and medium term targets for 2019/20 – 2021/22.....</i>	<i>91</i>
8.3.2	<i>Programme 3: Performance indicators and medium term targets for 2018/19 – 2020/21.....</i>	<i>92</i>
8.3.3	<i>Programme 3 Quarterly targets for 2019/20.....</i>	<i>94</i>
8.3.4	<i>Reconciling performance targets with the Budget and MTEF.....</i>	<i>95</i>
8.3.5	<i>Performance and expenditure trends for Programme 3.....</i>	<i>97</i>
8.4	PROGRAMME 4: REAL ESTATE MANAGEMENT SERVICES.....	98
8.4.1	<i>Programme 4: Strategic objective and medium term targets for 2019/20 – 2021/22</i>	<i>98</i>
8.4.2	<i>Programme 4: Performance indicators and medium term targets for 2019/20 – 2021/22.....</i>	<i>99</i>
8.4.3	<i>Programme 4: Quarterly targets for 2019/20.....</i>	<i>101</i>
8.4.4	<i>Reconciling performance targets with the Budget and MTEF.....</i>	<i>102</i>
8.4.5	<i>Performance and expenditure trends for Programme 4.....</i>	<i>104</i>
8.5	PROGRAMME 5: REAL ESTATE INFORMATION & REGISTRY SERVICES.....	105
8.5.1	<i>Programme 5: Strategic objectives and medium term targets for 2019/20 – 2021/22.....</i>	<i>105</i>
8.5.2	<i>Programme 5: Performance indicators and medium term targets for 2019/20 – 2021/22.....</i>	<i>106</i>
8.5.3	<i>Programme 5 Quarterly targets for 2019/20.....</i>	<i>108</i>
8.5.4	<i>Reconciling performance targets with the Budget and MTEF.....</i>	<i>109</i>
8.5.5	<i>Performance and expenditure trends for Programme 5.....</i>	<i>111</i>
8.6	PROGRAMME 6: FACILITIES MANAGEMENT.....	112
8.6.1	<i>Programme 6: Strategic objectives and medium term targets for 2019/20 – 2021/22.....</i>	<i>112</i>
8.6.2	<i>Programme 6: Performance indicators and medium term targets for 2019/20 – 2021/22.....</i>	<i>113</i>
8.6.3	<i>Programme 6: Quarterly targets for 2019/20.....</i>	<i>115</i>
8.6.4	<i>Reconciling performance targets with the Budget and MTEF.....</i>	<i>116</i>
8.6.5	<i>Performance and expenditure trends for Programme 6.....</i>	<i>118</i>
	PART C – LINKS TO LONG TERM PLAN.....	119
9.	Links to long-term infrastructure plan.....	120
10.	Service Delivery Improvement Plan (2017/18 – 2019/2020).....	121
11.	Strategic Risk Plan for the Property Management Trading Entity.....	125
12.	Public Private Partnerships.....	137
	PART D – ANNEXURES TO THE ANNUAL PERFORMANCE PLAN	138
13.	Amendments to the Strategic Plan.....	139
14.	Technical Indicator Descriptions.....	140
15.	Legislation the Department of Public Works administers.....	186
16.	List of references.....	189

LIST OF TABLES

Table 1: Strategic outcome-oriented goal 1.....	2
Table 2: Strategic outcome-oriented goal 2.....	3
Table 3: Strategic outcome-oriented goal 3.....	3
Table 4: Strategic outcome-oriented goal 4.....	3
Table 5: Strategic outcome-oriented goal 5.....	4
Table 6: Strategic outcome-oriented goal 6.....	4
Table 7: Strategic outcome-oriented goal 7.....	5
Table 8: Strategic outcome-oriented goal 8.....	5
Table 9: Alignment between strategic outcome-oriented goals and MTSF priorities.....	6
Table 10: Inclusive rural economy.....	7
Table 11: Building a capable and developmental rural State.....	8
Table 12: Small Harbour Development.....	9
Table 13: Ernergy Savings.....	9
Table 14: Water management.....	10
Table 15: Transforming human settlement.....	10
Table 16: Reduction in budget allocations of user departments.....	30
Table 17: Demand for new space per user department (capital requirements).....	60
Table 18: Demand for new space per user department (leasing requirements).....	60
Table 19: Property Management Trading Entity-staff compliment.....	67
Table 20: 2019 Budget and MTEF Estimates for PMTE.....	71
Table 21: Programme 1 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	75
Table 22: Programme 1 Performance Indicators and medium term targets for 2019/20 – 2021/22.....	76
Table 23: Programme 1 Performance indicators and quarterly targets for 2019/20.....	78
Table 24: Expenditure estimates for Programme 1: Administration.....	79
Table 25: Economic classification of MTEF budget for Programme 1: Administration.....	80
Table 26: Programme 2 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	82
Table 27: Programme 2 Performance Indicators and medium term targets for 2019/20 – 2021/22.....	84
Table 28: Programme 2 Performance indicators and quarterly targets 2019/20.....	87
Table 29: Expenditure estimates for Programme 2: Real Estate Investment Services.....	88
Table 30: Economic classification of MTEF budget for Programme 2: Real Estate Investment Services.....	89
Table 31: Programme 3 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	91
Table 32: Programme 3 Performance indicators and medium term targets for 2019/20 – 2021/22.....	92
Table 33: Programme 3 Performance indicators and quarterly targets for 2019/20.....	94
Table 34: Expenditure estimates for Programme 3: Construction Project Management	95
Table 35: Economic classification of MTEF budget for Programme 3: Construction Project Management.....	96
Table 36: Programme 4 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	98
Table 37: Programme 4 Performance indicators and medium term targets for 2019/20 – 2021/22.....	99
Table 38: Programme 4 Performance indicators and quarterly targets for 2019/20.....	101
Table 39: Expenditure estimates for Programme 4: Real Estate Management.....	102

Table 40: Economic classification of MTEF budget for Programme 4: Real Estate Management.....	103
Table 41: Programme 5 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	105
Table 42: Programme 5 Performance indicators and medium term targets for 2019/20 – 2021/22.....	106
Table 43: Programme 5 Performance indicators and quarterly targets for 2019/20.....	108
Table 44: Expenditure estimates for Programme 5: Real Estate Information and Registry.....	109
Table 45: Economic classification of MTEF budget for Programme 5: Real Estate Information and Registry.....	110
Table 46: Programme 6 Strategic objectives and medium term targets for 2019/20 – 2021/22.....	112
Table 47: Programme 6 Performance indicators and medium term targets for 2019/20 – 2021/22.....	113
Table 48: Programme 6 Performance indicators and quarterly targets for 2019/20.....	115
Table 49: Expenditure estimates for Programme 6: Facilities Management.....	116
Table 50: Economic classification of MTEF budget for Programme 6: Facilities Management.....	117
Table 51: Infrastructure Programme: New, replacement, upgrades and additions	120
Table 52: Infrastructure Programme: Maintenance and Repairs.....	120
Table 53: Infrastructure Programme: Rehabilitation, renovation and refurbishment.....	120
Table 54: Service Delivery Improvement Plan (2017/18 - 2019/20).....	121
Table 55: Property Management Trading Entity – Strategic Risk Register – 2018/19 Financial Year.....	125
Table 56: Legislation the Department of Public Works administers.....	186

LIST OF FIGURES

FIGURE 1: SOUTH AFRICA'S GDP, INTEREST RATE AND INFLATION.....	19
FIGURE 2 BUDGET DEFICIT AND GOVERNMENT DEBT.....	20
FIGURE 3: EMPLOYMENT STATISTICS.....	21
FIGURE 4: CONSTRUCTION SECTOR EMPLOYMENT.....	21
FIGURE 5: REGISTRATION OF THE BUILT ENVIRONMENT PROFESSIONAL COUNCILS.....	22
FIGURE 6: ACTIVITY WITHIN THE CONSTRUCTION SECTOR.....	23
FIGURE 7: BUILDING PLANS COMPLETE.....	23
FIGURE 8: BUILDING COSTS PER SQUARE METRE.....	24
FIGURE 9: MONEY VALUE OF TRADE IN BUILDING MATERIALS.....	24
FIGURE 10: OFFICE SPACE AND VACANCY RATES IN THE METROS.....	25
FIGURE 11: TOTAL SPACE COMMITTED TO DEVELOPMENT.....	25
FIGURE 12: SPACE AND VACANCY RATE.....	26
FIGURE 13: SPACE BY GRADE AND VACANCY RATE.....	26
FIGURE 14: OPERATING COST COMPOSITION FOR ALL PROPERTY TYPES.....	27
FIGURE 15: PMTE FULL COST RECOVERY.....	29
FIGURE 16: SUMMARY OF PRIVATE LEASES UNDER NEGOTIATION.....	32
FIGURE 17: CONCEPTUAL FRAMEWORK OFSP.....	40
FIGURE 18: REVENUE GENERATION - IDENTIFIED SCENARIOS.....	41
FIGURE 19: BUSINESS PROCESSES PROJECT TIMELINE.....	43
FIGURE 20: PMTE SYSTEM ARCHITECTURE.....	46
FIGURE 21: MAINTENANCE STRATEGIES.....	48
FIGURE 22: INFRASTRUCTURE DELIVERY MANAGEMENT SYSTEM – FUTURE OUTLOOK.....	55
FIGURE 23: STATE OF GOVERNMENT ESTATE.....	59
FIGURE 24: SUMMARY OF INFRASTRUCTURE PROJECTS PER STAGE OF IMPLEMENTATION.....	61
FIGURE 25: SUMMARY OF THE LEASED PROPERTY PORTFOLIO PER REGION.....	61
FIGURE 26: SUMMARY OF THE NEW, ALTERNATIVE AND ADDITIONAL ACCOMMODATION REQUESTS FROM USER DEPARTMENTS.....	62
FIGURE 27: SUMMARY OF STATE COSTAL LEASES.....	62
FIGURE 28: SUMMARY OF UNSCHULED MAINTENANCE SERVICES.....	63
FIGURE 29: TARGETED CITIES AND TOWNS FOR PRECINCT DEVELOPMENT.....	64
FIGURE 30 HIGH LEVEL ORGANISATIONAL STRUCTURE OF THE PMTE.....	65
FIGURE 31: PROPERTY MANAGEMENT TRADING ENTITY – SUMMARY OF CRITICAL OCCUPATIONS.....	67
FIGURE 32: THE STRATEGIC PLANNING PROCESS FOR THE PMTE.....	70



I present herewith the 2019/20 Annual Performance Plan for the Property Management Trading Entity (PMTE).

25 years into democracy, South Africa is still faced with major challenges of poverty, unemployment and inequality. The National Development Plan (NDP) and the New Growth Path (NGP) identified a range of structural problems in the economy and pointed to opportunities in specific sectors to address some of these challenges, including the challenge of job creation. In this regard the first identified job driver has been infrastructure. Laying the basis for higher growth, inclusivity and employment, infrastructure investment is therefore key to the State's efforts to grow the economy, create jobs, empower small businesses and provide services to the citizens.

With economic infrastructure being the foundation of social and economic development, South Africa has been investing heavily in new roads, power stations, schools and other infrastructure although the implementation of most of these projects has been too costly and slow, impacting the desired results and outcomes.

When I was appointed as Minister of Public Works and Infrastructure at the end of May 2019, President Cyril Ramaphosa made it very clear that the time for idle talk was over and that the central feature of the sixth democratic administration is "implementation". This means that all our concerted efforts had to be redirected from planning towards what we actually aim to achieve in our contributions to realise the vision of the NDP.

In line with these considerations, during his State of the Nation Address (SONA) on 20 June 2019, the President announced seven priorities that will fast track South Africa's path to prosperity, which included:

- Economic transformation and job creation;
- Education, skills and health;
- Consolidating the social wage through reliable and quality basic services;
- Spatial integration, human settlements and local government;
- Social cohesion and safe communities;
- A capable, ethical and developmental state; and
- A better Africa and World.

At a time of acute economic difficulty, achieving these end states or goals requires our uncompromised efforts where the effective optimisation of our property portfolio must be prioritised and serve as a catalyst in our contribution to realise these priorities. In this regard, this 2019/20 APP, which may be amended in-year, should further planning considerations be identified, has been refocused to intensify our contributions to at least 3 of these priorities in the interim before the new strategic planning cycle commences.

The PMTE manages assets on behalf of the people. These assets serve as physical spaces for their primary interactions with Government. From the spaces they go to register the birth of their children to the spaces they go to obtain grants, see the doctor, attend school, pay taxes, report crime etc. The way in which these "spaces" are experienced therefore profoundly impacts their view of the State and its ability to serve its citizens. The PMTE's primary role is to ensure that these assets are well maintained and cost effectively managed. The full maturation of lifecycle asset management competence, proper programme implementation and the

appropriate source and size of funding for maintenance activities, therefore remain a critical pillar to improving the experience within our facilities.

As a custodian of State land – a significant number of which is vacant - the PMTE is also central to the democratic Government's attempt to reverse the legacy of apartheid spatial injustice and the dispossession of land from the majority of our people. The PMTE has been responding to Government's key objective of rapid Land Reform and Human Settlements Programmes by availing land for restitution, redistribution and tenure. To this extent, during the 2018/19 financial year, the PMTE released 12 000 hectares for restitution, 1000 hectares for redistribution and 8 land parcels for socio-economic purposes.

In response to the SONA 2019 priority of **spatial integration, human settlements and local government**, the PMTE will intensify analysis of its property portfolio to release suitable land for socio-economic purposes with a specific focus on housing, student accommodation and agricultural land. In conjunction with the Department of Agriculture, Land Reform and Rural Development, **thirty three (33) Title Deeds will be issued to emerging farmers** in Limpopo this year and more than a hundred **(100) land parcels** have been identified for release to various **land claimants**. For **human settlement purposes, twenty (20) land parcels have been earmarked for release**. Contributing to economic development, 30 land parcels will be released as commercial disposals mainly to the State Owned Entities. I will work in collaboration with my counterparts in the Departments of Human Settlements as well as Agriculture, Land Reform and Rural Development to fast-track the release of these properties.

Slow economic growth and reduced budgets mean that we must redouble our efforts to contain costs and forge new innovative Private Sector partnerships. Infrastructure is a critical area of investment that supports structural transformation, growth and job creation. In this regard the state is required to effect its primary role as an enabler that provides basic services and infrastructure. This infrastructure creates the multiplier environment for job creation and for the private sector to create a crowding-in effect. In responding to the call of the President to work in partnership with the private sector as well as in recognising our fiscal restraints and the project delivery risks confronting government, in the year ahead the Department, acting in concert with other stakeholder departments will explore alternative delivery models, including the use of Private Public Partnerships (PPP) to maintain state owned facilities, construct new buildings and the lease-in of privately-owned buildings on a lease to own basis. The renegotiation of leases with private landlords to bring prices down to be market-related, is an important part of these initiatives and significant strides have been made through active engagement of the market over the last few months. Similarly, programmes to reduce energy and water wastage whilst contributing to greening and sustainability, not only helps to reduce costs to Government, but also contributes towards resource preservation in a country besieged with water and electricity challenges.

Increasing levels of urbanisation as our people flock to the cities in search of a better life, requires of us to address the use of underutilised and unused state owned urban land and spaces. This will allow for, among other applications, the PMTEs facilitation of an Urban Agriculture Programme that advances the proper use of under and unutilised state owned land, trains the youth in urban agricultural methods as well as in the use of related green methodologies, and above all, addresses water scarcity and contributes to our nation's food security.

We have further embarked upon a major intervention in the form of establishing a High-Performance Centre (HPC) consisting of a team of experienced built environment professionals (augmented by identified young professionals from our Young Professional Programme) to assist with coordination, oversight and reporting through all levels of the PMTE. This will improve accountability as well as provide us with an early warning system to identify where problems might arise and the agility to timeously respond. This oversight and accountability must be accompanied by appropriate consequence management processes to respond to pervasive mismanagement, wastage and inefficiencies, as well as fraud and corruption that has come to characterise construction and maintenance projects in the department.

As the implementing arm of the Department, the PMTE has a responsibility to ensure that the Departments' empowerment objectives are achieved. In response to the priority of Economic transformation and job creation, the PMTE will therefore strengthen efforts to transform the economic landscape. The PMTE will continue to provide opportunities through its construction and property business to previously disadvantaged groups so that ownership, control and skills within the built environment sector better reflect the country's demographics. This endeavour is assisted by the adoption of a Property Management Empowerment Policy in January 2018 as well as by National Treasury reforms which support preferential procurement strategies in favour of previously disadvantaged groups.

During the 2019/20 financial year, the PMTE will be implementing the approved Property Management Empowerment Policy, and a target of awarding 35% of new leases to companies owned by previously disadvantaged groups has been set. The PMTE has also set a target of awarding 40% of maintenance term contracts to companies owned by previously disadvantaged groups. The PMTE will continue implementing mandatory subcontracting of a minimum of 30% of the value of contracts above R30 million, in line with the Preferential Procurement Regulations, and targets of 80% of procurement spend and bids awarded to designated groups have been set. Given the centrality in the PMTE of procurement to infrastructure provision and its susceptibility to fraud and corruption, during the year ahead the PMTE will introduce a Procurement Transparency initiative that will among other features, open tender processes, including tender registration and bid adjudication processes to public observation.

The outcomes of providing accommodation and developing infrastructure will continue to contribute to job creation and poverty alleviation. The PMTE will continue contributing to job creation through Construction Project Management programmes within the 2019/20 financial year and a target of 8 200 EPWP work opportunities have been set. For job opportunities created through the letting out of State coastal and small harbour properties, a target of 2000 work opportunities has been set. During the year ahead the PMTE will also work towards consummating a partnership with the Department of Justice and Correctional Services to establish prison workshops in selected locations for the manufacture, repair and maintenance of furniture and equipment that we require for our own as well as our client needs. This initiative, which will be driven by community SMMEs, will not only save costs for the state but will also include a skills development programme for participants as an element of the corrections rehabilitation programme.

As is evident from the plans, programmes and performance targets articulated in this APP, the PMTE remains committed to playing its part in transforming the property and construction industries, reducing unemployment and improving the lives of the poor and marginalised, as well as increase State-led infrastructure investment.

In line with these initiatives, I am confident that the targets articulated in the APP for 2019/20 will enable us conclude the current planning cycle, and to intensify our contributions towards the priorities articulated during the SONA as we gear ourselves towards the next five-year cycle.



Ms P. De Lille, MP

Minister of Public Works and Infrastructure

OVERVIEW BY THE DIRECTOR-GENERAL



Let me take this opportunity to thank the entire workforce of the Department of Public Works and Infrastructure for the remarkable work done during the preceding performance cycle (2018/19). The Department has shown improvement in some of the programmes under the Property Management Trading Entity (PMTE), although a lot still needs to be done in order to have a fully fledged and properly performing property entity.

It is known that some of the biggest challenges facing our country are unemployment, poverty and inequality. In line with the President's economic stimulus and recovery plan, the PMTE remains focused on its objective to pragmatically contribute towards economic development, empowerment and transformation through the effective management of the lifecycle of the immovable assets of the State. The Department is therefore faced with the task of implementing the outlined initiatives to accelerate economic growth and the creation of jobs.

The 2019/20 performance cycle marks the end of Phase II of the Seven-Year Business Improvement Plan, setting the foundation for sustainability and growth with the operationalisation of the PMTE being at the centre of the plan. To date, the PMTE has managed to facilitate the development of GIAMA-compliant User Asset Management Plans (U-AMPs) for all of the 42 client departments over a five-year period. Going forward, the PMTE needs to critically reflect on its ability to meet our clients' accommodation needs.

In ensuring the adequate provision and management of functional and user-friendly accommodation for all client departments, the PMTE is continuously working

on improving service design to proactively respond to the clients' requirements for better efficiency and to ensure high returns on investments.

In the preceding financial year (2017/18), the PMTE completed 887 valuations and 623 feasibility studies and recommended various interventions identified to improve the performance of the property portfolio. The PMTE has prioritised the development of asset management and service delivery strategies with the objective of balancing the costs, opportunities and risks associated with the acquisition, development, deployment and disposal of State assets.

Through the Precinct Planning and Development Unit, the PMTE remains resolute in its commitment to contribute towards economic growth in small and rural towns. To this end, it has commenced with integrated planning for infrastructure that will support integrated services across different spheres of government. It is through this integrated plan that the PMTE will be able to facilitate improved community access and stimulate economic activity.

A Strategic Spatial Development Framework has been developed for a targeted selection of 40 urban and 40 rural municipal precincts. The objective of the framework is primarily to improve the planning of precincts, reducing delays in project inception and initiation as well as the development of small coastal towns. The PMTE has appointed a number of professionals on a contract basis, including an urban designer and town planning specialists, to lend more planning and managerial support for the development of packaged accommodation solutions.

The PMTE showed significant improvement in the construction and upgrading of various strategic infrastructure projects and in addressing the infrastructure backlog. However, under-expenditure was recorded at the beginning of the term owing to delays in the execution of some of the infrastructure projects after challenges with the awarding of projects and poor performance by contractors. In addressing this challenge, the PMTE is determined to focus on performance improvement in the current financial year.

One of the objectives of the PMTE is to increase the occupation of State-owned accommodation by reducing the vacancy rate in unutilised buildings by the end of financial year 2019/20. It is envisaged that in 2019/20 the letting of State-owned coastal properties will create over 1 000 stable jobs directly linked to approved projects in the same timeframe while further stimulating the creation of over 2 000 job opportunities through secondary activities linked to the identified projects. The PMTE continues to work closely with the Department of Planning, Monitoring and Evaluation to finalise a proposal document on Operation Phakisa: Oceans Economy, Small Harbours and Coastline Delivery Laboratory. It is our goal, through various stakeholder engagements, to attract investment in the newly identified small harbours and State coastal properties and pair investment proposals with municipal and provincial priority projects.

In providing reliable immovable asset information that informs investment decisions and portfolio management, the PMTE has embarked on a comprehensive programme to develop a complete and GRAP-compliant immovable asset register (IAR). The IAR will serve as the primary source of data for all property-related activities and as a core tool for the Department to effectively execute its mandate. Currently, the PMTE is in the process of creating a fully fledged GIS Unit in order to meet its business requirements and enable it to monitor all IARs through a single repository constituting a national database of the State's immovable assets.

It is worth mentioning that the maintenance and upkeep of State properties and facilities under our custodianship still remains a challenge. The PMTE has experienced difficulties in the last three financial years with regard to unscheduled reported maintenance incidents such as certification of work being done without physical verification and a high rate of calls per works manager. Further challenges were experienced in determining facilities with scheduled maintenance contracts. Our focus in the 2019/20 financial year will fall on resolving these challenges through an optimal contracting strategy and the regular and fast approval of capex works, among other things.

In line with South Africa's commitment to the United Nations Framework Convention on Climate Change (UNFCCC), we continue to contribute to the Green Building Programme through our Facilities Management Programme, which includes energy, waste and water management. With regard to energy savings, 9 429 buildings were retrofitted with energy-saving installations to ensure a reduction in energy consumption in an identified property portfolio.

In addressing all the highlighted challenges, the establishment of an HPC within the PMTE has been recommended as an immediate intervention to embed and accelerate the turnaround strategy on the ground, improving customer experience and delivering improved levels of service. This intervention intends to build a capable State in line with the turnaround strategy, moving the organisation from crisis management to enhanced, reliable operations supported by appropriate oversight, monitoring and reporting systems.

Key components of the intervention include continuous oversight and monitoring of identified portfolios and projects, augmented by the deployment of a skilled and experienced assurance team to projects in distress to assist with recovery and, in extreme circumstances, provide interventions. Immediate dashboard implementation will provide regular oversight, coordination, monitoring and quality assurance of projects and processes of the PMTE. This will strengthen management controls and reporting capacity and improve the quality and productivity of service delivery. The HPC intervention will commence in February 2019 and extend to 31 March 2020, after which its duration will be reviewed based on progress achieved by that time.

The operationalisation of the PMTE as a fully fledged entity can only be achieved once key efficiency drivers such as the systems, business processes and people skills have been fundamentally revised and enhanced to support the new operating model of the PMTE. A uniform strategy will be followed to professionalise the PMTE through:

- The creation of skills to drive the performance of property management nationally;
- The continued implementation of young professionals and artisan trainee development initiatives to build capacity for the Construction and Facilities Management areas;
- Offering specially designed courses and practical and professional training with partners such as SAPOA, HEI and IREM;
- Addressing the suitability of education, training and development, adherence to legislation, audit results, effective performance management and effective partnerships; and
- Addressing acute shortages of professional and business skills through the Public Works Academy.

Lastly, the preceding audit performances must be viewed not in isolation but in the context of the turnaround plan of the Department that is currently being implemented to operationalise the PMTE.

“Let us join hands in building a better South Africa for all through Public Works”



Advocate S. Vukela

Director-General

Minister of Public Works and Infrastructure

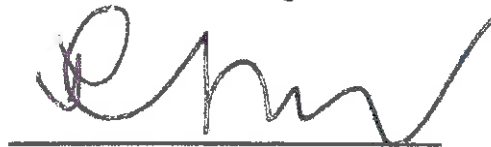
OFFICIAL-SIGN OFF

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 P. De Lille, in line with the 2015-2020 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 2019/20 financial year.

Mr I. Fazel
Governance, Risk and Compliance

Signature:



Acting Head of the Property Management Trading Entity
Mr J. Maroga

Signature:



Chief Financial Officer
Property Management Trading Entity
Mr M. Sithole

Signature:



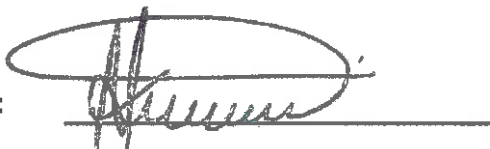
Adv. S. Vukela
Director-General
Department of Public Works and Infrastructure

Signature:



Ms N. Kiviet, MP
Deputy Minister
Department of Public Works and Infrastructure

Signature:

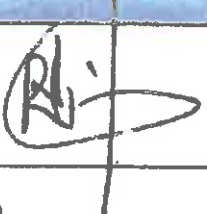
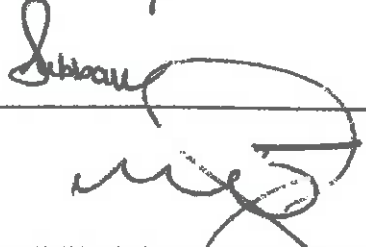
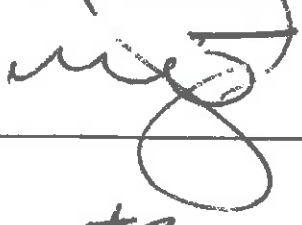







Approved by:

Ms P. De Lille, MP
Minister
Department of Public Works and Infrastructure

Signature:



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

ACRONYMS

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
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

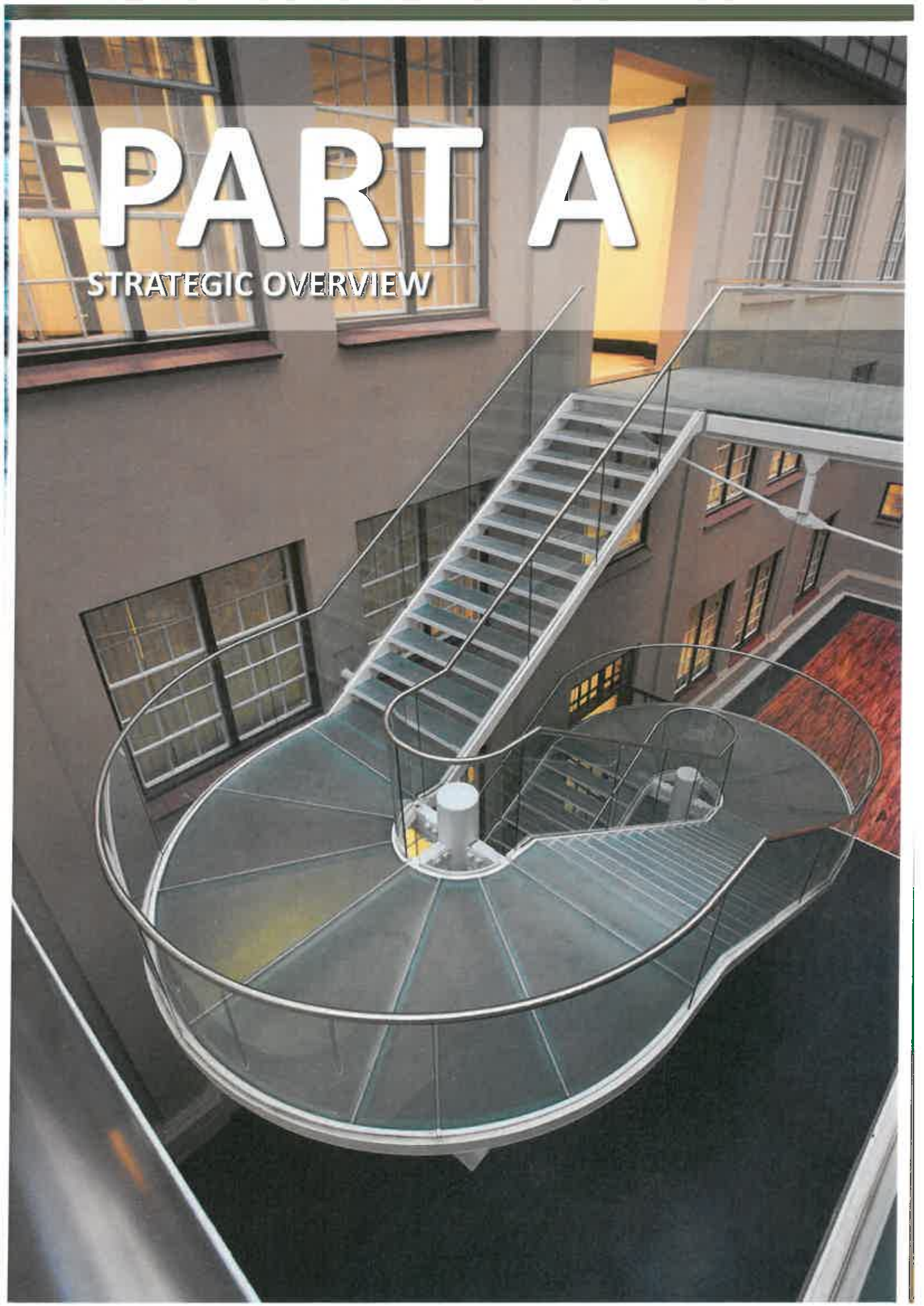
ACRONYM	FULL DESCRIPTION
EMP	Energy Management Plans
ENE	Estimates Of National Expenditure
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
EXCO	Executive Management Committee
FDC	Fisheries Development Corporation
FM	Facilities Management
FTE	Fulltime Equivalent
FY	Financial Year
GBCSA	Green Building Council of South Africa
GC	Government Component
GDP	Gross Domestic Product
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 And Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plan
IDT	Independent Development Trust
IGR	Intergovernmental Relations
IKS	Indigenous Knowledge System
IPAP	Industrial Policy Action Plan
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
IP-VPN	Internet Protocol Virtual Private Network
ISS	Intenda Solution Suite
IT	Information Technology
LAB	Land Affairs Board
LOGIS	Logistical Information System
M&E	Monitoring and Evaluation
M&V	Measurement and Verification
MDG	Millennium Development Goal
MINTOP	Minister and Top Management
MIS	Management Information System
MOU	Memorandum of Understanding

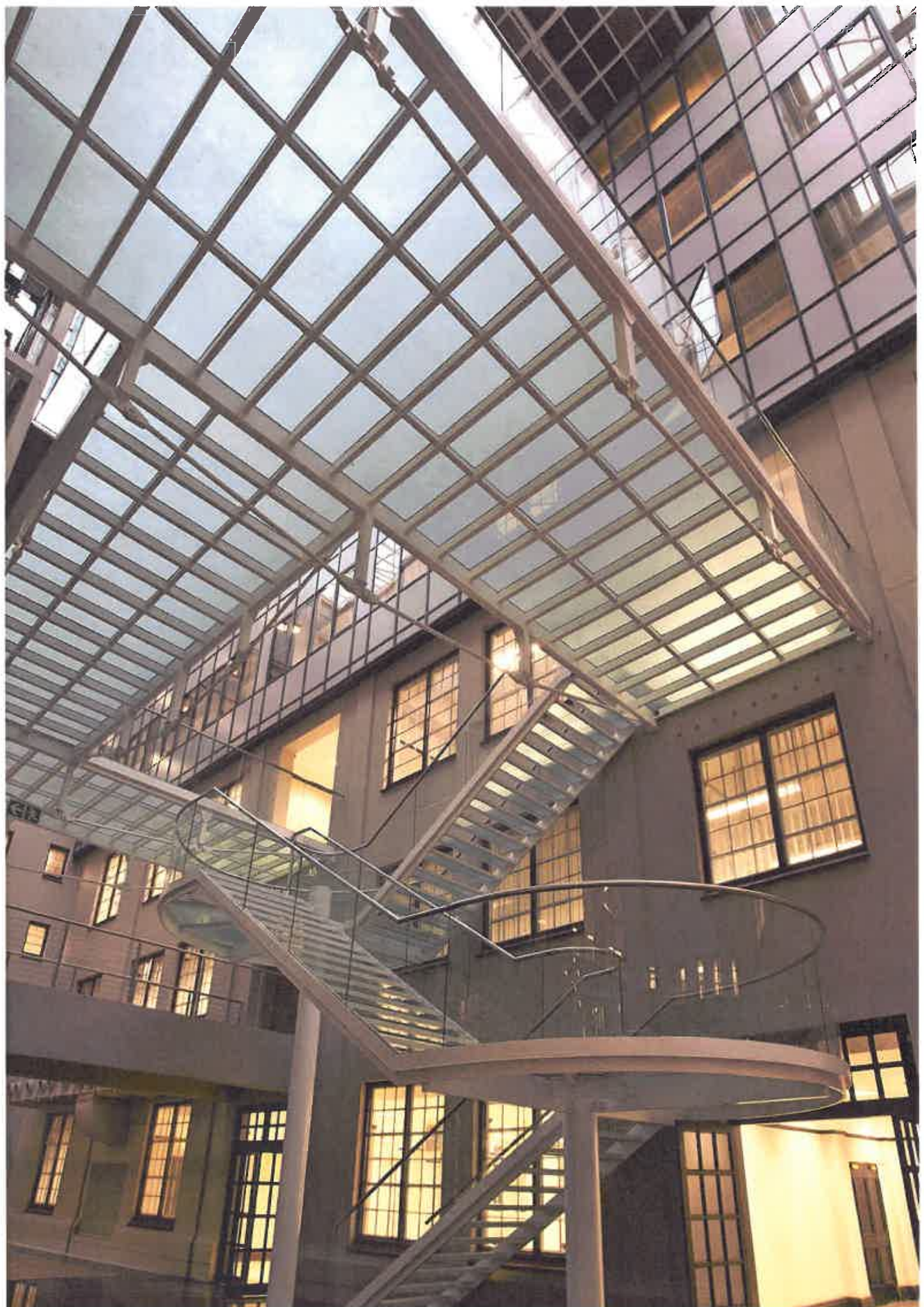
ACRONYM	FULL DESCRIPTION
MTBPS	Mid-Term Budget Policy Statement
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NDPWI	Department of Public Works and Infrastructure
NGP	New Growth Path
NIAMM	National Immovable Asset Maintenance Management
NIMS	National Infrastructure Maintenance Strategy
NIP	National Infrastructure Plan
NLA	National Laboratory Association
NT	National Treasury
OFSP	Operationalisation and Financial Sustainability Programme
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
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

ACRONYM	FULL DESCRIPTION
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 and Infrastructure
TAU	Technical Assistance Unit (renamed Government Technical Advisory Centre)
ToR	Terms of Reference
TR19	Treasury Regulation 19
U-AMP	User Asset Management Plan
UCM	User Charges Model
UDM	User Demand Management
UIF	Unemployment Insurance Fund
VPN	Virtual Private Network
WBS	Web-Based Reporting Systems
WCS	Works Control System
WMU	Water Management Unit
WSP	Workplace Skills Plan

PART A

STRATEGIC OVERVIEW





1. VISION

Convenient access to dignified public services.

2. MISSION

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

3. VALUES

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

The values of the Property Management Trading Entity (PMTE) 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 being bound by old, non-functional or limiting structures, rules and practices
- **Integrity:** by consistently honouring our commitments and 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 to expectations
- **Accountability:** by discharging our duties in a responsible manner in compliance with the relevant laws
- **Results-orientated:** by knowing what results are important and focusing resources to achieve them
- **Teamwork:** by respecting diversity while sharing a common purpose and working together in cooperation with each other

4. STRATEGIC OUTCOME-ORIENTED GOALS

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

- 4.1. In its Strategic Plan, the PMTE identified seven strategic outcome-oriented goals that define its direct service delivery responsibilities. The eight strategic outcome-oriented goals are as follows:
- i. To support service delivery in a smart, proactive and business-centric manner that is aligned to statutory requirements;
 - ii. To consolidate user demands that enable planning and budgeting;
 - iii. To increase the value of the State's immovable asset portfolio;
 - iv. To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government;
 - v. To meet user departments' accommodation requirements as per the approved Infrastructure Programme Implementation Plan (IPIP);
 - vi. To provide quality accommodation for and contribute to the financial sustainability of the PMTE;
 - vii. To provide reliable immovable asset information that informs investment decisions and portfolio management; and
 - viii. To ensure optimal performance of the State's immovable asset portfolio.

4.2 A detailed description of the strategic outcome-oriented goals follow in the tables hereunder.

Table 1: Strategic outcome-oriented goal 1

Strategic Goal 1	To support service delivery in a smart, proactive and business-centric manner that is aligned to statutory requirements
Goal Statement	Drive the Efficiency Enhancement Phase (Phase II) of the Turnaround Strategy of the PMTE to achieve full stabilisation and improve efficiencies for rebuilding the PMTE by 2020 in a compliant manner
Programme Name	Programme 1: Administration
Justification	The implementation of the Turnaround Strategy is a prerequisite for the performance of the PMTE and is based on the need to address critical and foundational aspects and immediate improvements in the manner that core programmes are supported
Links	<p>The National Development Plan (NDP) highlights the need for well-run and effectively coordinated State institutions with skilled public servants who are committed to the public good and capable of delivering consistently high-quality services, while prioritising the nation's developmental objectives.</p> <p>Finance and Supply Chain Management (SCM) functions are governed by the Public Finance Management Act 1 of 1999 (PFMA), Treasury Regulations, Generally Recognised Accounting Practice (GRAP), the Preferential Procurement Policy Framework Act 5 of 2000 (PPPFA) and Broad-Based Black Economic Empowerment (BBBEE) legislation</p>
Related Strategic Objectives	<ul style="list-style-type: none"> • To provide a compliant internal control and financial service • To provide a compliant 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 time. Planning for user departments' 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 the effective and efficient delivery of accommodation needs for the Department of Public Works (DPW) and user departments through construction and other infrastructure improvement programmes. This entails new construction, upgrades, additions and refurbishment of infrastructure over a five-year period.
Programme name	Programme 3: Construction Project Management
Justification	The NDP identifies infrastructure investment as a key priority for South Africa to support socio-economic transformation and to build a new level of economic resilience in an increasingly challenging global environment. Construction is key in the achievement of this national objective.
Links	Provide reasonable functional accommodation that facilitates the attainment of user departments' service delivery objectives as outlined in Outcome 12 (Sub-Outcome 4)
Related strategic objectives	<ul style="list-style-type: none"> • To develop detailed construction plans that direct the execution of construction projects • To ensure that construction programmes are implemented according to approved criteria

Table 6: Strategic outcome-oriented goal 6

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

Table 7: Strategic outcome-oriented goal 7

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

Table 8: Strategic outcome-oriented goal 8

Strategic Goal 8	To ensure optimal performance of the State's immovable asset portfolio
Goal statement	To ensure that immovable assets used by Government departments and the public are optimally utilised and maintained in a safe, secure, healthy and ergonomic environment, while contributing to job creation, skills development and poverty alleviation
Programme name	Programme 6: Facilities Management (FM)
Justification	Optimise the utilisation and performance of immovable assets under the custodianship of the Minister of Public Works through the implementation of a Maintenance and National Green Building Plan
Links	South Africa needs to invest in 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 buildings

Goals linked to the Medium Term Strategic Framework (2015-2020)

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

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

MTSF PRIORITY	NATIONAL OUTCOME	STRATEGIC OUTCOME-ORIENTED GOAL	PROGRAMME
Radical economic transformation, rapid economic growth and job creation ¹	12: An efficient and effective development-oriented Public Service ²	1: To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	Programmes 1, 2, 3, 4, 5, 6
	6: An efficient, competitive and responsive infrastructure network ³	2: To consolidate user demands that enables forward planning and budgeting 3: To increase the value of the State's immovable asset portfolio	
	4 : Decent employment through inclusive economic growth ⁴	5: To meet user department accommodation requirements as per the approved Infrastructure Programme Management Plan (IPMP)	
	5: A skilled and capable workforce to support an inclusive growth path ⁵	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 security ⁶	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 5: To meet user department accommodation requirements as per the approved IPMP	Programmes 2, 3, 5, 6
	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 and Infrastructure, 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	Chapter 6: An integrated and inclusive rural economy
National Outcome	Outcome 7: Comprehensive rural development
Sub-Outcome 1	Improved land administration and spatial planning for integrated development in rural areas ^a
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 a spatially marginalised poor section of the population resulted in people living far from job opportunities and major services. Rural development is a cross-cutting mandate that requires significant institutional involvement for maximum impact. The Planning and Precinct Development Programme in particular ensures integrated planning of infrastructure and urban efficiencies by aligning and consolidating Government services to reduce cost associated with accessing public services, particularly by those who live in remote areas. In addressing this need for integration, the Draft National Spatial Framework (2018) identifies a hierarchy of urban cores, rural-urban anchors and networks of well-connected small service centres that will ensure good access to social services for 90% of the South African population and strengthen and support nodes of consolidation and economic activity within growing nodes. The urban cores, rural anchors and service towns that have been identified in the National Spatial Development Framework align to the targeted cities, towns and villages from the Strategic Framework of the PMTE where government precincts will be developed. The role of the PMTE is to unlock the potential of its collective asset base in these urban cores, rural anchors and small service centres to stimulate the local economy in meeting the accommodation requirements of its user departments. The role of the National Spatial Development Framework is to align place-based strategies and 20-year infrastructure master plans that will be developed across all sector departments in the built environment.
MTEF Budget	R282 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)

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

Table 11: Building a capable and developmental State

NDP Chapter & MTSF	Chapter 13: Building a capable and developmental state
National Outcome	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 Custodian Asset Management (C-AMP) and the U-AMP as principal strategic planning instruments, the PMTE provides accommodation to user departments that promotes integration, accessibility, sustainability, environmental sensitivity, economic growth and social empowerment.
MTEF BUDGET	The PMTE medium-term budget allocation is R45.5 billion (user departments' capital budget, repair and maintenance, cleaning and gardening, private leases, rates and taxes) and R48.2 billion including DPW: Capital.
Related performance indicators	<ul style="list-style-type: none"> • Percentage of infrastructure projects completed within approved budget • Percentage of infrastructure projects completed within agreed construction period • Number of private leases reduced within the security cluster • Percentage reduction of backlog in infrastructure projects

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

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

Table 12: Small Harbour Development

NDP Chapter & MTSF	Chapter 4: Economic infrastructure
National Outcome	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 redevelopment of existing small harbours and the construction of new harbours in order to stimulate South Africa's maritime economy. The PMTE intends developing a Small Harbours Authority that will be the one-stop shop accountable for small harbours. The development of these harbours for economic development will contribute to job creation, radical socio-economic transformation, SMME empowerment and progressive revenue generation.
MTEF Budget	R76.9 million – over MTEF period
Related performance indicators	<ul style="list-style-type: none"> Number of work opportunities created through the letting out of State coastal properties and small harbours

Table 13: Energy Saving

NDP Chapter & MTSF	Chapter 5: Environmental sustainability
National Outcome	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	In line with the principles of the Sustainable Development Goals (SDGs) and the requirements of the National Climate Change Strategy (NCCS), the PMTE has an obligation to reduce the greenhouse gas emission profile of the Government property portfolio. Further to this obligation, towards meeting the requirements of the National Development Plan, National Energy Efficiency Strategy (NEES), National Waste Management Act, and National Water Act, the PMTE has initiatives in place to ensure resource efficiency in Government's immovable asset portfolio, including reducing its reliance on fossil fuel-based energy such as electricity and reducing the demand on the national electricity grid. The PMTE will prioritise energy and water efficiency, waste recycling and the use of renewable energy in the operation of its facilities. In addition, all future construction and refurbishment projects should be aligned to the DPW's Green Building Policy.
MTEF Budget	R66.7 million – over MTEF period
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

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

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

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

Table 14: Water management

NDP Chapter & MTSF	Chapter 5: Environmental sustainability
National Outcome	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 provide awareness of water saving and utilising water-saving devices at workplaces and other institutions in line with the Green Building Policy. The PMTE, mainly through its Facilities Management Division, 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 aligned to the utilities management interventions of the PMTE.
MTEF Budget	R86.7 million - over MTEF period
Related performance indicators	<ul style="list-style-type: none"> Reduction in water consumption (kilolitres) in identified property portfolio

Table 15: Transforming human settlements

NDP Chapter & MTSF	Chapter 8: Transforming human settlements and the national space economy
National Outcome	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 hand. 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, Cooperative Governance and Traditional Affairs to integrate infrastructure plans and ensure maximum impact.
MTEF Budget	-
Related performance indicators	<ul style="list-style-type: none"> Percentage of responsive disposal requests processed by 31 March Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer

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

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

5.3 Policy directives emanating from the State of Nation Address (SONA)

5.3.1.1 *Unlocking employment opportunities in line with EPWP*

The implementation of the EPWP contributes towards the construction and maintenance of infrastructure while promoting the creation of work opportunities through the use of labour-intensive methods. In doing so, the PMTE applies the guidelines of the Department of Public Works that cover the identification, design, and production of tender documentation for labour-intensive projects. There will be a strong emphasis on efficiency, cost-effectiveness and quality of products when using labour-intensive construction methods. The work will be carried out using an appropriate mix of labour and machines. Contractors will be allowed to use machines for construction activities where it is not technically or economically feasible to use labour. All the work will be carried out according to the normal industry quality standards. Partnerships between large contractors and emerging contractors will be used during the Large Projects Programme and can be used as an exit strategy for the Vuk'uphile Programme. The PMTE will also prioritise the implementation of the National Youth Service Programme aimed at recruiting youth (between 18-35 years) and training them on artisan trades in the built environment. The one-year training programme consists of six months' theoretical training and six months' practical training.

The focus over the MTEF will be to increase the emphasis on labour-intensive construction projects and on the monitoring and reporting of work opportunities, based on a clear methodology in order to reduce audit queries. In order to comply with the Basic Conditions of Employment Act, 1997 and Ministerial Determination 4: EPWP, the PMTE will place more emphasis on the compilation of construction documentation and conditions of contracts.

5.3.1.2 *Re-industrialise / Stimulate manufacturing*

This priority relates to the strategic use of incentives and other measures as well as a localisation programme for products designated for local manufacturing, such as clothing, furniture, water meters etc., via our public procurement interventions. The SCM Policy and internal directives as issued were designed to

ensure local beneficiation and enforce mandatory sub-contracting to people within designated groups. Further, Panels for Professional Service Providers (PSPs), the Contractor Incubator Programme (CIP), the Property Incubator Programme (PIP) and Total Facilities Management (TFM) were identified as a means of contributing to the Industrialisation Programme.

To attain and enforce what has been prescribed in the SCM Policy in respect of local beneficiation and mandatory subcontracting to designated groups, a target has been set for preferential procurement that is reportable on a quarterly basis for implementation and monitoring. Furthermore, the Consolidated Procurement Plan (CPP) of the Department is being used to leverage the procurement spend to advance the designated groups through targeted procurement/prequalification and mandatory subcontracting. All procurement transactions, depending on the applicable threshold(s), are executed with the mandatory requirement of subcontracting to designated groups and/or targeted/prequalification procurement from the designated groups. The establishment of Panels of PSPs is well under way, with the advertising having been completed. The evaluation and adjudication of responses is still in progress. Three professional disciplines have been awarded and are ready for full-scale implementation.

In terms of future plans to advance the localisation programme for products designated for local manufacturing, the PMTE will be establishing term contracts for furniture, with three commodities having been identified in this regard. The term contracts will be subjected to mandatory local content and production requirements as prescribed by the Department of Trade and Industry (the dti) and National Treasury (NT). This mandatory requirement will be taken further in the built environment with the insistence that when bills of quantities are prepared, the mandatory requirements for local content and production must be implemented to attain the goals contained in the localisation programme for products designated for local manufacturing. Within the Prestige environment there is a contract in place to procure furniture within the thresholds of local content and production.

5.3.1.3 Investment in SMME incubation: Small businesses, co-operatives and township enterprises

The rising demand for infrastructure and service delivery can be directly translated into growth opportunities that, once coupled with transformation initiatives, provide unlimited possibilities for an infrastructural and economic awakening across South Africa and the continent. Transformation and small, medium and micro-sized enterprise (SMME) development play a critical role in building, advancing and innovating the industry. Development in South Africa cannot happen without it; growth cannot happen without it; socio-economic paradigm shifts cannot happen without it; and poverty cannot be reduced without it. The priority relates to supporting black industrialists to build a new generation of black and women producers who are able to build enterprises of significant scale and capability, using competition policy to open markets to new black entrants as well as investing in the development of township and rural enterprises. The PMTE is cognisant of the impact that its procurement practices have on economic transformation, job creation and the lives of millions of people across South Africa. The PMTE supports this through the full implementation of the Preferential Procurement Regulations (PPR) 2017, largely to effect targeted procurement through a prequalification process for procurement from designated groups and/or mandatory subcontracting to designated groups in bids that are above a prescribed threshold.

An SCM policy has been implemented that institutionalises preferential procurement with respect to all procurement transactions. The PPR 2017 provides for a mechanism to empower/enable opportunities for designated groups and small, medium and micro-sized enterprises (SMMEs) through the PMTE's procurement spend. To that end the PMTE enacted a directive that implemented the PPR 2017 with a distinct purpose that included setting a framework to direct and guide preferential procurement initiatives in the procurement value chain to ensure consistency and compliance with the legislative requirements as articulated in the PPPFA, Act No. 5 of 2000; the institutionalisation of preferential procurement from qualifying service providers to promote inclusive economic growth that is consistent with the strategic intent of the PMTE with regard B-BBEE participation and transformation as defined in the PPPFA and PPR 2017; and the formalisation of the setting of annual preferential procurement goals, monitoring and evaluation, and reporting thereof by the PMTE. The

Consolidated Procurement Plan (CPP) is a tool that is used to facilitate the execution of the set targets and the monitoring and reporting thereof on a monthly basis to the management structures of the Department. Going forward, the PMTE will set specific targets for SMMEs, women, the youth, people with disabilities, township and rural enterprises, military veterans and cooperatives. The nuance of the intervention is to implement the PPR 2017's mandatory requirement to sub-contract 30% of all transactions worth R30 million and more, and specifically to set aside 30% of all procurement to the designated groups, i.e. small business, co-operatives, and township and rural enterprises. More than 70% of transactions within the quotation environment were awarded to service providers that fall within this category, hence the 30% target has been exceeded. In pursuance of the PMTE's empowerment agenda, all services will designate 30% of their planned procurement spend towards empowering small businesses, cooperatives, and rural and township enterprises.

The PMTE is in the process of finalising an Acquisition and Disposal Framework which will allow for the preferential allocation of leased-out properties to black-owned as well as to women and youth-owned companies. This will include the appointment of previously disadvantaged property agents, preferably women, to manage and let out surplus residential state-owned property. Working with National Treasury, the PMTE will also increase opportunities for black-owned companies in the leasing in of accommodation from the private sector by creating a database of landlords which will be utilised by both National and Provincial Departments of Public Works in order to ensure alignment within the sector. This will also be used as a tool to implement the recently approved Property Empowerment Policy of the Department.

The Contractor Incubator Programme policy and guidelines were approved by the Director General in December 2015. The inclusive Contractor Incubator Programme (CIP) was established, within which both the Contractor Incubator Programme (CIDB grades 3-6) and the Vuk'uphile Learnership Programme (CIDB grades 1-2) will be implemented. It is geared at enhancing capacity, promoting equity ownership across the different contracting categories and grades; and improving skills and performance in the delivery of capital works across the public

sector. The mentorship for CIP will be provided in the form of technical mentorship, support during the implementation of projects, and business management mentorship, where support will be provided with the day-to-day operations of mentees' businesses to ensure growth and sustainability. The Programme will be for a duration of three years for contractors within civil engineering, general building, SH (landscaping, irrigation and horticultural works), and SQ (precast concrete, security fencing or steel security fencing). The Department has targeted a total panel of 297 contractors for development across all the regions. A task team has been established to finalise the advertisement and to identify projects to be ring-fenced for the programme prior to publicising the advert to the public. Training and mentoring of the emerging contractors as part of the CIP will be implemented in the 2019/2020 financial year.

5.3.1.4 Addressing the spatial inequalities in the country as reflected in small towns and rural areas

Addressing the spatial inequalities in the country as reflected in townships and rural areas is essential to improving the lives of people. Most countries are made up of two distinct geographic areas, one rural, one urban. But South Africa's landscape also includes other settlement types which makes for large, underdeveloped communities with working-age people desperate for economic opportunities yet spatially disconnected from urban centres that offer better economic prospects. The Rural Precinct Development Programme aims to re-address spatial imbalances by integrating Government infrastructure and supporting economic development through infrastructure development in targeted municipalities that are aligned with NDP priorities. To this end, a Strategic Spatial Framework was developed by the PMTE that spatially targets cities and towns in urban and rural areas to ensure the most effective use of Government funding in the development of Government precincts, thereby addressing the challenges of poverty, inequality and unemployment. The Framework embodies a criteria matrix which was used to select 20 large cities, 14 large rural service centres and 37 service towns. The service towns are situated in the 27 poorest district municipalities as defined by the Department of Rural Development and Land Reform (DRDLR). The precincts are in various stages of planning in 20 cities and towns across the country.

5.3.1.5 Resolving short- and long-term energy challenges

Following the approval of the Public Works Green Building Policy, the PMTE is in the process of undertaking policy advocacy and increasing intergovernmental cooperation and the alignment of programmes aimed at resource efficiency in Government buildings. Working in partnership with other Government departments and entities, the PMTE has commenced with establishing local and international support for the delivery of energy and water efficiency, including waste management, as a contribution to a circular economy. In order to create an enabling environment for achieving policy objectives and the principles of sustainable building, the PMTE is working on various interlinked work streams with the Department of Energy (DoE), the Department of Environmental Affairs (DEA), the Department of Water Affairs and Sanitation (DWAS) and the Department of Science and Technology (DST). These work streams include the development of the Super Esco (Resource Efficiency Services function) Business Plan, the design of flagship projects and the establishment of financial, contractual and technical arrangements for project implementation with the Government Technical Advisory Centre (GTAC).

Whilst particularly focusing on resource efficiency, the Green Building intervention further contributes towards climate change mitigation actions whilst ensuring income revenue for the PMTE. These programmes are geared towards achieving socio-economic imperatives such as the creation of green jobs, SMME development, local manufacturing, research and development (R&D) and the increased usage of smart technologies by incorporating, for instance, building management systems in new facilities.

Particular objectives of these interventions are:

- To start a process to ensure that the Government property portfolio is ready to contribute towards Energy Transition 4.0, a clean and sustainable energy paradigm linked to the Fourth Industrial Revolution (Industry 4.0);
- To contribute towards resolving the water efficiency challenge; and
- To establish institutional arrangements to ensure the required capacity to meet resource efficiency and contribute to the reduction of greenhouse gas emissions in Government-owned immovable facilities.

Following the intention to structure a mechanism for the delivery of renewable energy in the past financial year, the PMTE, in partnership with the DBSA, has finalised the development of a renewable energy funding and delivery mechanism covering financial, legal and technical requirements. This mechanism is scheduled for implementation as from 2019/20. The key work stream in the development of the strategy was to assess Government-specific facilities and the best capital-raising model for looking into project preparation and guaranteeing funding from various local and international institutions such as the Green Climate Fund (GCF) to enable improved Broad-Based Black Economic Empowerment (BBBEE) participation through the use of power purchase agreements and private-public partnership (PPP) models.

The implementation of indigenous knowledge systems (IKS) in the Government portfolio as part of Green Building continues to be part of an integrated approach to sustainable building. The concept of IKS is an ancient model in African societies to ensure environmental sustainability in the manner in which buildings are constructed whilst also ensuring the affirmation of the cultures and heritage of indigenous communities and the regions within which buildings stand. As part of this commitment, two projects incorporating IKS principles have been developed, namely the Sara Baartman Centre of Remembrance Museum and the Grahamstown English Literary Museum, the name of which will be changed to the Grahamstown Literary Museum.

5.3.1.6 Promoting water use efficiency through water conservation

Government has started a massive campaign to reduce the high levels of losses in the country's water distribution system. The country is approaching the full utilisation of available water resources. Further water augmentation schemes will be costly and are likely to be detrimental to the environment. There is a need for strategic change in the use and conservation of water resources. Water is a precious resource that has to be used as efficiently as possible before considering any new water resources development. The PMTE's Water Efficiency Programme contributes towards reducing water wastage across the Government portfolio.

In 2017/18, the Water Efficiency Programme, implemented through a shared water savings contract model, saved 10.5 million kilolitres on Government-

owned properties. This was achieved through the implementation of water conservation/water demand management interventions on priority (high water demand) facilities. To further enhance the programme, the PMTE will give attention to the review of the current (outdated) shared water savings contracting model in favour of an improved water performance contracting (WPC) model through the design and implementation of the Super Esco model. This will form part of the alignment of utilities management contracts to reflect the PMTE's revenue enhancement and business transformation requirements.

The PMTE will continue engaging with Government departments to participate in skills development for the youth in the built environment. One such initiative that the PMTE will participate in is the 'War on Leaks' Programme led by the Department of Water and Sanitation. The PMTE will create opportunities for prospective water agents, artisans and plumbers to participate in facilities management projects to acquire the practical experience they require to graduate.

5.3.1.7 Waste management

The PMTE has conducted an analysis of the current condition of its water and waste water treatment plants for the blue and green drop requirements through condition assessments. The condition assessments were conducted for 51 water treatment facilities in 9 regions and 82 waste water treatment facilities in 11 regions. The blue and green drop improvement plans were completed for further implementation based on recommendations to successfully achieve the full blue and green drop requirements as stipulated by water and sanitation regulations.

5.3.1.8 Ocean Phakisa: Oceans Economy Strategy

Operation Phakisa represents the new spirit of moving faster in meeting Government's targets. The South African Government's starting point was that South Africa is surrounded by a vast ocean of which it has not fully taken advantage. The country's 2 800 km of coastline already supports many communities and businesses but the potential to increase and improve yields is enormous. The oceans have the potential to contribute up to 177 billion rand to the gross domestic product (GDP) and create just over one million jobs by 2033. At the moment, there are more than 300 businesses leasing state-owned land in sectors ranging from mining, farming and fishing

to logistics, leisure and retail. The PMTE aims to increase these opportunities in partnership with other national government departments such as National Treasury, the Department of Agriculture, Forestry and Fisheries, the Department of Environmental Affairs, provincial governments, district municipalities and local municipalities.

The Small Harbours, State Coastal Property Development and Special Projects convened the Operation Phakisa Small Harbours Development Mini-Lab in November 2018 with the following key work streams:

- Development of three new harbours, one each in the Northern Cape, Eastern Cape and KwaZulu-Natal;
- Redevelopment of the current small harbours and maritime infrastructure;
- Integrated approach in the development of sector departments and the private sector within the small harbours;
- Establishment of the Small Harbours Development Authority; and

- Development of initiatives for socio-economic impacts in and around small harbours, including job creation, SMME empowerment, localisation, enterprise development and maritime intellectual property.

The outcome of the Small Harbours Development Mini-Lab will be the development of costed three-foot plans (implementation plans) that will allow the Department to adopt a forward-thinking approach to the development of harbours. The Small Harbours Development Mini-Lab will further integrate the proposed initiatives of all other government departments to allow for the development to happen in an integrated manner, with the DPW having complete oversight of the harbours and how they are developed. The establishment of the Small Harbours Development Authority will allow for an entity to be created which can manage the harbours holistically, similar to the Transnet National Ports Authority (TNPA).

6. LEGISLATIVE AND OTHER MANDATES

There have been no significant changes to the legislative and other mandates presented in the Five-Year Revised Strategic Plan. 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 offered by 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 pieces of legislation described below.

- i. The Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), aims to ensure competent immovable asset management in National and Provincial Government in order to improve service delivery.
- ii. The Construction Industry Development Board Act, 2000 (Act No. 38 of 2000), provides for the establishment of the Construction Industry Development Board (cidb) and for the implementation of an integrated strategy for the reconstruction, growth and development of the construction industry and other matters connected thereto.
- iii. The Council for the Built Environment Act, 2000 (Act No. 43 of 2000) makes provision for the establishment of a juristic person known as the Council for the Built Environment; the composition, functions, powers, assets, rights, duties and financing of that Council; and matters connected thereto.

- iv. The Professional Council Acts regulate the six built environment professions to organise these professions to serve the imperatives of Government, including transformation, public protection and good governance.
- v. The Agrément South Africa Act, 2015 (Act No. 11 of 2015) establishes Agrément South Africa (ASA) as a juristic person and makes the Public Finance Management Act, 1999 applicable to it. ASA is mandated, among other things, to evaluate the fitness-for-purpose of non-standardised construction-related products or systems for use in the construction industry, for which no national standard exists. The legislation will come into operation on a date to be proclaimed by the President.
- vi. The Public Finance Management Act, 1999 (Act No. 1 of 1999) promotes the objective of good financial management to maximise service delivery through the proficient use of limited resources.
- vii. Other Acts placing specific responsibilities on the PMTE are listed in Annexure A.

6.3 Policy mandates

The PMTE's policy mandates, which derive largely from the directives of the Department of Public Works, pertain to the below.

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

This 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 with a 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)]

This 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 facilitate the 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 (BBBEE) targets, 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 and 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, to:

- promote economic transformation in the property sector to enable the 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 enhance basic infrastructure, encourage investment and support 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, inter alia, promoting sustainable development; reducing greenhouse gas emissions; promoting energy efficiency; and stimulating new green industries.

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 ordered 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. After the eviction order had been granted the matter was resolved between the parties. The Department paid the outstanding rental owed and tendered the legal costs of the applicant. The Department currently occupies the applicant's premises.

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

7. UPDATED SITUATIONAL ANALYSIS

7.1 External environment

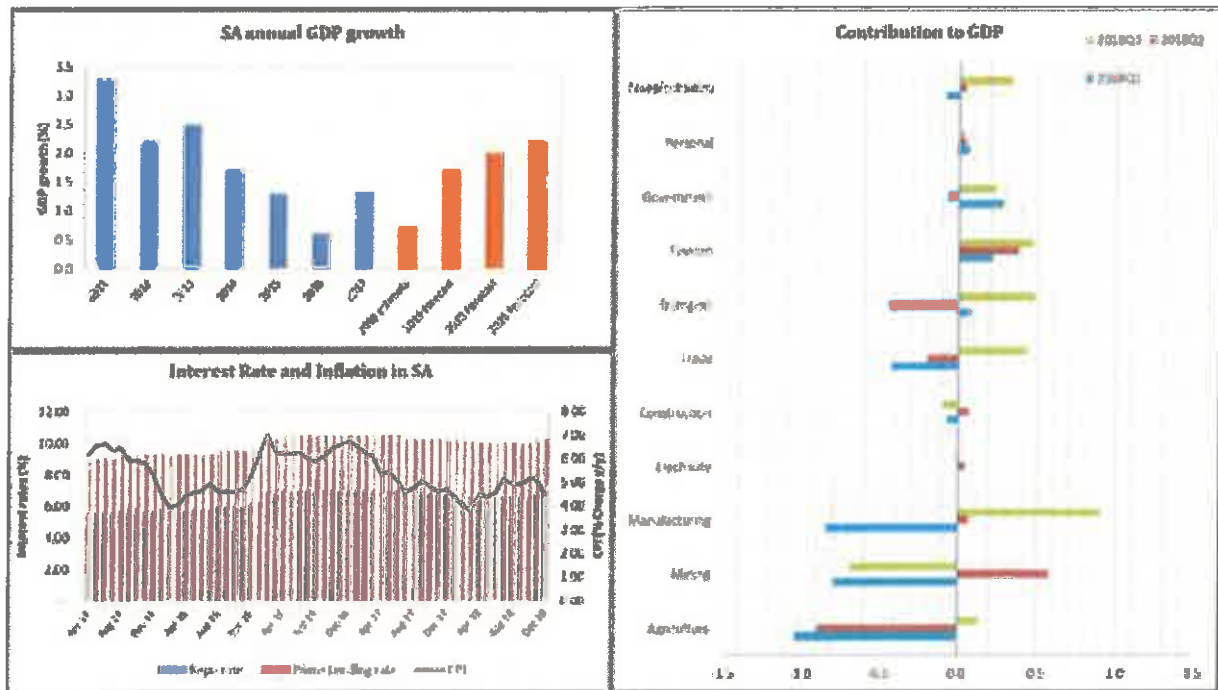
7.1.1 Economic Overview

The world economy experienced a weakening in its expansion in 2018. The International Monetary Fund (IMF) estimates global growth for 2018 at 3.7%. The world economy is expected to grow at 3.5% in 2019 and 3.6% in 2020. These forecasts have been revised downwards in the last two quarters, indicating negative risks to global growth. The growing trend of trade protectionism in developed countries is amongst the factors attributable to the forecast risk being on the negative side.

2018 has been a tough year for South Africa, with a decline in GDP recorded in the first two quarters of the year. Although the third quarter registered a relatively good growth figure, it was not enough

to realise the earlier growth forecasts for 2018. The reserve bank's latest GDP estimates for 2018 suggest that growth for the year might be 0.7%, which is about half of the growth rate estimated when the year began. The primary sector struggled, with the agricultural sector contributing the least to growth in the first two quarters of the year, as shown in the charts below. Rising fuel costs also added a significant burden on consumers. The secondary sectors of the economy, namely electricity generation, construction and manufacturing, also experienced difficulties in the first two quarters. As shown in the charts below, the Reserve Bank forecasts positive growth figures for the country in the next three years – although relatively small.

Figure 1: South Africa's GDP, interest rate and inflation



Threats of inflation led to the Reserve Bank increasing interest rates, despite earlier reductions in the year. Consumer price inflation (CPI) remained mostly within the targeted band for the year, measuring 4.5% (year-on-year) in December 2018. The producers' price index (PPI) was higher for most of the year, mainly due to the higher prices of coke, petroleum, chemical, rubber and plastic products. The IMF reported an average price estimate for oil at \$60 per barrel for 2019, which is lower than its earlier forecasts of \$69

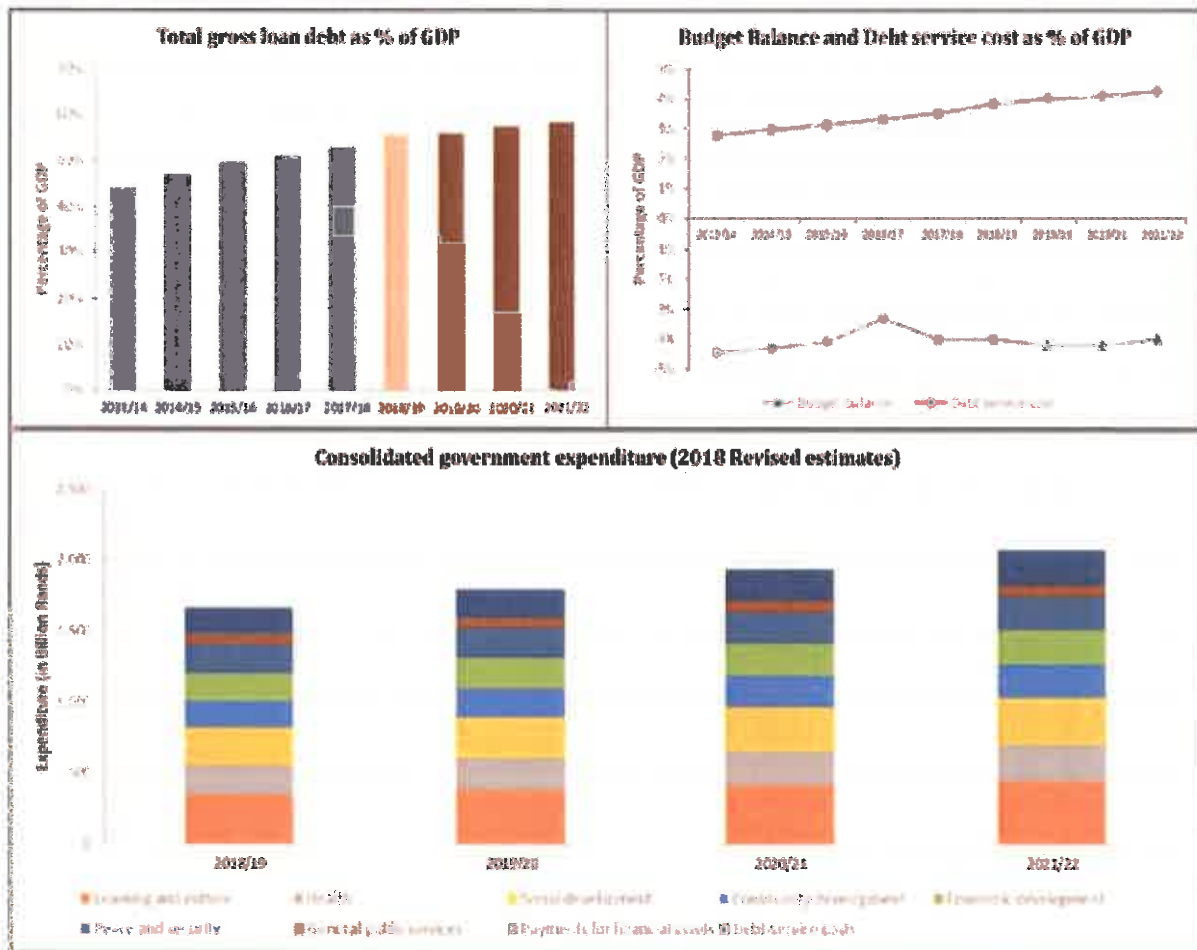
and \$66. The reduced oil prices, coupled with the recently strengthened rand, are a positive indicator for achieving low inflation in South Africa.

The low growth poses a huge constraint to the already compromised fiscal base. As shown in the charts below, using data provided by the National Treasury, the Government budget has been in deficit now for an extended period of time. For the period from April to December of the 2018/19 financial year (year to date),

revenue has grown by 8% when compared with the same period of the previous year, whilst expenditure grew by 5% in the same period. Although the growth in revenue outweighed the expenditure growth, the State still had a deficit of R163.1 billion, which had to be financed through debt. Total loan debt has been

growing over the past few years and is projected to reach 55.8% by the end of the 2018/19 financial year. For the first three quarters, debt-service costs amounted to 10.6% of total expenditure, and this figure is estimated to grow at an average of 10.9% per year over the medium term.

Figure 2: Budget deficit and government debt



The charts above also show Government expenditure across various sectors of the economy for the 2018/19 financial year, as per the revised budget estimates. Education (learning and culture) has the highest share of the budget, a trend expected to continue into the medium term. Social Development and Health are the other large expenditure items, followed by Peace and Security. Given the various spending pressures resulting from wage agreements, policy priorities and various funding needs required by State-owned entities (SOEs), the State is still faced with a serious fiscal problem – that is, multiple high-priority spending needs with a limited revenue base.

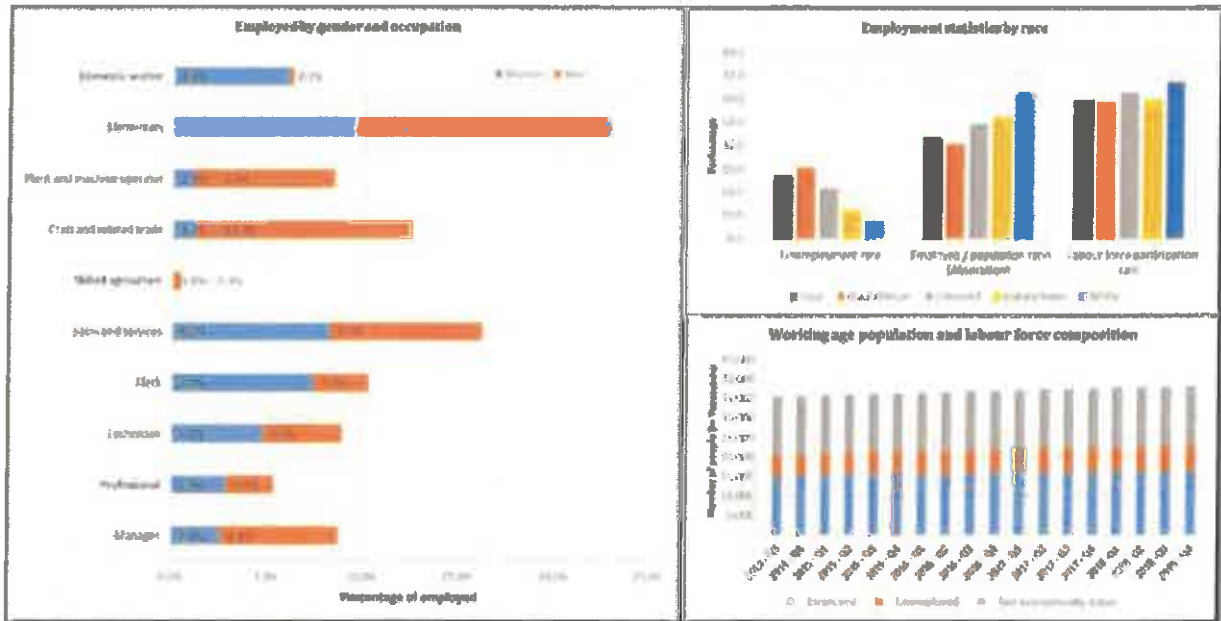
7.1.2 Labour Market Perspective

According to Statistics South Africa (StatsSA), 16.5 million people were employed as at the end of the fourth quarter of 2018. This is a 0.9% increase in

employment when compared to the third quarter of 2018, but 2.2% when compared to the third quarter of 2017 (year-on-year growth). Although employment increased, the unemployment rate measured 27.1% as at the end of the fourth quarter, which is below the rate of 27.5% seen in the fourth quarter of 2017. This shows that the increase in employment over the year was not enough to cater for the overall increase in the economically active. Compared to a year ago (2017Q4), the number of discouraged job seekers increased by 303 000. This increase can lead to an understatement in the unemployment rate, as the discouraged job seekers are regarded as not being economically active whilst they would work given a job. However, they have given up looking for one, mostly due to a prolonged period of searching. The bottom right chart below shows the working age population (aged 15-64 years), which is composed of the labour force (employed and unemployed) and the

economically inactive. Key labour market statistics by race are shown on the top right chart. The chart on the left shows the composition of employed people by gender and occupation for the third quarter of 2018.

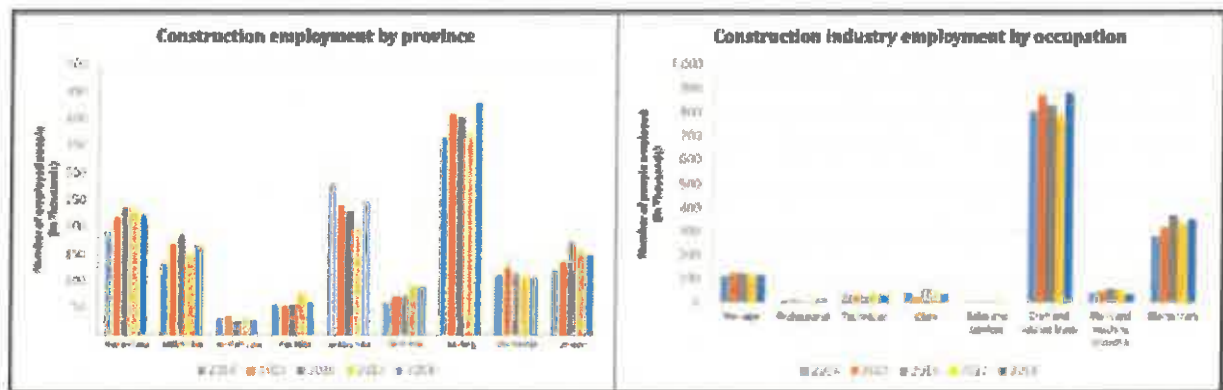
Figure 3: Employment statistics



The construction sector employed 1.48 million people as at the end of December 2018. In the fourth quarter of 2018 employment decreased by 1.4% compared to the previous quarter. However, construction industry employment increased by 6.5% when compared to the same period a year ago. Despite recent growth in sector employment, major declines were recorded in the second quarter of 2017, such that the employment levels of the first quarter of 2017 have not yet been attained. Employment equity, particularly by gender,

is still very low in this industry, with 1.33 million (90%) of the people employed in the sector being men. The charts below show the composition of employment by province and by occupation over the last five years. By location, the majority of construction employment is in Gauteng, followed by KwaZulu-Natal and the Western Cape. By occupation, the majority of workers in this industry are in crafts and related trade or elementary occupations, which, as shown in the charts above, have a high number of male employees.

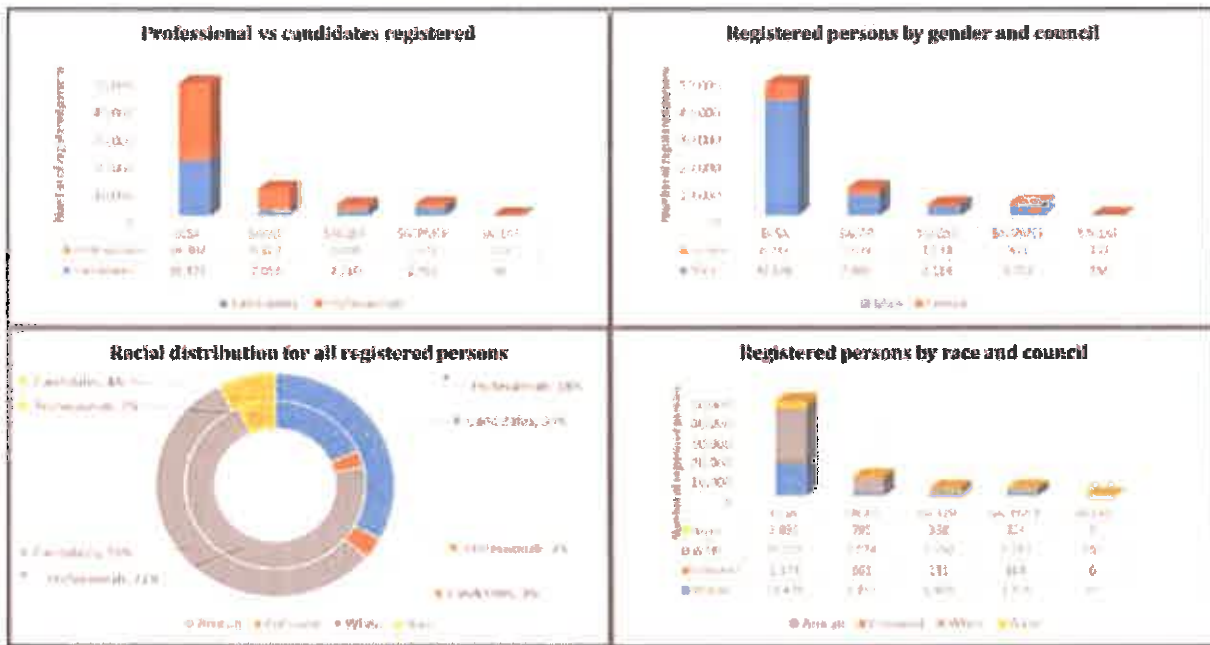
Figure 4: Construction sector employment



The employment figures for this sector show that from both a policy and an implementation perspective, the Department still has a huge role to play in boosting employment and the achievement of equality. The charts below, which show registration statistics for five

of the built environment professional councils, also show in more detail the nature of gender and racial inequality in the built environment sector at large. By gender, the sector is male dominated, whilst whites dominate the professions.

Figure 5: Professional services registration in the built environment



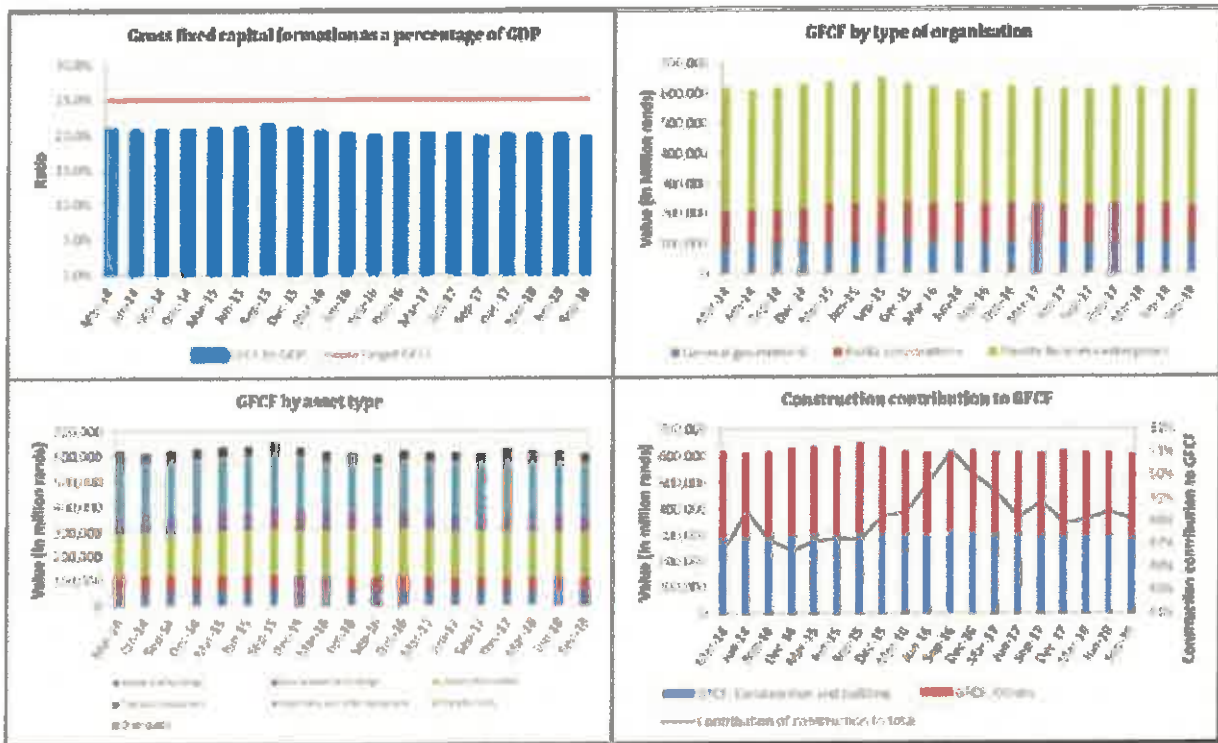
According to the Public Service Commission (PSC) bulletin published in the first quarter of 2018, the public sector had 1.3 million approved positions of which 1.17 million were filled. The number of people employed in the public service account for about 7.2% of all employed people. The public sector vacant positions account for 6.2% at a national level. At a departmental level, the Department of Public Works had the highest vacancy rate, with 40% (3 181) of the 7 865 approved positions not yet filled.

7.1.3 Construction sector

Gross fixed capital formation (GFCF) (also referred to as fixed investment expenditure) is an important aspect of an economy's expenditure. Countries that have

shown higher levels of GDP growth have also had GFCF accounting for a high percentage of GDP, mostly above 30%. South Africa's overall GFCF has averaged 20% of GDP since 2010, which is low given the growth targets desired in the National Development Plan (NDP). The charts below show GFCF by various classifications, namely asset type and type of organisation. The private sector still contributes the highest share to GFCF, followed by public corporations. By asset type, construction works and machinery are the highest contributors to GFCF. When construction works and buildings (residential and non-residential) are combined, they account for 48% of GFCF, showing the importance of the construction sector in forming fixed capital. Building statistics, as reported by STATSSA, are analysed below.

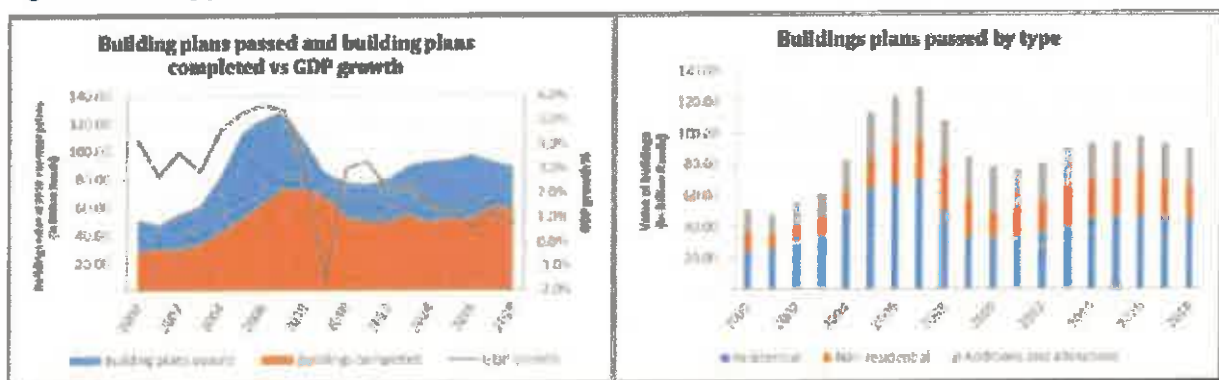
Figure 6: Activity within the construction sector



The charts below show activity in the construction sector, measured by building plans passed and completed buildings reported with large municipalities. The graphs show the work undertaken from January to November of each year for ease of comparison. The constant rand value of building plans registered between January and November of 2018 (R89.44 billion) is lower than that for the same period in 2017

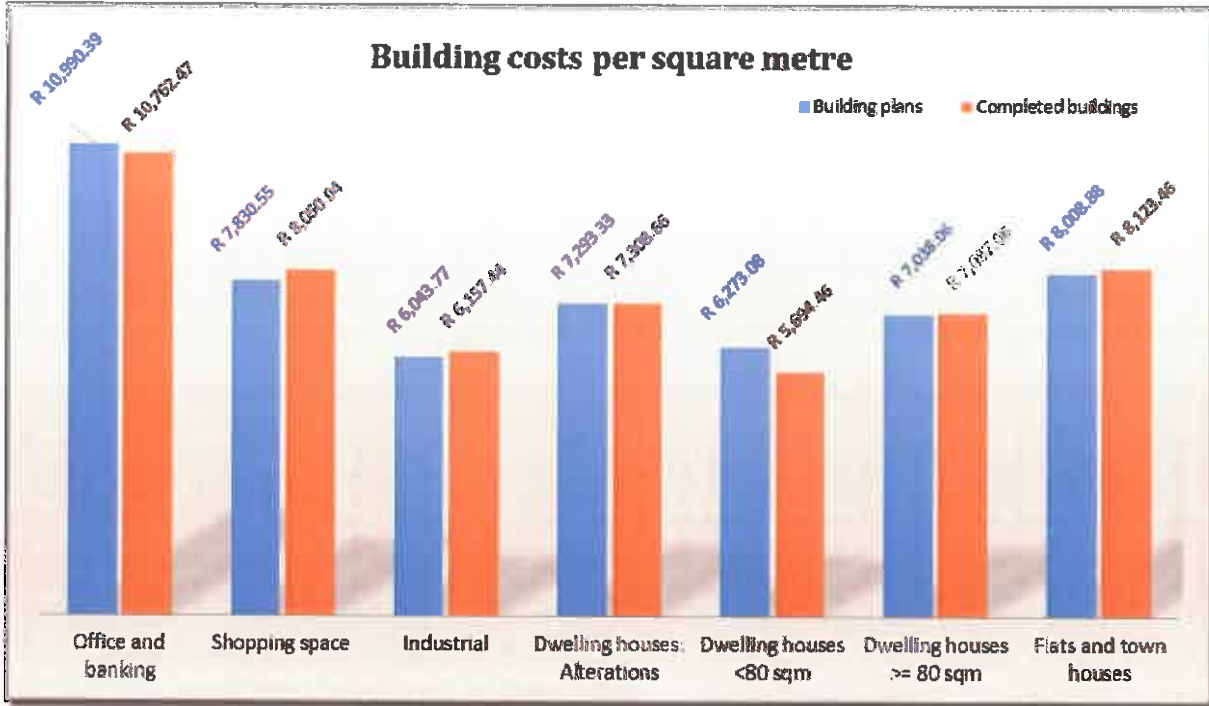
(R92.81 billion) by 3.6%. The buildings completed to date in the year fell by 3.4% from R59.95 billion in 2017 (January to November) to R57.89 billion. A lag relationship can be noticed in the graph on the left, where building plans appear to follow the path of GDP to some extent, whilst buildings completed lag behind the plans submitted.

Figure 7: Building plans completed



From the same building activity data, construction cost per square metre can be computed by dividing the rand value by the reported size for each building type. The chart below shows the estimated building costs for November 2018. The data suggests that office and banking space is more expensive to acquire than the other building types.

Figure 8: Building costs per square metre

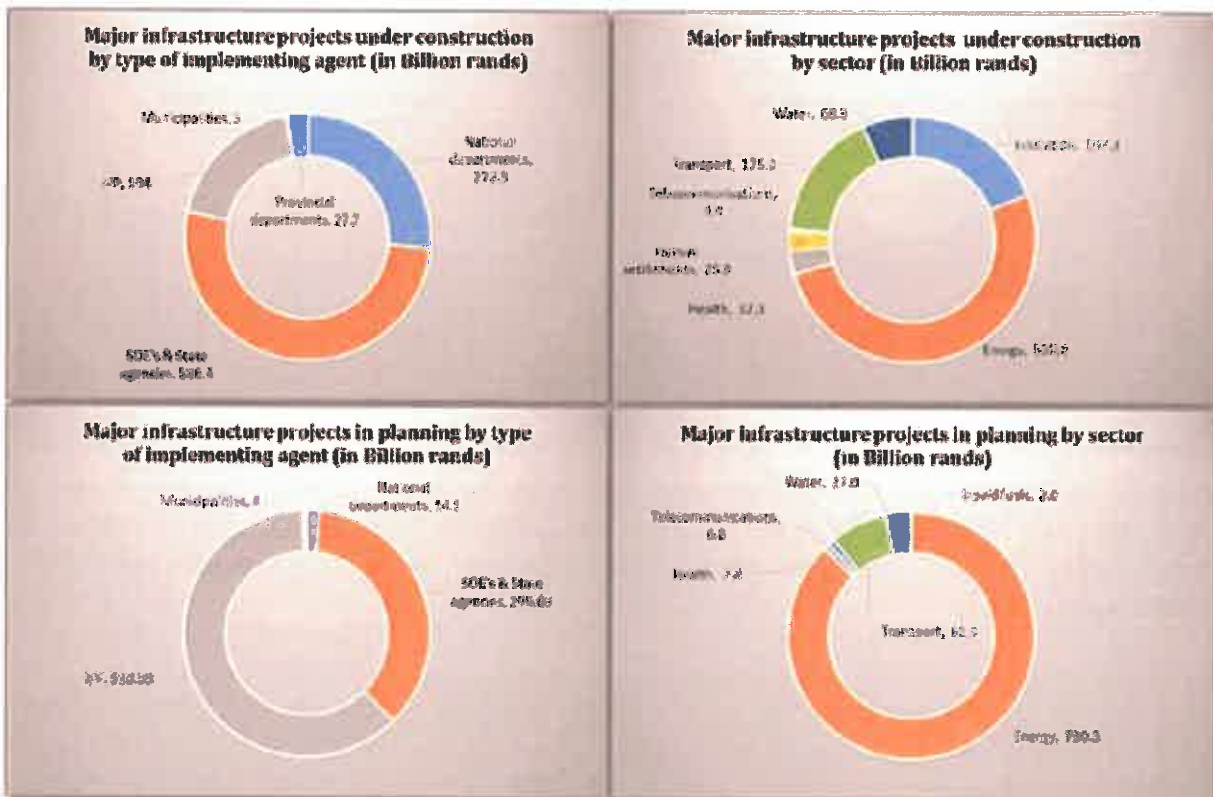


7.1.4 Public sector construction/infrastructure activity

The charts below show the major public infrastructure projects currently underway or being planned, as reported by National Treasury. The infrastructure projects which are currently underway are estimated to come in at a total project cost of R1.033 trillion. The estimated total cost for projects which are still

in the planning stages is R835.5 billion. The majority of the projects underway are being implemented by state-owned entities, with Eskom and Transnet being the major ones. Energy infrastructure projects have the highest share of projects under construction and being planned.

Figure 9: Money value of trade in building materials

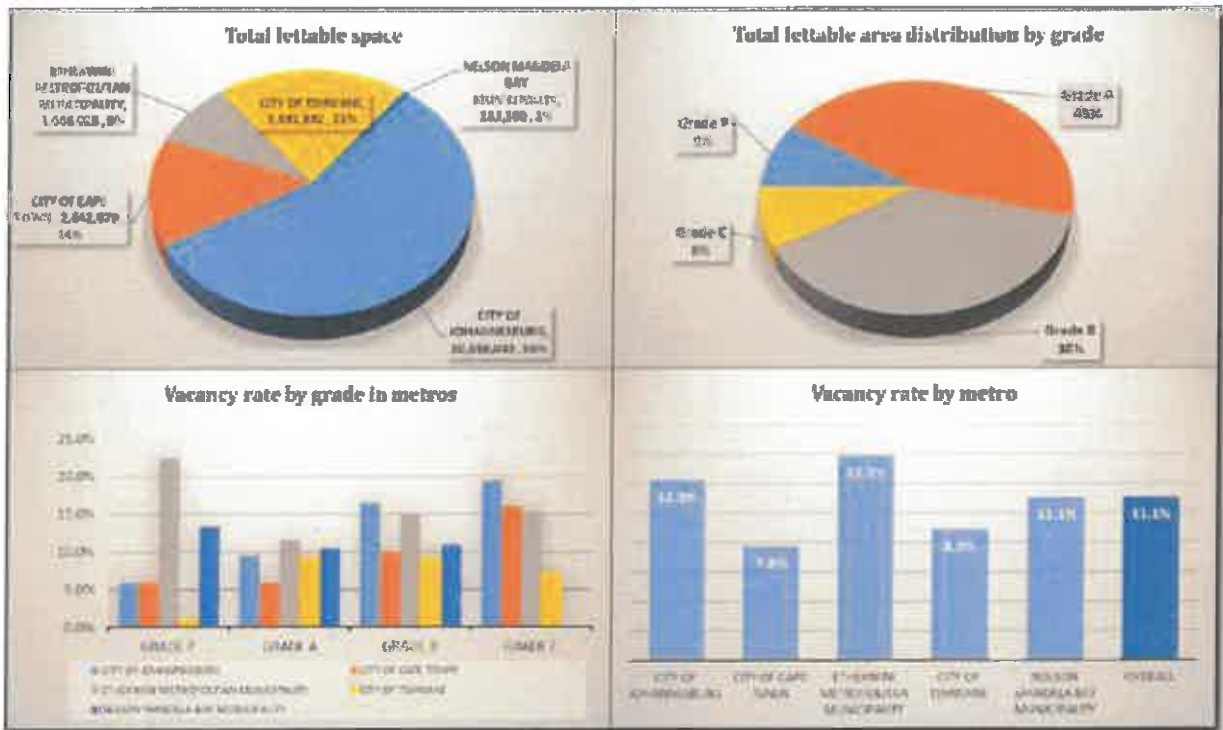


7.1.5 Property Sector

The charts below show the total office space and vacancy rates in the metros as at the end of the fourth quarter of 2018, as reported by the South African Property Owners Association (SAPOA). The City of Johannesburg has the largest lettable space, accounting for 56% of total available space. The City of Tshwane is the second-largest occupier, with 21% of total space. The highest lettable area by grade is grade A offices (45%), followed by grade B offices at 38%. The overall (average) vacancy rate measured at

11.1%, with the eThekweni metro recording the highest vacancy rate at 13.9%. The inner city of Durban continues to be the main driver for the high vacancy rate in eThekweni. The City of Johannesburg had the second-highest vacancy rate at 12.3%. Braamfontein, Johannesburg CBD, Midrand, Sandton, Sunninghill and Parktown all had vacancy rates of 15% or more, which shows the economic challenges being faced. The City of Tshwane has been showing improvement in its vacancy rate, which measured 8.9%.

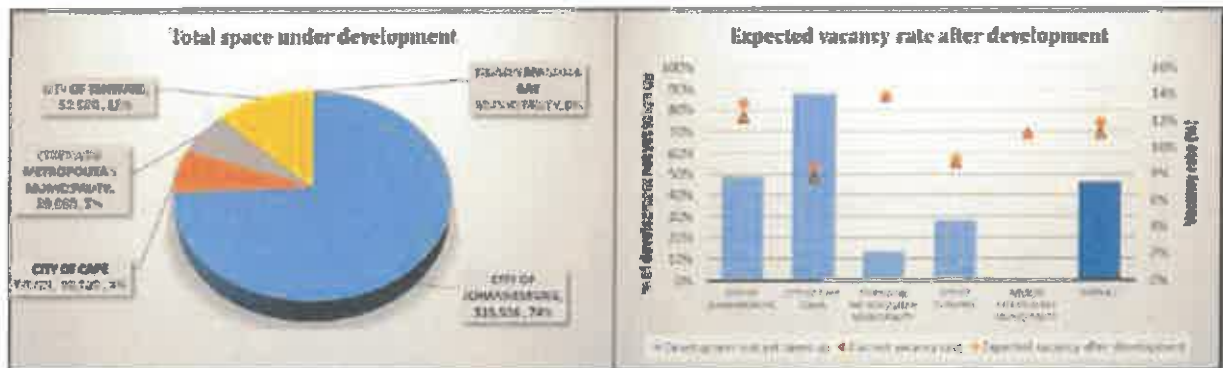
Figure 10: Office space and vacancy rates in the metros



The charts below show the total space committed to be developed in the metropolises as at the fourth quarter of 2018. The total space under development is 425 676 square metres. 74% of the space (315 536 square metres) is being developed in Johannesburg,

with 62% of this being developed in Sandton (36%) and Waterfall (26%). The chart on the right shows the percentage not yet taken up and how this will impact the vacancy rate after construction, all other things being constant.

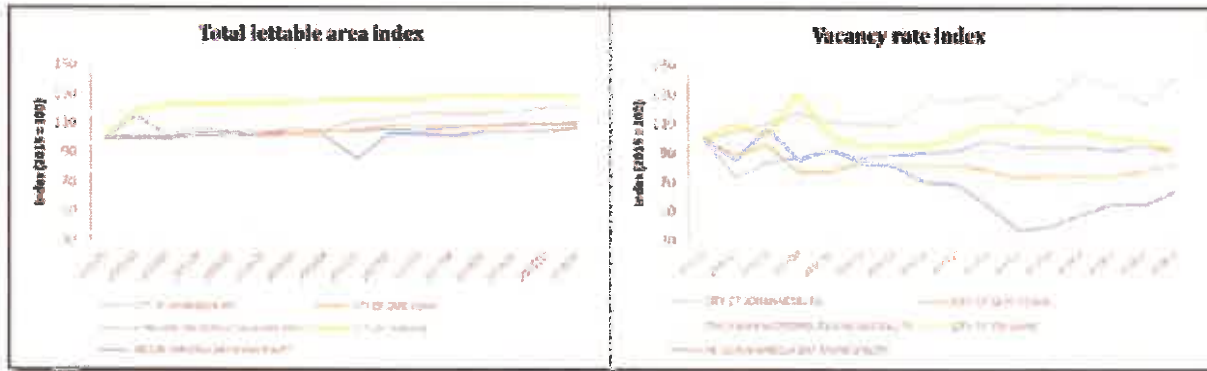
Figure 11: Total space committed to development



The charts below show time series indices which were created to track the movements in space and vacancy rates in the metros between the first quarter of 2015 and the last quarter of 2018. A notable increase can be seen in Tshwane for the first quarter of the analysis period, followed by an almost flat period afterwards. Increases in available space were somewhat slow

over this period. With the exception of the eThekweni metro, all other metros have seen a gradual decrease (which is an improvement) in the vacancy rate. Note that although vacancy rates might have been improving, they still remain relatively high, averaging more than 10%, as discussed above.

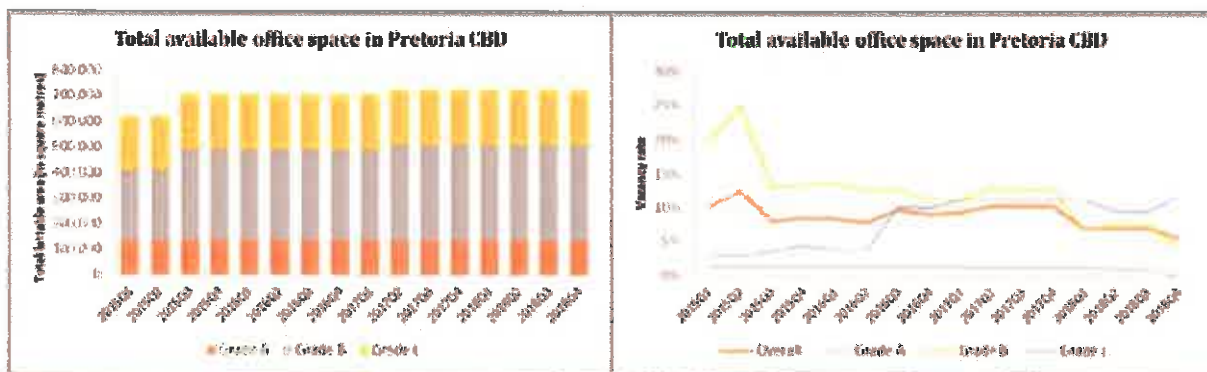
Figure 12: Space and vacancy rate



The Department participates in office leasing, mostly as a tenant. The highest leasing portfolio for the Department is in the City of Tshwane, where it is also the dominant tenant in the CBD. The charts below show the space by grade and vacancy rate in Pretoria's CBD from 2015 to 2018. SAPOA has reported no

developments in the node for this period, which explains the nearly constant space. There has been a notable improvement in the vacancy rate in Pretoria's CBD. Cape Town's CBD is the only other node with a lower vacancy rate.

Figure 13: Space by grade and vacancy rate

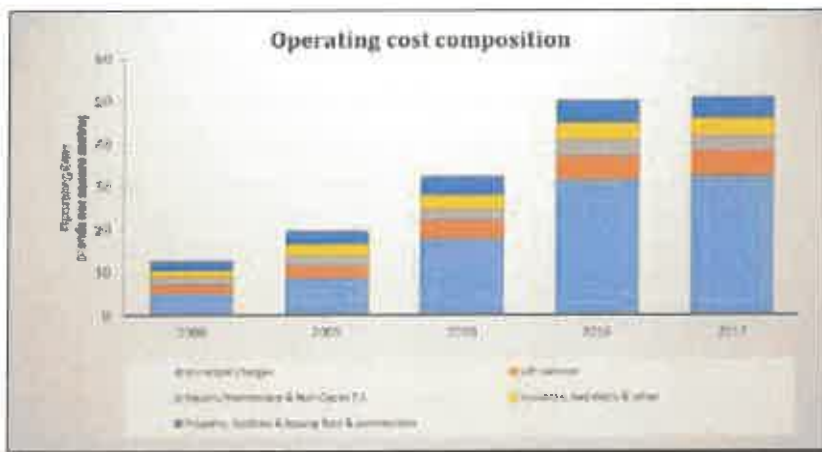


7.1.6 Operating Cost

Facilities management, particularly maintenance, has become a crucial element in the Department's mandate of state property management. It is therefore crucial to understand trends, developments and practices concerning operating costs. The chart below shows the average operating costs for all property types for a number of years between 2000 and 2017,

based on SAPOA's operating cost reports. The biggest driver for the increase in operating costs in these years was municipal charges, with the latest increase being 96 cents per square metre between 2016 and 2017. For SAPOA, municipal charges include charges for water, electricity and other municipal utilities, which are recovered from clients in the context of DPW.

Figure 14: Operating cost composition for all property types



Municipal (utilities) charges have increased drastically over the years from 41% of operating costs in 2000 to 63% in 2017, with electricity being the major driver of this increase. Soft services, which are the second-largest cost category, increased by 6 cents per square metre. A further analysis of major listed property companies' financial statements suggested that operating costs averaged about R40 per square

metre per month. For a portfolio of about 25 million square metres, this could translate to about R12 billion expenditure on operating costs per year. For a portfolio with major maintenance backlogs, this amount can increase up to three times or more. Being endowed with a massive property portfolio, it is crucial that maintenance planning and funding be infused into the Department's ethos.

7.2 External factors influencing service delivery

Ongoing fiscal consolidation efforts and increasing pressure on the fiscus took a toll on Government consumption expenditure, which contracted by 1% in the opening quarter of 2018. Marginal economic growth, at least in the short term, will impact on revenue collection, resulting in lower-than-budgeted State spending. South Africa is battling with a relatively large budget deficit and a rising debt burden. The evolution of the fiscal metrics in a low-growth environment is being closely monitored by the credit rating agencies. Although the ratio of gross Government debt to GDP, at 51.7% (59% including guarantees to state-owned enterprises), is not particularly high when compared to those of many other economies, it is expected to increase further. The rating agencies are particularly concerned about the high and rising level of Government guarantees to financially vulnerable SOEs and their impact on fiscal consolidation efforts. Should South Africa's economic growth outcomes be lower than anticipated in the 2019 Budget, which is very likely, revenue collections may fall short of expectations and the budget deficit and debt ratios relative to GDP could be higher than projected. Potentially worse-than-expected economic outcomes, including fiscal performance, could trigger further credit rating downgrades. This would delay the much-awaited economic recovery whilst compromising Government's efforts to address socio-economic imperatives, particularly those of reducing unemployment, poverty and inequality.

7.2.1 Implications of reduced fiscal space, rising public debt and emphasis by Government on fiscal austerity

The current challenging economic and fiscal environment nonetheless requires all spheres of Government to intensify expenditure efficiency and cost-saving efforts. The PMTE has been directly affected by the tight fiscal environment with the resultant limited State resources. The current accommodation charges budget (fiscal baseline) is not sufficient to cover the funding gap to adequately manage the portfolio, with a funding shortfall of R11.8 billion p.a. The 2017/18 allocation was cut by R114 million on augmentation, R76 million on infrastructure projects and R77 million on compensation of employees.

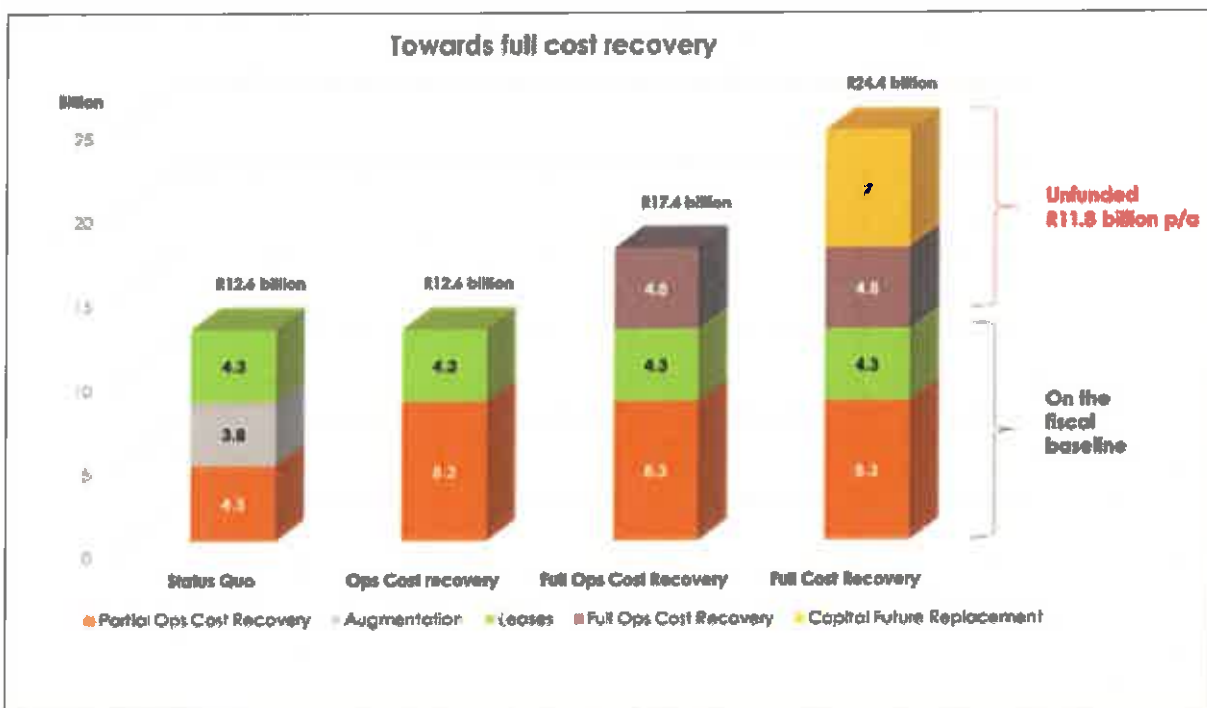
During the 2018/19 financial period the National Treasury has implemented significant budget cuts amounting to R160 million in respect of augmentation funding of the PMTE, while a further reduction of R123 million is projected over the MTEF period as per MTEF technical guidelines from the National Treasury. The PMTE does not only experience budget cuts imposed directly on it, however. Effectively, it suffers a double cut when user departments opt to cut their accommodation budgets as a consequence of budget cuts implemented by National Treasury. The PMTE is dependent on these accommodation charges as it accounts for the majority of its revenue, which is used, in turn, to pay for property rates, refurbishments, repairs and maintenance. The knock-on effect of the fiscal constraints and users' budget reductions has a negative impact on the recoverability of debts, which has a significant effect on the PMTE's bank overdraft. The abovementioned budget cuts not only adversely affect the baseline of the PMTE but also pose a huge problem in terms of infrastructure delivery. Although budgets are allocated over the MTEF (which runs over a period of three years), only the first year is fixed. The other years are merely indicative and can be adjusted. Projects are planned and committed to, based on these funds, however, and are multi-year in nature. When budgets are cut, projects are often suspended during the design and/or tender phase. This increases the risk of litigation, resulting in high levels of contingent liabilities as the PMTE no longer has the required funding to pay contractors who have already been appointed. In some cases this leads to the PMTE paying these contractors from its bank overdraft to avoid legal action.

Baseline budget cuts therefore adversely affect the PMTE's liquidity. Given that the client base of the PMTE fundamentally consists of public sector departments and institutions, the PMTE is unable to recover all of its costs as measured against the prevailing affordability criteria of the National Revenue Fund. The PMTE cannot therefore rely fully on the fiscus only for all of its funding requirements, and National Treasury has been consistent in expecting the PMTE to pursue a business and funding model yielding full-cost recovery to direct the PMTE's financial sustainability in the medium to long terms.

Full-cost recovery implies that the user must pay the true cost of any service it makes use of. This would be unaffordable to the fiscus, however, in view of the abovementioned fiscal restraints and the fact that PMTE users consist of Government departments. As illustrated below, the current accommodation budget

of R12.6 billion, consisting of the devolved operational costs; a transfer from the Main Vote (Augmentation); and accommodation charges for leaseholds all fall in the fiscal baseline, and are not sufficient to cover the current funding gap of R11.8 billion to adequately manage the portfolio.

Figure 15: PMTE full cost recovery



As articulated above, it is clear that within the current fiscal space, the fiscus cannot make an allocation to the PMTE to cover this gap. Although it has been proposed, the disposal of excess land and buildings is not a feasible solution to address the funding gap. Excess and unutilised properties currently constitute about 7% of the entire portfolio and are deemed to cost approximately R7.4bn (land: 5bn and structures: R2.4bn). If these assets were disposed of, the proceeds would only cover about half of the funding gap and would only be a once-off amount, whilst the funding gap occurs annually.

In response to the abovementioned challenges, the PMTE has built a financial sustainability tool in the form of a finance model to provide different options when making decisions and evaluations in determining the achievability of financial sustainability. This financial model is not the solution to all of the PMTE's financial challenges, however, but rather a tool that assists in determining the feasibility of various asset management options and scenarios, and the medium-to long-term impact these will have on sustainability. To ensure that more accurate projections are

obtained and that the functionality of the model is not compromised, however, high-integrity data ('big' data) is required as an input into the model. After numerous analyses, it has become evident that an aggressive data-cleansing drive needs to be embarked upon. For example, critical IAR information such as land and property codes and how they are linked to payments and income at a property level is needed to create an accurate income and expenditure profile for each property in the portfolio.

The abovementioned exercise is quite extensive, and the PMTE's focus has therefore been on getting the base right with a bias towards the actual IAR. A previous negative audit finding on the IAR has been a major concern as it has, and will continue to have, a significant impact on business decisions. Accordingly, it is important to obtain accurate information on the measurements and extents of all land parcels and buildings on which to base investment decisions. In order to get the base right, the necessary tools need to be in place. The user charges model (UCM) and Itemised Billing Programme are aimed at fixing the PMTE's baseline and concretising the cost of operating

each asset under the custodianship of the PMTE. This includes properties for which user charges were originally devolved and those that currently fall within the PMTE's mandate but that the correct users are not being charged for, or that are not being charged for at all, as a consequence of changes in Government since the devolution. The user department will be billed for the cost of each property that it has confirmed is occupied by it. The principles of the user charge model allow the PMTE to determine the cost of running its immovable assets, thus enabling the PMTE to match expected expenditure items in the setting of accommodation charges. The UCM therefore acts as a mechanism for recovering the true cost of running and maintaining each property. The itemised billing framework will channel funds towards the proper upkeep of properties and ensure accurate billing and follow-up of receivables.

As articulated above, given the constraints that the National Revenue Fund is currently experiencing, there cannot be an expectation that the fiscus will be able to provide any additional financial relief to the PMTE. The requirement has therefore been to strategically refocus the entity's operations to extract the maximum economic potential from its extensive asset portfolio by introducing initiatives to maximise returns on all properties. This includes optimising the cost of holding properties, whether vacant or occupied. As part of monetising the immovable asset portfolio, ten key revenue generation and cost saving initiatives have been identified.

The abovementioned adjustments to the PMTE's baseline, the conceptualisation of additional revenue scenarios and the implementation of the Finance Model have been made the responsibility

of a dedicated Operationalisation and Financial Sustainability Programme (OFSP) established within the Office of the Head of the PMTE. This has for the first time enabled the PMTE to project different financial sustainability options.

7.2.2 Reductions in the infrastructure budgets of user departments and the impact thereof on infrastructure programmes

The delivery and maintenance of infrastructure is a critical intervention in turning around an economy trapped in structural problems that are causing low levels of growth, a high rate of unemployment and massive poverty. A reduction in capital expenditure will limit positive socio-economic impacts, considering that this is a key driver for economic growth. The PMTE is dependent on accommodation charges levied against user departments, as these charges make up 44% of its non-recoverable revenue. The austerity measures implemented by the National Treasury have impacted the infrastructure programmes of the PMTE and user departments. A reduction in accommodation charges not only deteriorates the baseline and revenue stream of the PMTE but makes planning impossible, as these funds are used to pay for property rates, refurbishments, repairs and maintenance. In view of the fact that a portion of the budget has already been committed, the PMTE will be facing a situation where even day-to-day maintenance will have to be suspended. The table below indicates how the original infrastructure budget of R2.512 billion was reduced to R2.135 billion, thereby leaving the PMTE with a deficit of R376 million. While every effort is being made to mitigate the resultant risks, these challenges are likely to remain significant over the MTEF period.

Table 16: Reduction in budget allocations of user departments

USER DEPARTMENT	ORIGINAL ALLOCATION AS AT OCTOBER 2017 (R'000)	NUMBER OF PROJECTS PLANNED FOR IMPLEMENTATION (R'000)	REVISED ALLOCATION AS AT MAY 2018 (R'000)	REVISED NUMBER OF PROJECTS IMPLEMENTED (R'000)
Agriculture, Forestry and Fisheries	51 674	12	37 323	13
Correctional Services	693 784	102	578 590	118
Defence	350 994	66	297 537	82
Home Affairs	83 210	15	31 641	16
Justice	697 098	262	594 997	256
Labour	39 423	19	22 242	20
Rural Development	10 496	7	14 251	7
South African Police Services	586 178	177	559 267	186
Total	2 512 857	660	2 135 858	700

In addition, a reduction in the capital infrastructure budgets requires the reprioritisation of future infrastructure projects, thus negatively impacting the roll-out of infrastructure programmes. This implies that only those infrastructure projects that are on site or on tender can be funded and only a few strategically important projects will commence, but even these projects will have to be strictly monitored to stay within the limited budget. Furthermore, the reduction of the infrastructure budget implies that less money will become available to do ongoing maintenance and capital refurbishment for State facilities; hence, unscheduled maintenance is likely to increase. This will require the PMTE to identify possible alternative funding sources to undertake maintenance. This will include partnerships with original equipment manufacturers (OEM) for vendor financing of capital refurbishment and maintenance.

The PMTE piloted a Facilities Management Delivery Model with core elements of facilities management during the 2017/18 financial year. This includes an analysis of all maintenance services to fully understand the reasons for the inefficiencies and weaknesses present in the facilities management environment through the Top 300 Programme. The desired facilities management strategy, which includes the requirement for capital investment, was costed for a pilot of 13 properties in Pretoria. The estimated cost for uplifting the condition of these facilities to an appropriate level amounted to R650 million. The significance of the funding gap is clear when considering that the 2017/18 accommodation charges revenue for the entire portfolio (93 943 buildings and structures) was only R4.5 billion.

The maintenance activities are significantly under-budgeted for from both a capital and an operational expenditure perspective. Furthermore, an extrapolated asset replacement value analysis based on industry best practices for the whole portfolio shows that a substantial capital injection will be required to uplift the condition of the portfolio. In order to further optimise the limited capex and opex budgets across such an extensive portfolio, it follows that the PMTE must implement trade-offs such that the service delivery standards are tiered and optimised according to asset class significance and growth prospects. The role of the OFSP is therefore critical in order to coordinate and expedite the development and implementation of a financially efficient operating model for the PMTE.

7.2.3 Revenue generation and cost saving initiatives

The PMTE aims to improve the value of the State's immovable asset portfolio year-on-year. Optimal investment solutions that consider the performance of the existing asset portfolio are required to inform key asset management decisions that the PMTE is required to make in reaching this goal. Due to the constraints within the National Revenue Fund, there cannot be an expectation that the fiscus will provide any additional financial relief to the PMTE. The PMTE must continue to focus on developing optimal investment solutions and managing the performance of the portfolio, underpinned by a number of additional value- and performance-enhancing initiatives in the period. To date, various revenue-generation and cost-saving initiatives have been identified as part of monetising the immovable asset portfolio. This has been made possible by the successful compilation of the IAR, providing the PMTE with the opportunity to harvest the register. The OFSP has therefore been pursuing various cost efficiency enhancement and additional revenue opportunities, such as:

- Utilising accommodation more cost-effectively through space optimisation to help reduce the cost of accommodation – the User Asset Management Plans (U-AMPs) and Custodian Asset Management Plans (C-AMPs) ensure the effective utilisation of immovable State assets for various capital, refurbishment and maintenance projects;
- Fixing the baseline through correct accommodation charges to user departments (devolved and non-devolved, resulting in it being mandated but not charged) – enhancement of the User Charges Model;
- Analysing the holding costs associated with unutilised properties and devising strategies and plans to optimise these properties;
- Analysing the feasibility of and financial yield on properties currently being let out;
- Reconsolidating and optimising municipal rates;
- Optimising the use of strategically located assets (Customs House, Leeuwkop Prison, etc.);
- Given the national geographic footprint of building locations, using these as telecoms points of presence;
- Selling advertising space on buildings and land parcels;
- Providing Government with disaster recovery sites;

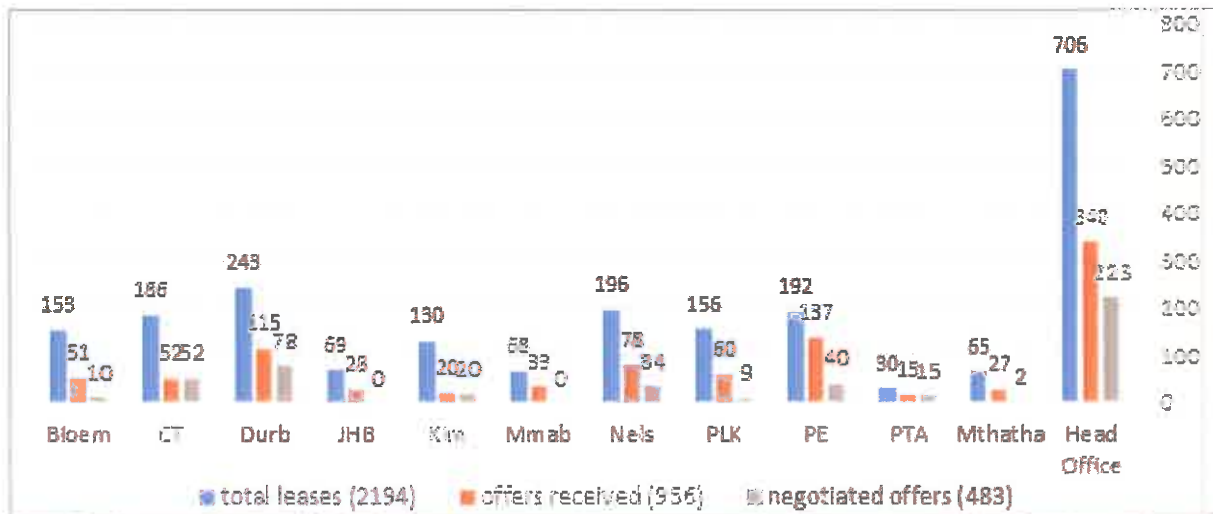
- Strategically utilising small harbours;
- Ensuring the ongoing valuation of DPW properties in the various forms of land transactions;
- Facilitating the disposal of surplus and vacant State-owned assets in foreign countries;
- Disposing of land on a remunerated basis, inter alia in support of Government objectives (e.g. integrated human settlement and other socio-economic purposes) whilst pursuing opportunities for sharing in the returns of development to unlock the potential in the portfolio and targeting overall improvement in the performance of the assets; and
- Continuing with the development of a policy framework to inform investment management.

The PMTE will continue to implement specific cost containment measures in the procurement goods and services, the consumption of water and energy, the marketing of non-core and non-strategic vacant State-owned properties at market-related prices for letting to private tenants, lease renegotiations, ensuring the implementation of debt collection in line with the Revenue Management Policy, and day-to-day maintenance requests. The IAR provides a clear picture of the State's assets with information on the condition and value of its immovable assets, which were valued at R139 billion as at 31 March 2017. As the PMTE improves the condition of State-owned properties, more properties will be suitable for letting out to third parties in order to generate further revenue. By reducing the vacancy rate of excess State-owned properties, the PMTE will reduce security expenditure on the protection of vacant properties and prevent vandalism and the illegal occupation thereof.

7.2.3.1 Savings on privately leased accommodation

In addressing the fiscal constraints faced by Government, the PMTE, together with the National Treasury, identified that the leasing in of private accommodation was a huge expense item for the State. Reasons for this could include additional costs being incorporated into the lease, such as when a landlord agrees to deliver extensive renovations; this would be a good reason for a rental premium. Another example could be a long-running lease initially negotiated at a 6% escalation that has now risen significantly above the market rate because local rental growth has been flat. The lack of business growth has resulted in reduced demand for accommodation, leading to higher vacancy rates and property maintenance costs. It is therefore projected that significant cost savings could be achieved if negotiations were undertaken with landlords on the basis that awarding a longer-term lease could be negotiated at a lower price. The National Treasury granted approval to the PMTE to renegotiate its entire lease portfolio with current landlords to effect cost savings by ensuring that rental rates are reasonable. A Head Office and Regional Negotiation Committees have been established for renegotiating existing active leases and renewing expired leases after receiving confirmation from user departments. The Head Office Negotiating Team is reviewing a total of 720 leases with an expected saving of R200 million, depending on the lease terms negotiated and the escalation rate.

Figure 16: Summary of private leases under negotiation



Overall discount rates have been around 14% over the last four years, indicating a high perceived risk in the property market, especially in industrial and office properties. The office sector has on average registered rental growth rates above inflation. Escalation rates in major CBDs averaged between 8% and 10% over the last five years. The process for renegotiating leases has been developed in consultation with the Special Investigations Unit (SIU) and National Treasury to ensure it is compliant with regulations and legislation and that it is efficient in terms of the time required to procure leased accommodation.

The PMTE will continue performing valuations to determine whether the rentals offered by landlords are market related, aligning annual rental escalation rates to the consumer price Index (CPI), reducing rentals to market-related amounts by renegotiating lease terms with landlords, and opting for permanent solutions where possible.

7.2.3.2 Increasing revenue by letting out State-owned properties

The PMTE is also in the process of marketing vacant and surplus State-owned properties for letting them out. The letting out of State-owned properties at nominal rates affects the financial position of the PMTE as the payments on such properties in most cases far exceed the rentals received for them. The letting out of surplus properties will assist in securing State-owned properties, reduce the rate of illegal occupation of vacant land and properties, and increase revenue. To date, the SIU has handed over 1 300 properties which might be illegally occupied. The regional offices are in the process of verifying the occupation status and legality of the occupiers. An initiative to either evict or regularise the leases has commenced. To date, 28 properties have been verified. Of the 28 properties verified, 15 occupants are willing to sign lease agreements and the process of regularising those leases has begun, the occupants of seven houses are being evicted, and the rest have been referred for further investigation.

7.2.3.3 Managing the increase in the cost of construction across all measured sectors of the construction industry

The translation of fiscal constraints into austerity measures, necessitating budget cuts and reprioritisation, negatively impacted potential

suppliers and service providers, as opportunities for tendering are now limited. This does not augur well for economic growth and job creation. As work opportunities are limited, competition becomes more intense, leading to collusion and price fixing between service providers. This creates a risk of overpaying for services. Costs related to maintenance and new construction activities have continued to rise due to, inter alia, the following reasons:

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

Most user departments are currently accommodated in leased and State-owned infrastructure that is poorly maintained. This affects service delivery in that such buildings are not OHS compliant, thus affecting the performance of the officials in the buildings. Issues range from poor air circulation to ablution facilities not working, lifts not being functional in high-rise buildings, etc. In response to the current infrastructure challenges, the PMTE has a structured Facilities Management Programme in place for State-owned buildings and is reviewing the standard lease agreements signed with landlords to ensure that they are binding and that penalties are implemented for non-compliance.

The PMTE will continue to improve on the turnaround time for finalising plans, designs and drawings in an effort to reduce costs related to maintenance and new construction activities and ensure that projects progress efficiently to the construction stage within the value chain. A team of professionals will review the cost estimates to ensure that they are in line with approved norms and standards. The procurement reform process will enhance the ability of the PMTE to better assess the capacity of consultants and contractors through a prequalification process structured through the built environment professions panel. Emerging consultants and contractors will be enrolled in incubation programmes, thus marching

them with infrastructure projects at their level of capacity and expertise.

7.2.4 Improving service delivery through the procurement transformation agenda

Transparency and open contracting are critical elements of any public sector SCM system. An important part of reforming South Africa's system must therefore be to make procurement information accessible to suppliers and purchasers alike. This will enhance planning, accountability and oversight. The PMTE has fully embraced Government's procurement transformation agenda and has implemented measures designed to advance businesses that were previously disadvantaged. Extensive focus is placed on awarding 75% of all planned procurement to designated groups. In effecting transformation across the property sector, the PMTE has approved a Property Empowerment Policy which seeks to promote long-term leases for black landlords and imposes conditions on other landlords to implement transformation as part of their lease contract conditions.

In order to increase revenue and work opportunities, the PMTE, in partnership with National Treasury's Office of the Chief Procurement Officer (NT-OCPO), has developed a new Letting-Out Framework with a much needed Standard for Leasing and Letting out of Coastal Properties. These never existed previously, and once approved and implemented they will enable Government to generate maximum revenue from its properties and ensure that it is not charged exorbitant rates by unscrupulous landlords. In preparation for the advertisement of the closed and open RFPs and the implementation of the new Letting-Out Framework, the PMTE hosted four marketing events in the Western Cape, KZN, Northern Cape and Eastern Cape with contributions by National Treasury. During the marketing events, a total of 70 coastal priority projects, previously identified by 44 coastal municipalities and four coastal provinces, were showcased. It became apparent that PMTE could play a critical role in acting as a catalyst to stimulate economic growth within these coastal towns while at the same time significantly contributing to growing the Oceans Economy.

7.2.5 Promoting rural development and equitable access to public services in order to address poverty and underdevelopment in rural areas

The Draft National Spatial Development Framework (2018) provides strategic spatial focus areas for the differentiated rural development strategies as put forward in Chapter 6 of the NDP. A large proportion of the South African rural landscape is characterised and strongly influenced by tribal areas, with 18% of the population residing in these areas, which cover 11.1% of the country's total land area. These areas are often associated with (1) disproportionate levels of poverty, (2) high unemployment levels, (3) poor access to services, and (4) tenure insecurity, when compared to the rest of South Africa.

To effectively support the development of productive rural regions it is important to recognise the importance of a network of consolidated regional and rural nodes and markets. A cornerstone of the desired rural transformation resides in the development of urban-rural anchors and small service centres that are well provided with services of appropriate range and scale. Nodes that will serve as rural development and service provision anchors must be supported. A specific focus must be placed on areas of population concentration that lack well-functioning, compact settlements that can serve as rural service centres to access social services. To achieve the greatest efficiency and effectiveness, it is important that social services are provided in the context of a structured national settlement service provision framework, where each settlement typology fulfils a specific role. The settlements have different reach distances or service areas, with each service type linked to a specific settlement typology.

Through the Strategic Spatial Framework, a hierarchy of rural service centres and service towns was targeted as the urban-rural anchors where higher-order services such as Government's social services should be developed in Government precincts. The targeted towns' urban-rural anchors as per the PPD Strategic Framework align with the towns identified in the Draft National Spatial Framework (2018). The role of the Draft NSFW 2018 in the medium term is to align place-based strategies and 20-year infrastructure master plans that will be developed across all sector departments in the built environment.

The PMTE will undertake the integrated planning of infrastructure in these urban-rural anchors and service towns to address the rural infrastructure backlog. This will include the installation of bulk services and the construction of buildings to support social development. This programme of state-led infrastructure investment will improve the socio-economic conditions of rural towns. The objectives of the Rural Precinct Development Project are:

- To support the efficient and integrated planning and 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 the DRDLR and with Cooperative Governance and Traditional Affairs (COGTA) for integrated infrastructure development opportunities that will contribute to Outcome 7: Comprehensive Rural Development.

Progress with this programme includes the completion of precinct plans for rural service centres that include Polokwane, Mthatha, Mahikeng, Kimberly and Mbombela. In the remaining years of the current MTSF period, precinct planning for Pietermaritzburg, Richards Bay, Kokstad, Port Shepstone, Steve Tshwete, Lebowakgomo, Thohoyandou, Rustenburg and Potchefstroom will be completed. The construction of Government precincts in these regional anchors will form the backbone of the regional implementation programme.

Service towns for which precinct planning has been completed include Mquma, Mount Fletcher, Howick, Carolina, Secunda, Makado, Christiana and Vredenburg. In the remaining years of the current MTSF period, precinct planning for Burgersfort and Bushbuckridge will be completed. Precinct planning has been completed for a number of marginalised areas in urban regions, including Mamelodi (Pretoria), Sebokeng (Sedibeng), Mdantsane (Buffalo City) and Khayelitsha (Cape Town), although these areas are not recognised as being rural.

Construction work on precincts will commence in Howick, Carolina and Polokwane within the current MTSF period. Work on the Government precinct will include the development of purpose-built centres that will allow for accessibility to social services, including those provided by the DoL, DHA and SASSA. The benefits

of urban and rural infrastructure development include radical economic transformation, infrastructure development, job creation and economic stimulus. If used positively and in the correct places, investment in social infrastructure can be used as an economic multiplier. Social investment by Government can be used to enhance urban focus and development through the agglomeration of services to support place making and stimulate private investment in identified areas of concentration.

7.2.6 Unlocking the economic potential of South Africa's oceans through the development of new harbours and the revitalisation of existing small harbours

The first Operation Phakisa: Oceans Economy Delivery Laboratory took place in 2014. Small harbours were added as an annexure to the Marine Transport and Manufacturing (MTM) Laboratory. After realising the potential of small harbours, it was decided that they required a separate Operation Phakisa Laboratory. The Small Harbours Unit of the PMTE convened the Operation Phakisa: Oceans Economy: Small Harbours Development Mini-Lab during the 2018/19 financial year.

The outputs of the Operation Phakisa: Oceans Economy: Small Harbours Development Mini-Lab were the development of 15 initiatives accompanied by detailed three-year implementation plans in four workstreams.

7.2.6.1 Workstream 1: Development of new small harbours and coastal properties

In response to the challenges identified in the construction of new harbours, the following initiatives were identified and developed to unlock the current bottlenecks.

7.2.6.1.1 National Framework and Development Guidelines

As a first step, a National Framework and Development Guidelines for small harbour and coastal development will be produced. The intention is that the National Framework will consolidate existing data and information resources and will also include criteria for considering the technical, socio-economic, environmental and biophysical aspects involved. This

will ensure that approved projects balance socio-economic benefits with environment considerations, and that all infrastructure constructed promotes sustainability.

7.2.6.1.2 New Harbour Development Programme (NHDP)

A New Harbour Development Programme (NHDP) will be initiated that will be the delivery mechanism through which the portfolio of projects will be managed. This initiative will provide momentum in unlocking decision inertia and ensure that constraints such as access to land and infrastructure are addressed through projects that are developed and delivered. The Programme will also seek to support municipalities and provincial departments to address capacity constraints at a project level.

7.2.6.1.3 Coastal Community Commons (Kwelabantu)

The Coastal Community Commons (CCC) initiative was conceptualised in recognition that marine vessel access points (MVAPs) were not the only way that communities and visitors to the coast could enjoy the benefits that the coastal environment offered. Furthermore, it will ensure that communities have access to public open spaces on the coast. It is proposed that communal public open spaces be developed to support a range of recreational, cultural, heritage, sports, tourism, education and other leisure activities. These coastal developments will be environmentally passive and, while included in harbour precincts, can also be developed at sites that are not appropriate for the construction of MVAPs.

7.2.6.2 Workstream 2: Redevelopment and maintenance of small harbours

The impediments to the development of existing harbours were grouped under the thematic areas of community engagement and involvement, planning and coordination, security and safety, environmental management, land use and planning, and infrastructure. These impediments informed the development of the initiatives discussed below.

7.2.6.2.1 Security partnerships and environmental transformation

The security partnership initiative seeks to ensure safety and security in and around MVAPs and harbours to create a safe and secure operational environment while at the same time contributing to stronger national security by improving resources and infrastructure to deal with security monitoring and compliance. The environmental transformation initiative seeks to ensure that environmental considerations form a vital part of decision-making and the management of harbour spaces.

7.2.6.2.2 Harbour infrastructure maintenance and precinct revitalisation

This initiative focuses on mobilising and deploying the resources needed to renovate and maintain infrastructure at MVAPs, including the proclaimed fishing harbours, to ensure safe, functioning and aesthetically pleasing harbour environments. Harbour precinct revitalisation aspires to unlock the full economic potential of the harbour environment and enable sustainable livelihoods for the local communities there. This will be achieved by addressing the absence of harbour precinct plans to inform how harbour environments should be developed and the lack of alignment between harbour precinct plans and municipal spatial development frameworks. Technical studies to inform project development and pilot roll-outs of projects in and around harbour environments will be conducted.

7.2.6.2.3 Attracting investment

This initiative seeks to attract new investment into MVAPs by improving the packaging and promotion of business opportunities within MVAPs and strengthening the governance and processes around investment facilitation. Collectively, these initiatives seek to create a safe, secure, aesthetically pleasing, conducive and vibrant environment around small harbours that both attracts investment and contributes to inclusive local economic development.

7.2.6.3 Workstream 3: Socio-economic impact

Following an in-depth problem analysis, a number of issues were identified. These were classified into the four areas of job creation, skills development, enterprise development and social development. To address the identified problems, the initiatives described below were developed.

7.2.6.3.1 Small Medium Micro Enterprises Incubator Hub

The Small Medium Micro Enterprises Incubator Hub is aimed at assisting new and existing SMMEs with the necessary skills and support to ensure sustainability within the small harbours and coastal development sector through supplier development and the creation of marketing opportunities.

7.2.6.3.2 Strengthening of skills development

Strengthening the skills development ecosystem will bring about entrepreneurial activity that will facilitate the social and ecological sustainability of small harbours, as there is currently a lack of maritime skills.

7.2.6.3.3 Economic empowerment, transformation and community beneficiation

The objective of this initiative is to promote and encourage the economic participation of coastal communities and beneficiation around their activities. Therefore, future infrastructure development and investments must be informed by socio-economic demand with embedded sustainability. It is envisaged that small harbour developments can be a catalyst for the socio-economic transformation of communities.

7.2.6.4 Workstream 4: Institutional arrangements

Institutional arrangements that govern the management, operations and financing of existing and future harbour development are critical and form the backbone to the initiatives. The institutional arrangements comprise two main initiatives that require effort and focus, the first of which is improved intergovernmental coordination and the second, a legislative review and the development of new legislation, if necessary.

7.2.6.4.1 Clarification of mandates and roles

The first initiative addresses the unrealised economic potential of harbours by seeking to clarify the roles and responsibilities of governmental role-players and enhancing the synchronisation of planning and operations. The aim is to develop an implementation protocol which will align, synchronise and coordinate roles and responsibilities around the management, development and regulation of small harbours and coastal properties. In order to ensure the coordination of all spheres of government, the initiative proposes to use current legislated structures that are coordinated and overseen by the Department of Environmental Affairs (DEA) through the National Environmental Management: Integrated Coastal Management Act 24 of 2008 (ICMA), and to enhance its composition and operations to focus on small harbours and coastal property development.

7.2.6.4.2 Policy and legislation update

The second initiative, aimed at allowing for the coordination of stakeholders to unlock the execution of programmes, addresses the absence of small harbour policy and legislation, which hinders economic growth and development and impedes job creation. The amendment of existing legislation or the development of new legislation will be undertaken after the existing legislation has been reviewed. The amendment of existing legislation or the development of new legislation will provide direction and guidance to the three spheres of government on which structures should be developed to ensure coordination in the planning, implementation and management of small harbours in a constitutionally compliant manner. The purpose of the legal review process is to assist coastal communities in obtaining clarity on issues of investment confidence, policy certainty, mandates, roles and responsibility, and governance.

The PMTE will spend a total of R298 million on a Special Intervention Repair and Maintenance Programme for 12 proclaimed fishing harbours in the Western Cape. This programme is already underway, with the removal of a total of 29 sunken vessels having been completed. Dredging has commenced at eight of the harbours and is expected to be completed by mid-2019. With its removal of sunken vessels and dredging activities, the Department has created a total of 216 jobs and empowered 22 local SMME companies to

the value of over R7 million. The Unit further intends effecting slipway repairs, shore crane replacements, security installations, civil infrastructure repairs and electrical upgrades to the harbours. The programme is committed to continuing to assist in job creation and local SMME empowerment.

The PMTE currently generates approximately R16.7 million annually from 333 State coastal property leases nationally. An estimated 5 600 people are currently employed by the private sector from rented properties in the 12 proclaimed fishing harbours. In order to upscale the revenue generation and job creation contributions in this area, the PMTE, in partnership with National Treasury's Office of the Chief Procurement Officer (NT-OCPO), has developed a new Letting-Out Framework which addresses the following objectives:

- Standardisation of the letting-out process;
- Renegotiation and regularisation of all existing leases (expired and those that are about to expire);
- Issuing of long-term leases appropriate for different types of businesses (for example, linking lease terms to fishing quotas); and
- Empowerment of black-owned and local businesses through radical economic transformation measures and set-asides.

In preparation for the implementation of the new Letting-Out Framework and the publishing of RFPs, the PMTE held extensive interactive briefing sessions with all 44 coastal municipalities in the four coastal provinces. During the interactive sessions with the coastal municipalities and provinces, the PMTE was able to identify a total of 70 coastal municipal priority projects. This indicates that the PMTE will be playing a critical role in acting as a catalyst to stimulate economic growth within these coastal towns and that it can make a significant contribution to growing the Oceans Economy.

The PMTE hosted four property marketing events in each of the four coastal provinces in conjunction with National Treasury. All the property marketing events that took place were well received and a keen interest was shown by the private sector to invest along the

coastline of South Africa. Many of these coastal municipalities have great potential to grow, but this cannot be stimulated solely through Government funding.

7.2.7 Improving the quality of artisan training for technical maintenance

The Artisan Development Programme (workshops) was initiated for the development of internal technical capacity. The programme, which was initiated in March 2018 with the deployment of 30 artisans (plumbers – N2), was designed to develop internal technical capacity and focused on the following:

- Conditional assessment foundation course;
- AutoCAD 2007 foundation course;
- Microsoft Projects foundation course; and
- Mentorship programme.

The training programme included the areas of building inspections, conditions assessment, asset verification, component analysis, basic project management and drawing skills. It was a combination of training, discussions, brainstorming, assignments, presentations, site inspections and physical on-site training at the Telkom facility. Upon conclusion of the programme on 18 July 2018, a final conditional assessment report was presented by the artisans with the relevant courses included. From the 30 artisans that enrolled for the programme, 22 artisans were issued with a certificate of completion and eight were issued with a certificate of attendance. A total of nine artisans have been selected and assigned to the facilities management programme of three critical facilities, namely Telkom Towers, Agrivaal, and Civitas, thereby enhancing the internal technical capacity of the PMTE.

The PMTE will continue to roll out the Artisan Development Programme for electrical works, for which 34 training applications have been submitted. The artisans will be assessed and trained, after which they will be assigned to facilities as support resources for technical maintenance. Once the artisans have completed the training, they will form part of internal capacity for the presentation of further workshops.

7.3 Internal environment

7.3.1 Business Improvement within the PMTE

In November 2011, following adverse audit findings, the Minister of Public Works requested assistance from the Technical Assistance Unit (TAU) within National Treasury to provide a rapid diagnostic of the state of affairs within the Department. The resultant report and findings presented in January 2012 comprehensively detailed problems of mismanagement and misalignment and pointed to the need for a fundamental reorganisation of the Department and immediate interventions to stabilise it. A turnaround strategy in the form of a seven-year business improvement plan was launched in January 2012. At the core of the turnaround strategy is zero tolerance of fraud and corruption and improving the property business.

The challenges within the Property and Facilities Management environment that were identified during the diagnostic included the underutilisation of State properties whilst private sector leasing-in was expanding; below-market rates for leased-out properties; over-expenditure on maintenance; a maintenance backlog; ageing properties; a lack of professional property management skills; poor lease management systems; a large number of bad debtors; and a lack of client relations management. The strategic focus areas of the turnaround were driven by the need to fortify the role of the PMTE in accordance with the MTSF and NDP; support the job creation and infrastructure development agenda of Government; contribute towards other priorities (social, health, and security) through the provision of accommodation; inform the reconfigured strategic direction by projecting demand based on client needs; and addressing the requirement for remedial attention to transparency, accountability and oversight.

7.3.1.1 Operationalisation of the PMTE

The turnaround strategy is at the centre of efforts to improve performance across the PMTE. Phase II of the turnaround plan (efficiency enhancement) is driven largely by improvements in internal control, management practices and systems. The 2019/20 financial year marks the end of Phase II of the seven-year Business Improvement Programme, which formed the basis for the sustainability and growth of public works. The operationalisation of the PMTE is at the centre of the Business Improvement Programme and entails instituting efficiencies and cost-effectiveness in

the provision of professional property management services to the State.

Propelled by the solid foundation established during the stabilisation phase of the turnaround, the enhancement of efficiencies within the PMTE has been enabled by the revision of key drivers such as systems, business processes and the sourcing of professional skills and capacity to support the new operating model of the PMTE. Aligned with National Treasury's guidance and support for the entity, the PMTE has based its strategy on the following key principles:

- **Full-cost recovery:** The PMTE must function according to business-like principles, in line with National Treasury Regulations 19, and provide services on a full-cost recovery basis;
- **User charge:** The PMTE must charge departments for renting State-owned accommodation and recover all costs (rates and taxes; maintenance; refurbishments; capital for new acquisitions etc.);
- **Management fee:** PMTE must charge 5% management fee for paying municipal services and for managing private leases
- **Revenue retention:** Surpluses may only be retained with the approval of National Treasury;
- **Systems to accurately bill for accommodation** must be introduced;
- **Overdraft:** PMTE must demonstrate a credible, efficient and effective plan to eliminate its overdraft; and
- **Financial sustainability:** The PMTE must "live" off its balance sheet.

Achieving financial sustainability for the PMTE requires a significant paradigm shift. The PMTE operation can be regarded as a "quasi-industrial operation" embedded in a Government department. This introduces a number of challenges and complexities such as agility; the ability to attract appropriate capacity due to public service constraints; inflexibility in investment decision-making (due to a constrained SCM regime); and accountability with no corresponding authority. Towards the finalisation of the institutional arrangements and regulatory process necessary to formally establish the PMTE as an entity in an appropriate corporate form, the strategic priority for the 2019/20 financial year entails conducting and finalising end-state benchmarking and feasibility assessments, finalising the entity's corporate identity, and obtaining the necessary approvals from Parliament.

7.3.1.2 Operationalisation and Financial Sustainability Programme (OFSP)

As part of enhancing efficiencies within the PMTE, a dedicated Operationalisation and Financial Sustainability Programme (OFSP) has been established as the PMTE proceeds to the sustainability and growth phase of the turnaround. The OFSP is intended to:

- Coordinate and expedite the development and implementation of a financially efficient operating model for the PMTE; and
- Manage and coordinate the programme of operationalising the PMTE and its migration to a Government component.
- In line with the above, the OFSP has commenced implementing the following key initiatives with respect to financial sustainability:
 - Devising a funding strategy for the PMTE through the implementation of a finance model;
 - Driving the revision of tariff structures for all property categories through a user charges model and itemised billing; and
 - Identifying and incubating new revenue generation initiatives.

operationalising the PMTE and its migration to the ideal institutional form.

As part of enhancing efficiencies within the PMTE and proceeding into the sustainability and growth phase (Phase III) of the turnaround, the OFSP's conceptual framework, in the form of a three-year programme, has therefore been developed to focus specifically on the PMTE's financial sustainability strategy by:

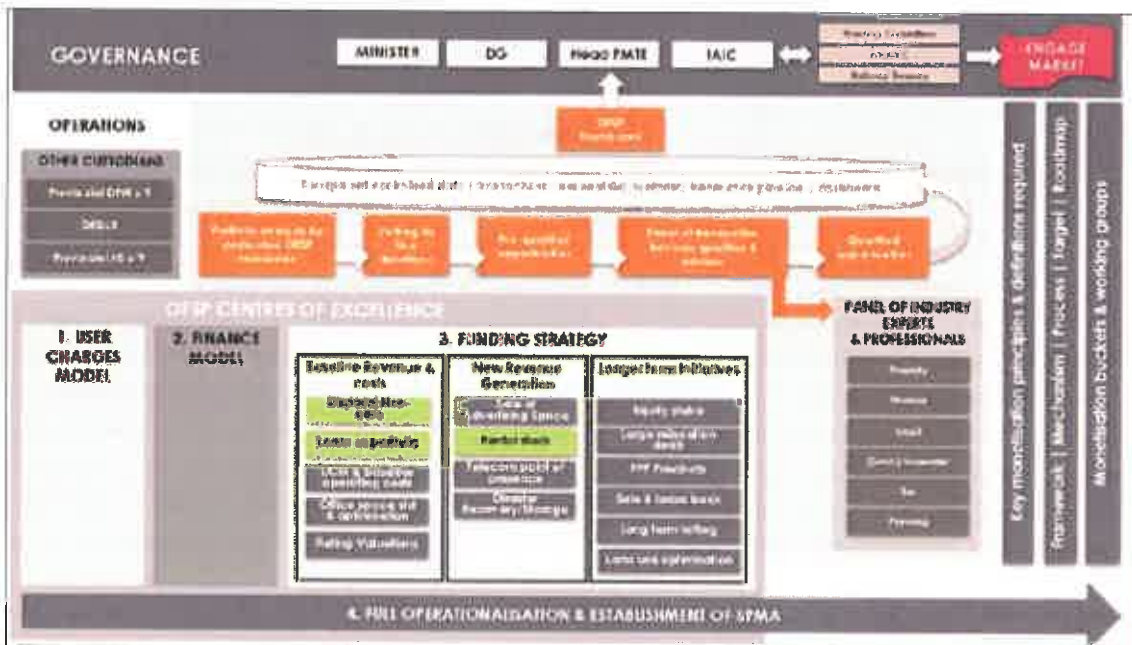
- Devising a funding strategy for the PMTE through the implementation of the finance model;
- Driving the revision of tariff structures for all property categories; and
- Identifying and incubating new revenue generation initiatives through
 - o identifying and optimising unutilised properties with wasteful holding costs associated to it;
 - o addressing significant losses and optimising returns on let-out properties; and
 - o identifying and incubating new revenue generation initiatives.

The continuous reduction of funding has had a significant impact on not only the PMTE's financial sustainability but also its operational transformation. The requirement has therefore been to strategically refocus the PMTE's operations to sweat the maximum economic potential from its extensive asset portfolio, with the OFSP being mandated to coordinate and expedite the development and implementation of a financially efficient operating model for the PMTE, and manage and coordinate the programme of

The conceptual framework will furthermore focus on the full operationalisation of the PMTE and formalising the regulatory process necessary to formally establish the PMTE as an entity in an appropriate corporate form, by:

- Conducting international research on solutions for the SA dispensation;
- Conceptualising the organisational end-state; and
- Devising plans to establish a State Property Management Agency (SPMA).

Figure 17: Conceptual framework OFSP



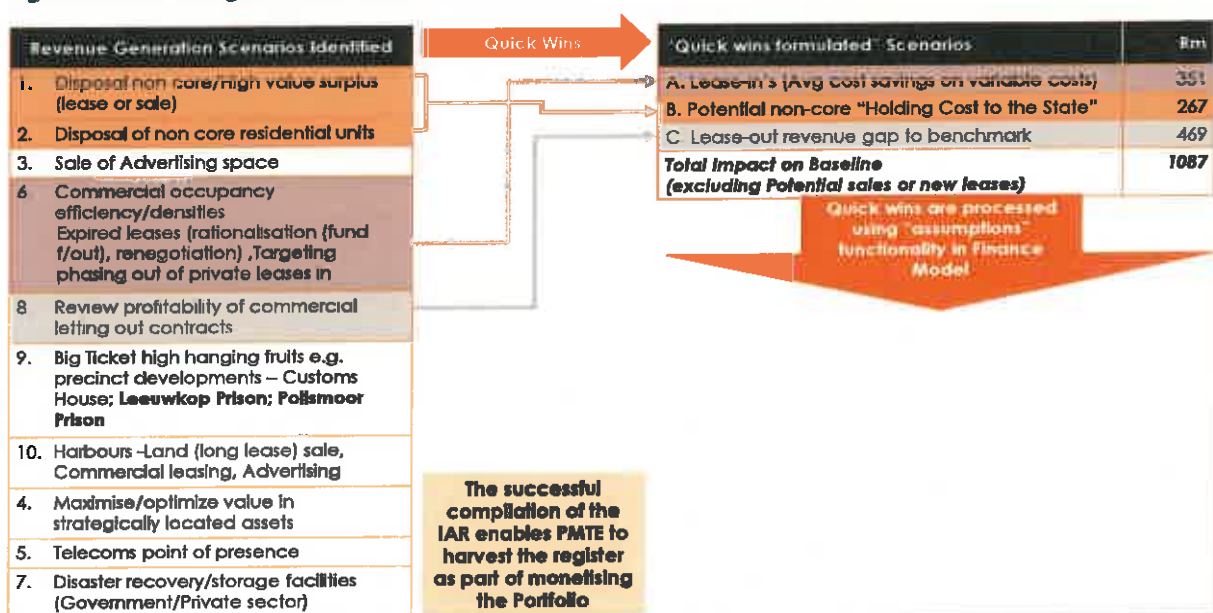
7.3.1.2.1 Funding Strategy

A finance model framework and architecture has been completed and is being used as a tool to analyse and guide the revenue and expenditure components of the PMTE towards financial sustainability over the medium to long terms. The finance model is a tool implemented to analyse and guide the revenue and expenditure components in order to accurately project the anticipated funding deficit or surplus over a multi-year period.

The model has enabled the PMTE to conceptualise different scenarios and determine their outcome

through the analysis of the portfolio via data feeds from the IAR and PMIS (to be replaced by Archibus) and matching it to operational income and expenditure per property. From the ten key revenue generation and cost-saving initiatives that have been identified as part of monetising the IAR, the OFSP has formulated quick wins based on research and available data with a potential approximate value of R1 billion over the medium term. This has been made possible by the successful compilation of the immovable asset register (IAR), which provides the PMTE with the opportunity to harvest the register.

Figure 18: Revenue generation - identified scenarios



These quick win scenarios are currently being implemented by line management and can be incorporated via the assumptions functionality within the finance model. Other scenarios are being included via the assumptions, although at a much higher level of detail, for instance sales of advertising space and telecoms point of presence. To this end, a further in-depth analysis of the Identified immovable assets is underway to establish details such as the potential size of impactful and usable advertising space on identified buildings in identified areas, etc. This, combined with the determination of the market rates per size and per area, will inform the potential revenue and its impact when run through the finance model.

7.3.1.2.2 National Treasury Regulation 19 Compliance and End State

In summary, the PMTE has now achieved full compliance in line with National Treasury's conditions as set out in 2006. The PMTE now accounts separately from the main account on the GRAP basis of accounting. For revenue and expenditure, the PMTE now transacts from a separate PMG bank account recorded against the detailed budget that has been split from the Department as from the 2015/16 financial year, in line with the PMTE's new programme structure that has been approved by National Treasury. The development of the finance model has been completed and it is being used as a tool to analyse and guide the revenue and expenditure components of the PMTE towards financial sustainability.

The PMTE has finalised its organisational structure in consultation with the DPSA and National Treasury. Key strategic positions have been filled and technical and skilled professionals are continuously being placed. To ensure operational improvement, a direct accountability model has been adopted for each business area throughout the different functional areas in the regions. Subsequent to the finalisation of the organisational structures for both the PMTE and the Department, a delegation framework for the Head of the PMTE has been developed and a detailed set of organisational delegations has been approved. However, operationalising the PMTE as a fully fledged trading entity is only possible once key efficiency drivers such as systems, business processes and people skills have been fundamentally revised and enhanced to support the PMTE's operating model.

The Department continues to render support and enabling services for the PMTE towards the finalisation of the institutional arrangements and regulatory process necessary to formally establish the PMTE as an entity in an appropriate corporate form. Commencing into Phase III (sustainability and growth), the OFSP will conduct research on solutions for the public works function and immovable asset management for both the South African dispensation and international best practice to identify technical and functionality solutions and market trends and risks. The OFSP will determine the most efficient solution and conduct the cost benefits and risk returns of the considered institutional forms. These assessments will include the financial and socio-economic benefits of the entity, the institutionalisation of the persona of the entity (branding and naming convention) and, finally, the drafting of a Gazette notice to confer the necessary powers and duties on the entity for parliamentary approval.

7.3.1.1.1 Business process review

The PMTE has undergone and continues to experience significant changes as part of its operationalisation process. Understanding the maturity of the state of processes within the PMTE therefore constituted a significant step towards enhancing the efficiencies within the PMTE and contributed to the achievement of the objectives of the efficiency enhancement phase of the turnaround.

To this end, the Business Process Review Project included the development of an understanding of

the maturity of the PMTE's process environment. A process maturity assessment was conducted at Head Office and across three pilot regions identified as part of the business process review project with the following four focus areas:

- **Process** – establishing an effective understanding of process roles, requirements and methodologies;
- **Process governance** – establishing an effective governance framework across the organisation, functional activities and business processes;
- **People** – ensuring that people understand their roles within a process; and
- **Technology** – building a technology platform that supports and enables effective and efficient processes.

Key findings of the assessment included the following:

- Prior to 2017, in most cases, the PMTE's processes were not documented, approved or signed off.
- Processes that did exist or were in operation had not been standardised, aligned to a PMTE model, updated and signed off since 2007 and were not always available to those executing the activities.
- No end-to-end organisational process view for the PMTE existed, leading to a siloed approach to operations at both branch and regional levels that resulted in inadequate visibility of process interfaces and rendered existing interface controls ineffective.
- Intra-process activity targets and timeframes were not defined and/or were not visible to employees performing activities.
- Inter-process KPIs were not adequately aligned to facilitate the achievement of the overall strategy, value chain objectives and APP.
- Business processes were not adequately integrated with clear performance measurements and accountability.

For the PMTE to properly implement the business process improvement initiative as part of the efficiency enhancement phase, it needs to reach a process maturity level of at least 3 that entails standardised, detailed and publicised documents of end-to-end processes, associated activities, responsibilities and related performance.

Taking the above findings on organisational process maturity into consideration, it was clear that the assumptions when commencing had been misaligned. The approach had to be considerably revised to ensure maximum impact and the elimination of a superficial

non-implementable exercise. The scope was therefore extended to include baseline development to enable the standardisation which was lacking. In compliance with the Public Service Operations Management Framework, the Business Process Management Framework for Public Service, and the Toolkit on Standard Operating Procedures, the PMTE adopted an approach that focuses on the consolidation and standardisation of all existing business processes first, then the evaluation thereof, the mapping of new processes, piloting and eventually implementation. The project was conceptualised following a three-phased approach, with specific time frames and deliverables conceptualised in detailed project charters for phases 1, 2 and 3.

PHASE 1: CONSOLIDATE AND STANDARDISE (Sept 2016 – Dec 2017)

Consolidate all existing business processes, evaluate them, and achieve end-to-end standardisation through the mapping of business processes within standard operating procedures.

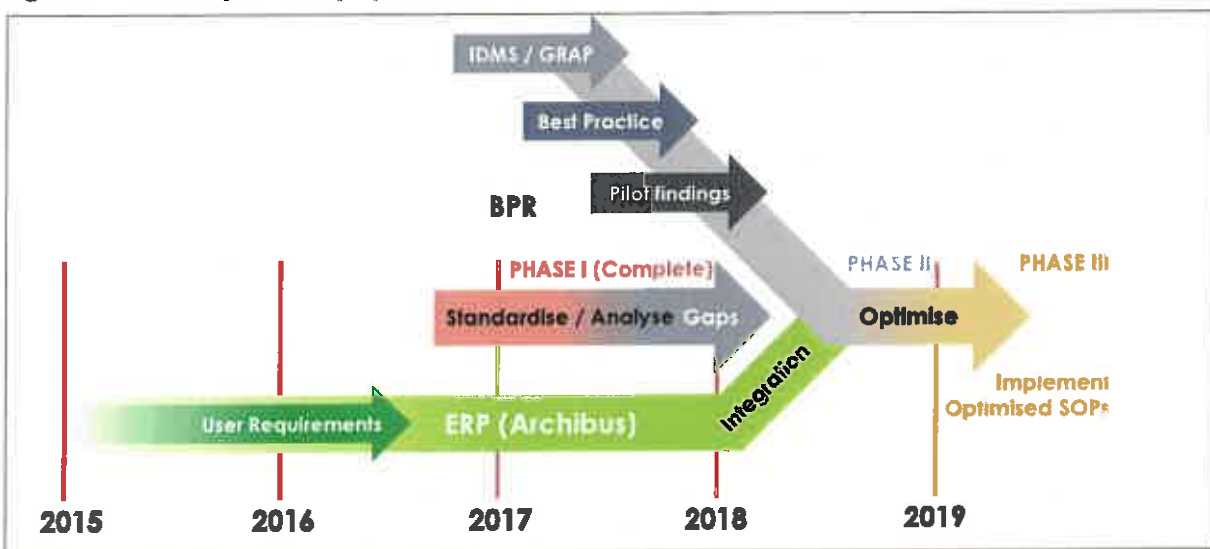
PHASE 2: PILOT, OPTIMISE AND ALIGN (Dec 2017 – Mar 2019)

Pilot the standardised business processes, optimizing the business processes with gap analyses and benchmark best practice recommendations, and evaluate the next level of process alignment requirements. Update the business processes with optimised pilot learnings, gap analyses, benchmarking and alignment findings.

PHASE 3: IMPLEMENT (1 April 2019)

Implement the 'to be' processes through a supporting Operational Process Management Framework.

Figure 19: Business processes project timeline



As per the amended project scope, the PMTE has mapped out 123 sub-process flows and more than 600 processes to activity level. These have been consolidated and standardised in 25 standard operating procedures (SOPs) for each line function in the PMTE value chain, for all six PMTE programmes and for the Prestige function.

Centred on the core outputs of the PMTE in line with its mandate, the PMTE's business operating model has been developed and represents, for the first time, an integrated end-to-end view of the operations of the PMTE in their simplest possible form, aligned to the approved 2014 business case. These core outputs include:

- Leasing, letting and property management;
- New projects, upgrades and refurbishments; and
- Operations and maintenance management.

The operating model therefore serves as a "placemat" or basis that informs additional layers, including non-core, cross-cutting and support functions; GRAP compliance; business processes and standard operating procedures; and delegations and institutional arrangements. The model is aligned to the IDMS and SIPDM and therefore introduces suitable portfolio and programme management methodologies where the control system comprises control cycle deliverables that support legislative requirements, including DoRA, PFMA and GIAMA.

Phase II commenced in June 2018 and will continue during the 2019/20 financial year. It will focus on the optimisation of processes through best-practice benchmarking, regional and national piloting, and alignment with strategy, policy, the PMTE's operating model and integration with ICT information systems. This will be followed by the final process design and approval for final implementation.

7.3.1.1.3 User charges model

The principles of the user charge model were used to determine the cost recovery rates for certain user departments through the itemised billing project. The itemised billing project is a five-year plan through which the funding gap is envisaged to be determined, with the funding gap being defined as the difference between the devolution-based budget allocation and cost-recovery accommodation charges as determined by the user charges model. In the 2018/19 financial year, the user charges for the first set of clients were calculated and communicated with National Treasury. Due to fiscal constraints and misalignment of the project plan and the national budget review processes, most departments' budgets were not adjusted to close the funding gap. Going into the remaining cycles of the itemised billing projects, the plan is to enhance the efficiency and results of the programme by:

- Communicating the itemised billing (user charges model) framework to user departments;
- Communicating cost recovery rates in time to allow for alignment with budget review processes; and
- Engaging with all internal stakeholders to ensure that the systems and business processes are accommodative to an itemised billing (user charges) framework.

7.3.1.1.4 Itemised billing project

The itemised billing project is aimed at understanding the cost of operating each asset under the custodianship of the PMTE. The user department will be billed for the cost of each property they occupy and have confirmed. The principles of the user charge model allow the PMTE to estimate the cost of running the assets, thus enabling the PMTE to match expected expenditure items in the setting of accommodation charges. The itemised billing framework, if implemented properly, will channel funds towards the proper upkeep of properties whilst simultaneously alerting all involved stakeholders (the

PMTE, user departments and National Treasury) of the actual funding requirements for the State-owned property portfolio.

To ensure its implementation, the PMTE submitted a detailed project plan for itemised billing which was approved by National Treasury on 08 January 2018. In the current financial year the ten user departments were engaged to confirm occupation. Four client departments confirmed occupation of State-owned accommodation, while six user departments proved not to be occupying any State-owned accommodation. National Treasury has approved user charges for the four clients, and implementation will be based on further engagements with National Treasury and the client departments. The PMTE has commenced with cycle two of the itemised billing process, and the milestones to be achieved have been defined and set. Cycle two of itemised billing will commence by identifying client departments to be billed in the next financial year. The identified user departments will then be requested to confirm occupation of the State-owned properties that they occupy. The PMTE will then determine the average tariff per affected facility and conditions for using the UCM. Thereafter, the PMTE will calculate the accommodation charges for each of the affected client departments. Each client department will then be requested to confirm its baseline allocation for accommodation. The variance between the calculated accommodation charges and the user departments' baseline allocations will be presented to National Treasury. The PMTE and National Treasury will then engage to agree on the rates to be applied for:

- User departments to be billed with effect from the following financial year; and
- The issuing of letters to affected client departments that will be billed with effect from the following financial year.

The PMTE will enter into agreements with each of the client departments.

7.3.1.1.5 Reducing the PMTE bank overdraft

The PMTE has operated with a bank overdraft since its inception. The bank overdraft has increased over the years due to the billing model that was adopted for the PMTE, which resulted in timing delays between the payment of third party contractual obligations and the eventual recovery of those amounts from user departments. The process that is followed to recover

monies relating to private leases, municipal services, user infrastructure spending (capital allocation) and other recoverable infrastructure projects gave rise to a 60- to 90-day delay in matching the initial payment and the eventual recovery. This therefore contributed significantly to the overdrawn bank account. Key Initiatives implemented during the 2018/19 financial year included the revision of the billing model by releasing lease payments on the first day of each month with effect from 01 August 2018, claiming quarterly in advance for leases and claiming in advance for projects based on cash-flow projections.

While the implemented strategy for accommodation-related charges to be paid in advance has contributed to the reduction of the overdraft, further steps are required to eliminate it. Going forward, the PMTE will be implementing the following strategies to continue eradicating its bank overdraft:

Claiming quarterly in advance for State-owned and leased accommodation: The user departments will be required to agree on what will be claimed in advance from them, and a commitment to pay in advance will be required from the user departments.

- **Ring-fencing accommodation-related budgets in clients' baselines:** Permission will be sought from National Treasury to ring fence clients. The PMTE will have to provide sufficient motivation for the funds, with the assurance that the funds will be used for the intended purpose and within the agreed timeframes.
- **Terminating services rendered to clients who are not paying:** The PMTE will continuously reconcile and monitor the accounts of clients who have fallen into arrears. Where clients have not settled their accounts by the due date, services will be terminated to protect the PMTE from any financial loss that cannot be recovered from the clients.
- **Achieving full implementation of the UCM:** The PMTE will engage with its clients to explain the consequences and benefits of the UCM and whatever it is that the National Treasury approves.
- **Claiming a deposit equivalent to the monthly expenditure (municipal services and private leases):** This will make the business processes of the PMTE more sustainable and safeguard it against any loss resulting from early termination by the client as well as restatement cost. It is also an industry norm to charge deposits.
- **Charging interest on all overdue amounts:** Where a client has not settled its account, interest will be levied on the outstanding amounts from the date on which the invoice was submitted to the client.

7.3.1.1.6 Audit improvement plans

The development, monitoring and evaluation of audit improvement plans to address matters that have been raised by the AGSA and Internal Audit is seen as one of the tools that the PMTE can use to improve its audit outcome. The tabling of the audit improvement plans at the Accountability Management EXCO and MANCO will continue to ensure that divisional heads are held accountable for their areas of responsibility. Other than the National Treasury, the audit improvement plans are also submitted to and tabled before the Audit Committee and the Portfolio Committee on Public Works.

7.3.1.1.7 Business systems

The PMTE has developed an ICT strategy and architecture with recommendations on system platforms and ICT processes that must be implemented in the short, medium and long terms. The PMTE is in the process of implementing a property management system and financial management system for the management of its Immoveable assets throughout the entire asset life cycle. Part of the implementation of the strategy included the implementation of ARCHIBUS, SAGE, Mobile Apps and SAS. ARCHIBUS is to replace PMIS and WCS as part of the ICT strategy. As of April 2018, the Immoveable asset register, movable asset register and facilities management unscheduled maintenance and call centre modules have been implemented, albeit with challenges regarding the data.

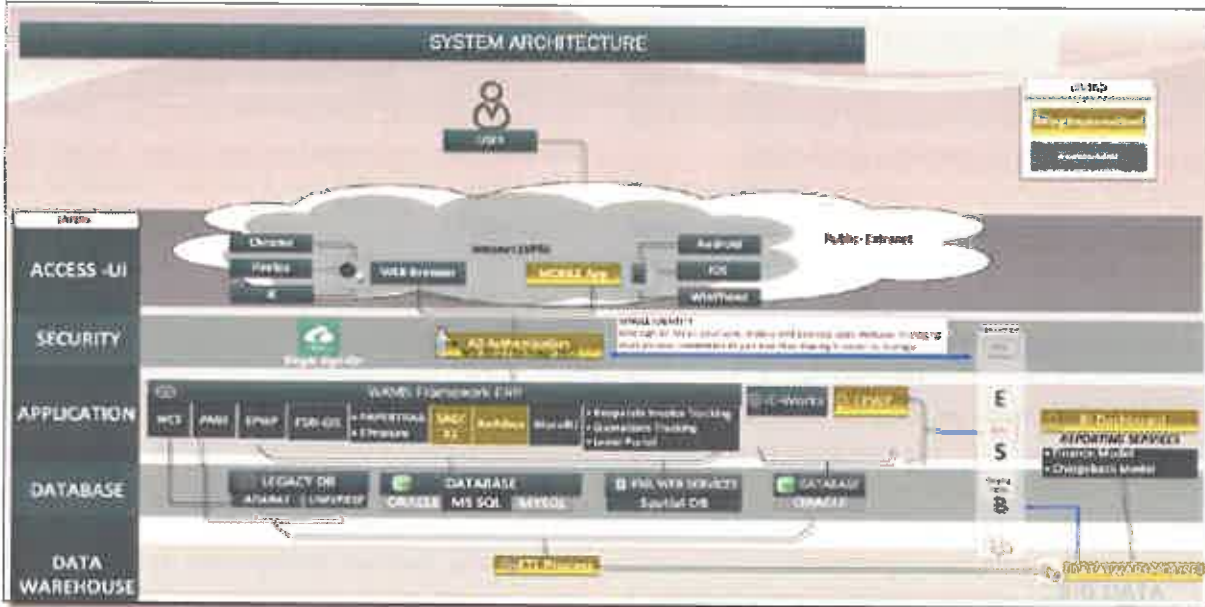
The PMTE has put in place a phased implementation approach for the following modules: lease-in, lease-out, scheduled maintenance, construction project management, and condition assessment to manage the property portfolio throughout the asset life cycle. The mobile app for ARCHIBUS has also been fully developed and is ready to be rolled out. It is estimated that basic functionality of the above modules will be achieved during the 2018/19 financial year. In addition, the implementation of ARCHIBUS modules involves integration with other systems like ESRI-GIS, SAGE and SAS. Integration with ESRI will enable the visualisation of state assets on a virtual map accessible anywhere and at any time, while integration with SAGE will enable variable payments and online procurement. SAS provides the capability to create dashboard reports, which will assist towards real-time organisational performance monitoring, including risk management.

The end-to-end ERP system will be completed once all the modules have been implemented.

There are data quality issues that are being addressed at present; however, plans have been activated to conduct data cleansing. Data mapping has been

conducted between the ARCHIBUS system and the IAR, the FM data has been supplemented with common name drop-downs in order to facilitate the location of assets when calls are logged and, finally, the lease-in data has been aligned to include location data in terms of municipality, town, district, etc.

Figure 20: PMTE system architecture



SAGE FINANCIAL MANAGEMENT SYSTEM

SAGE has been in use since 2014, with functionalities such as payments, receivables, budgeting and bank reconciliation. All PMTE business systems currently interface payments through SAGE, which in turn interfaces to BankServ to effect payments to suppliers. The procurement module is also being implemented for the PMTE. Phase 1 (SAGE) of the ERP has been implemented and is being utilised to support payments to service providers and other accounting functions. System development has been done to improve the business processes and reporting. Significant development has been done in Phase 2 (ARCHIBUS) relating to the maintenance call logging system, asset module and lease-in module. Testing and development of the remaining modules (lease-out, condition assessment, and projects and budget) and the integration of Phase 1 and Phase 2 are currently underway. Improvements are currently being made to the SAGE system, including the tightening of controls and keeping the system up to date with patches and updates. A full upgrade of the system from version 6 to the latest version 11 is currently underway. The integration of the two systems is one of the critical success factors of this implementation.

FACILITIES MANAGEMENT UNSCHEDULED MAINTENANCE AND CALL CENTRE MODULE

As per the Auditor General’s Report, the unscheduled maintenance statistics are unreliable in determining the number of open and resolved logged incidents. It has been identified that the root cause is that the WORX4U (legacy call centre system) does not have adequate controls. The PMTE has identified the gaps and has ensured that the design of the ARCHIBUS Call Centre module eliminates them. The module includes targeted improvements to workflow management for unscheduled maintenance. System user acceptance testing has been approved by affected stakeholders and a new call logging and workflow management system is being implemented.

The call centre module has been successfully tested in all regional offices on the ARCHIBUS system, where all calls relating to maintenance are logged. However, due to a number of outstanding challenges with ARCHIBUS, the Worx4U cannot be switched off yet; consequently, calls are currently being logged on both systems. Some of the challenges that are currently being addressed include properties that cannot be found in the IAR and properties that belong to other custodians. REIRS has developed a method for dealing with the exceptions, while a task team

has been established to deal with inter-governmental issues that are related to custodianship. A business process intended to achieve automation of the call logging system has been finalised and approved, and integration of the system with SCM and SAGE is underway. The automated system will address the identified challenges of fragmented and manual processes, including the closure of all logged calls. This will improve the calls data integrity which is used for performance measurement as there will be no manual capturing by works managers involved.

The PMTE has developed a conditions assessment and a criticality rating of conditions to ensure standardisation on the understanding of asset conditions. The guidelines have been utilised to provide inputs on the modifications required to introduce a conditions assessment module within ARCHIBUS.

INTERNET OF THINGS PLATFORM

An internet of things (IoT) platform has been built and connected to the enterprise logging tool in order to enable real-time monitoring and automated incident logging by critical components. Real-time trend monitoring and data collection have been carried out over an eight-month period for critical components. HVAC, lifts and boilers are already able to log a call automatically using embedded devices at two facilities (Kgosi Mampuru Prison and CGO). Two more facilities (Agrivaal and Civitas) have been recently connected to the system.

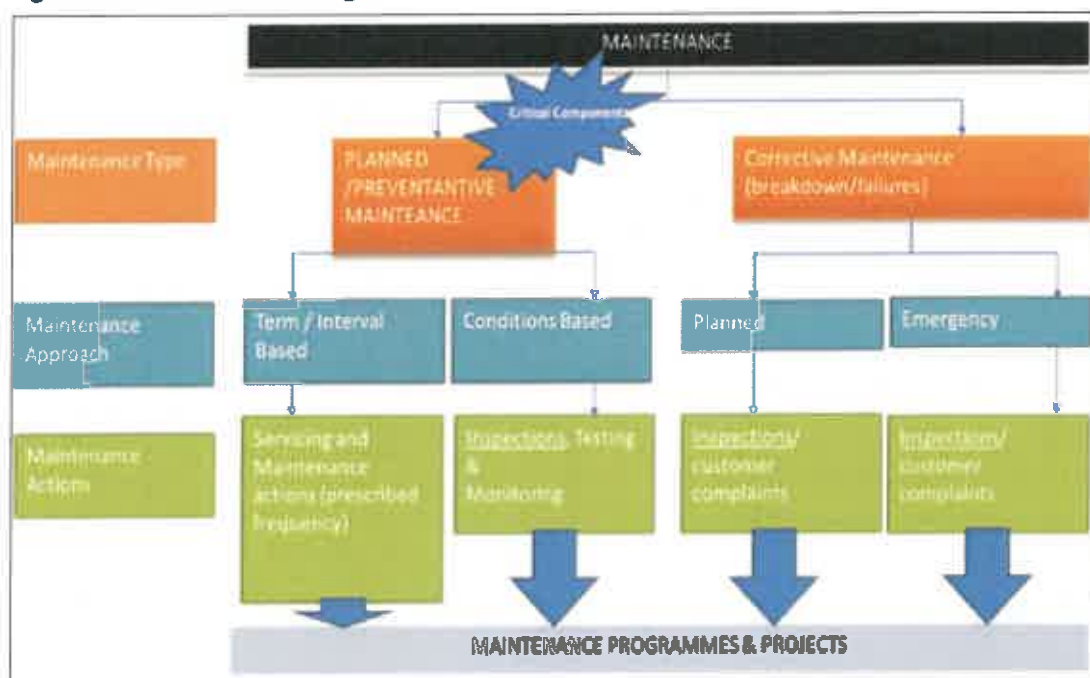
This will enable real-time meter reading (water and energy) in order to create trends. It will also allow for the monitoring of consumption in real time prior to the receipt of utility bills and will improve our diagnostic ability (water losses or energy spikes) to inform proactive maintenance responses. This platform also provides the capability to monitor and report on contractor/supplier performance. Contracts have been analysed to understand the differences in contracting methodologies within the Department for different components to enable standardisation.

The PMTE has also created key performance indicators and dashboards. A new set of key performance indicators has been developed for maintenance in alignment with NIMMS. A key performance indicator monitoring dashboard has been developed within the ERP for the identified indicators. A schedule maintenance module has been developed as part of the telemetry project, thereby shortening the development time for ARCHIBUS. Currently, the module is being transferred from a pilot into the live ARCHIBUS system.

7.3.1.2 Facilities Management Programme

The strategy is to employ a balanced mix of maintenance strategies by increasing the proportion of preventative maintenance in order to reduce the number of unscheduled breakdowns.

Figure 21: Maintenance strategies



This requires investment in the conditions assessment of our property portfolio. The recently initiated Top 300 Programme focuses on improving services and cost management for priority and strategic facilities of the State, the operationalisation of NIMS, the development of maintenance plans and the funding of a critical component programme. The maintenance delivery model is based on the following components:

- Integrated asset lifecycle management, anchored by the entrenchment of scheduled maintenance execution on critical assets. This involves working with original equipment manufacturers to develop and train artisans to operate these critical assets;
- Improved prioritisation of capital to execute repairs and refurbishments in an effort to change the level of statutory compliance of critical infrastructure such as boilers, HVAC systems, lifts and water systems. Maintenance schedules have been developed for HVAC, boilers and lifts in the course of the Top 300 project. These maintenance schedules will be rolled out to further facilities over the MTEF;
- Institutionalisation of conditions assessment and maintenance and capex planning within the PMTE;
- Phased introduction of a maintenance enterprise resource planning platform (ARCHIBUS); and
- Introduction of a digital real estate strategy through the IoT to introduce real-time visibility of prioritised facilities.

This strategy will focus on scheduled maintenance and repairs as well as refurbishment execution with the aim of developing skills and creating work opportunities whilst aligning with the National Infrastructure Maintenance Strategy and the Government Immovable Asset Management Act. The approach is also aimed at reducing the number of unscheduled maintenance incidents and expenditure thereon whilst preserving the condition of the immovable asset portfolio. An amount of approximately R7.5 billion has been allocated over the MTEF for the Repairs and Maintenance Programme, which includes the prioritised 300 facilities.

7.3.1.5 Rural Precinct Development Programme

The Planning and Precinct Strategic Spatial Framework for guiding the selection and prioritisation of precinct planning was completed and approved in 2018. As part of the turnaround process, the PMTE appointed professionals, including an urban designer and town planning specialists, on a contract basis to increase

planning and managerial support for the development of packaged accommodation solutions. In the last year of Phase II, the PMTE is planning to develop a Precinct Guideline Manual in support of integrated Government precinct development.

In Phase III of the Rural Precinct Development Programme the focus will move to the development of a spatial analysis toolkit to enable the PMTE to improve its decision-making capability around its immovable assets, especially vacant land and unutilised buildings. This toolkit will support the PMTE to identify opportunities to use the State's immovable assets to deliver on the social imperatives in rural and small towns and to address the spatial imbalances of the past. A proposal for the development of the toolkit has already been finalised.

7.3.1.6 Standards for infrastructure procurement and delivery management

The management of infrastructure projects through the project life cycle is currently not aligned with project management principles in that limited end-to-end deliverables are planned, monitored and approved. The current processes are reliant on dates set by project managers, without any reliable control measures to ensure that end-to-end deliverables are achieved. No actual participation by the end user of end-to-end deliverables is signed off as an agreement on such deliverables. These deliverables do have gateway control points, though, to ensure that the planning and execution of projects are concluded within the given timeframes captured within the IPIPs. This gap in concurrence between the user departments and PMTE is an enduring risk which leads to poor service delivery in that project tender dates keep being extended as a result of non-performance by project managers or professional service providers. The current format of planning instructions for the procurement of infrastructure projects does not provide enough information about the actual scope of works upon initiation of the project. This leaves the interpretation of what is required to be procured to the project manager, consultant team and end user. This ultimately leads to scope creep at the initiation phase, as the end users' additional requests are usually outside the actual intended scope of works.

These inclusions and the limitations regarding the required scope of works normally lead to delays in procurement bids, as inclusions outside the intended

scope of works need to be verified and approved by the relevant user department in line with budget availability. Inclusions by the end user therefore have a financial impact which was not foreseen at the time of registering the project. These inclusions and resultant scope creep and the general interpretation of what the required scope of works entails can lead to fruitless and wasteful expenditure due to the procurement of non-essential material or equipment.

The PMTE established an IDMS task team in January 2016 to roll out the IDMS methodology and provide training at both the regional offices and Head Office. IDMS processes will contribute to effective delivery, good quality and appropriate infrastructure implementation in the quest to achieve efficient planning and budgeting for infrastructure delivery. It will furthermore result in infrastructure budgets being utilised effectively, minimal wasteful and inefficient use of limited resources, and a decreased risk of incurring irregular expenditure. In order to ensure that budgets are realistic in terms of both time and cost, infrastructure planning processes need to be put in place well in advance of the annual budget preparation processes and need to be carried out thoroughly. If they are sufficiently developed they will minimise the risks to successful infrastructure delivery processes, which in turn will lead to improved service delivery. To this end, the alignment of infrastructure planning with budget cycles, forward planning and multi-year budgeting is essential.

Based on the engagements of the task team, a plan was put in place to introduce the concept of IDMS and the drafting of IPMPs. Copies of concluded IPMPs were provided to the user departments as draft documentation for possible signoff of IPMPs. The re-workshopping of user departments and updating of IPIP and IPMP documentation to align with the future MTEF will be prioritised to comply with IDMS requirements. It is essential that well defined IPIPs are provided to the implementing agents (regional offices, DBSA, COEGA, IDT), as the IPIP will replace the planning instructions currently being used to procure infrastructure projects. Within the IDMS process, the IPIP outlines the scope of work, programme timelines and milestones. Once IPIPs have been received and the relevant documentation has been approved, the process is stringently controlled. Should there be any deviation, this will be reported and clear reasons as to why the time frames were not met need to be provided for the revision of IPMPs and IPIPs, which

are drafted at management level. At each stage of the project management process there are compulsory documents that need to be drafted and signed off by both the end user and PMTE prior to the project progressing to the next stage. There are control points in the form of gateways which prevent any further progression on the project if the specific end deliverable has not been met.

The critical success factors for the full implementation of the IDMS include a reliable and accurate immovable asset register; the conclusion of UAMPs for each user department, taking into consideration life cost management; costed CAMPs based on condition assessments; and awareness creation and training for internal and external stakeholders. The Standards for Infrastructure Procurement and Delivery Management (SIPDM) serve as a new and improved methodology to deliver on infrastructure as part of the IDMS. The CIDB and the National Treasury remain key stakeholders in the implementation of the SIPDM and IDMS.

7.3.1.3 Energy Efficiency Programme

Interdepartmental cooperation between the PMTE, the DEA and the DoE on the Energy Efficiency in Public Buildings and Infrastructure Programme (EEPPIP) has yielded results in the form of the approval of an interdepartmental application for the funding of an energy efficiency programme involving three spheres of Government at selected facilities at national, provincial and municipal level. Funding of EUR 20 000 000 (twenty million euro) has been made available through the National Appropriate Mitigation Action (NAMA) initiative, supported by the German International Cooperation (GIZ). The programme will provide for collaboration in the implementation of the programme at selected buildings at national, provincial and municipal levels in the 2019/20 financial year.

As for existing energy saving contracts, the reporting processes have been improved with regard to facilities with approved baselines. Current implementation is being monitored on an ongoing basis. A total of 451 facilities across all regional offices have been identified for energy saving interventions. Other interventions include the commissioning of the University of Cape Town's Energy Research Centre (ERC) to develop an internal framework and toolkit to improve energy saving monitoring, reporting and verification. This will ensure better capacity in the region to process data on savings and monitor projects.

An additional 63 new baselines have been approved for the implementation of energy savings in various regions. The PMTE has entered into an agreement with GTAC to commence with the development of the Super Esco Business Plan. The output of this will be an implementable function providing for improved legal, financial and technical models for energy, water and waste contracts. As part of the turnaround projects, the intervention will furthermore cater for the assessment of revenue enhancement opportunities for the PMTE through resource efficiency/services contracts.

Independent measurements and verifications (M&Vs) were completed at selected facilities in Pretoria, Durban and Cape Town. The results have been assessed to inform the new trajectory towards shared savings contracts, linked to the Super Esco model and improvement areas for technical and contractual obligations. Independent M&Vs relating to compliance issues have been shared with the Governance and Risk Branch.

7.3.1.7 Water Management Programme

WATER RESOURCES

A detailed conditions assessment has been conducted on options to augment the current water supply in support of the water resources management strategy. The conditions assessment included 51 ports of entry, and the implementation of recommendations is required for the next phase to commence. Several assessments have been conducted for Department of Correctional Services and South African Nation Defence Force facilities that are in dire need of an urgent intervention, and the proposed solutions need to be implemented. The South African Police Service reported a number of water shortage problems, the remediation of which is planned for the next FY. The PMTE has prioritised condition assessments, the design and construction of water supply infrastructure, water harvesting and related water infrastructure and dam safety inspections, and the attainment of water use licensing for the upcoming year.

WATER DISTRIBUTION

The water savings achieved during the 2017/18 FY grew by 6 000 000 KL. This amounts to approximately R60 million in monetary savings as a result of water savings to date. Three professional service providers have been appointed under a shared water savings contract for a period of seven years to reduce water

losses and improve efficiency in ten DPW regions across the country. The current water infrastructure has been assessed, and a water efficiency strategy developed, for 50 of the largest facilities. A further 50 facilities are currently undergoing assessment. The PMTE will implement the No Drop Compliance initiative during 2019/20, depending on the availability of the required funding.

WATER QUALITY

The PMTE appointed the Council for Scientific and Industrial Research (CSIR) to conduct a water quality gap analysis. The gap analysis informed the PMTE on what direction to take in tackling the challenges faced when it comes to water quality compliance monitoring – in particular the state of laboratories which are responsible for compliance monitoring. This will help improve both the Blue Drop and Green Drop scores. Following a finding that there was inadequate laboratory infrastructure fit for the purpose of water quality monitoring and a recommendation to equip the analytical laboratories from the gap analysis conducted by the CSIR on the state of the DPW's analytical services, laboratory instruments were procured for the three laboratories in Durban, Pretoria and Cape Town. A comprehensive water quality monitoring programme was also established. The contract has since lapsed at the National Department of Public Works' water treatment works, wastewater treatment works and water resources in the nine regions.

The PMTE will establish a long-term water quality monitoring programme at all water care facilities, procure Blue and Green Drop test kits and establish a laboratory quality management system during the 2019/20 FY.

WATER AND WASTEWATER TREATMENT

The PMTE has successfully established Blue Drop requirements, conducted an analysis of current conditions and developed a Blue Drop improvement plan for 51 water treatment facilities in nine regions. In addition, the PMTE has established Green Drop requirements, conducted an analysis of current conditions and developed a Green Drop improvement plan for 82 wastewater treatment facilities in the various regions.

7.3.1.8 Supply chain management reform

SCM reforms are on track, as evidenced by audit opinions wherein SCM issues were considered primarily to be related to non-compliances and not irregular expenditure. The Operating Model for SCM which formed part of the overall 7 year turnaround strategy was focused on differentiating between the three cores streams of business being Infrastructure, Property and Goods & Services (Prestige). This was necessitated as a result of the deficiency of specific SCM regulations for these unique core streams thus giving rise to inefficiencies and lengthy turnaround times to procure. The SCM reforms were focused on reviewing business processes and systems and formulating a new procurement regime for each core stream.

The ongoing review of SCM business processes for the three cores streams is already managed as a project with defined milestones for completion. This project is managed within the office of the Head of PMTE. The end to end system for electronic procurement for PMTE is SAGEX3 and the procurement blueprint has been developed, approved and is now ready for implementation as part of the PMTE ERP System. A service provider has already been appointed to implement SAGEX3. The key modules are procurement planning, sourcing and management of contracts.

The new procurement regime for Prestige focused on the implementation of framework agreements as the preferred sourcing methodology given the dynamics of this portfolio. At present a number of framework agreements are already in place for procuring infrastructure being amongst others, state events, state funerals, state visits, etc. This enables the department to deliver quicker on all requests received.

In collaboration with National Treasury a new Standard for Leasing and Letting has been developed and the release of this standard will further improve efficiencies in procuring accommodation.

The SCM reforms related to the infrastructure core stream was predicated on the full implementation of IDMS and the Standards for Infrastructure Procurement and Delivery Management (SIPDM). Whilst these have not been fully implemented, the reforms thus focused on the implementation of panels of professional service providers (professional consultants) from which appointments can be expedited. The use of

panels of construction contractors to deliver projects is also being considered for implementation. Another procurement strategy that has been adopted as part of the SIPDM is the use of implementing agents to deliver on projects thus ensuring improved service delivery and turnaround times.

7.3.1.9 Vesting of immovable assets and endorsement of title deeds

In terms of the Constitution of the Republic of South Africa, No. 108 of 1996 (the 1996 Constitution), all State-owned national and provincial immovable assets must be vested in the name of the National Government or one of the nine provinces. Prior to 27 April 1994, State-owned immovable properties were registered in the name of a multitude of authorities such as the Union of South Africa, the Republic of South Africa, the TBVC states, the Provincial Administrations, the South African Development Trust, the Community Development Board, Education Trustees and Hospital Trustees, as well as certain office-bearers such as the Governor-General, the State President, the Minister of Lands, the Administrator of Transvaal, etc.

Section 28 (1) of the Constitution prescribes how State-owned immovable properties are to be registered between the National Government and the provincial governments, based on the designated functions of such governments and the legislation administered by the respective spheres of Government. A mechanism was created in terms of the 1996 Constitution and Section 239 of the 1993 Constitution to confirm ownership of State land as either national or provincial. Section 239 (2) (a) of the 1993 Constitution stipulates the following:

“A registrar of deeds shall upon the production of a certificate by a competent authority that immovable property described in the certificate is vested in a particular government in terms of this section, make such entries or endorsements in or on any relevant register, title deed or other document to register such immovable property in the name of such government.” Schedule 6: Transitional Arrangements of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Section 28 stipulates that:

“On the production of a certificate by a competent authority that immovable property owned by the state is vested in a particular government in terms of

section 239 of the previous Constitution, a registrar of deeds must make such entries or endorsements in or on any relevant register, title deed or other document to register that immovable property in the name of that government.” The PMTE has identified a total of 900 land parcels to be vested in 2019/20. The vesting and endorsement of title deeds in the name of the national or provincial government will safeguard state properties, prevent the misappropriation of immovable assets and resolve disputes regarding custodianship.

7.3.1.10 Componentisation of the Immovable asset register

The PMTE manages an extensive property portfolio that comprises 29 644 registered and unregistered land parcels on which 89 626 improvements are located (buildings and structures) across 52 client departments countrywide. The PMTE embarked on a comprehensive programme to develop a complete and GRAP-compliant immovable asset register (IAR). This physical verification and high-level condition assessment project commenced in October 2013 and was completed by the end of the 2014/15 FY.

The current IAR was developed mainly to meet compliance and reporting requirements in terms of PFMA and GRAP standards. Modern infrastructure asset registers are no longer inventory lists to suit basic accounting criteria. Componentised asset registers not only satisfy accounting requirements but provide data on aspects such as assets’ physical characteristics and capacity, failure mode status, criticality rating and remaining useful life. An asset register should be a common and accurate database used to inform decision-making in the areas of services planning, risk assessment, asset lifecycle planning and investment prioritisation.

Further enhancements to the existing IAR are required to support the PMTE in its endeavours to improve FM and to implement itemised billing. This has necessitated a detailed technical analysis to assess the condition of the PMTE’s property portfolio, especially the significant components, including their sub-components. The significant components (central air-conditioning systems, lifts, generators, boilers, etc.) are the main drivers for FM. Therefore, the condition and remaining useful lives of the significant components are of paramount importance to the FM Division in order to improve customer service by embarking on a proactive maintenance strategy.

7.3.2 Internal policies, processes and systems

7.3.2.1 Changes in the Financial Reporting Framework

The Standard of Generally Recognised Accounting Practice (GRAP) for Segment Reporting took effect on 1 April 2018 and has had a significant impact on the PMTE’s financial reporting. The PMTE is in the process of aligning its accounting policies and financial statement presentations to adhere to the new GRAP disclosure requirements. The PMTE is furthermore in the process of improving its operating and reporting environment by issuing circulars and instituting business processes to bring about 30-day payments and monthly reporting. In addition, changes have been implemented in the current operating model to address the bank overdraft (e.g. payments to landlords will be made on the first of each month instead of at the end of the previous month). In order for the PMTE to determine the cost of operating its properties, the UCM was developed to guide pricing of the property portfolio, amongst other benefits. As opposed to the devolution framework, the PMTE is now expected to produce itemised bills to its clients, detailing what assets (accommodation) they are paying for. This will be done in a phased approach as per the project plan approved by National Treasury.

7.3.2.2 Implementation of the Property Empowerment Policy

In effecting transformation across the property sector, the PMTE has an approved Property Empowerment Policy which seeks to promote long-term leases for black landlords and imposes conditions on other landlords to implement transformation as part of their lease contract conditions.

7.3.2.2 Implementation of the Leasing and Letting-Out Framework

Together with the National Treasury, the PMTE has developed a much needed Standard for Leasing and Letting and a Framework for the Letting Out of Coastal Properties. Once approved and implemented, the Framework will place the PMTE in a favourable position to generate maximum revenue from its properties and review exorbitant rates charged by landlords.

7.3.2.3 Review of SCM standard operating procedures and systems

The PMTE will be reviewing the SCM standard operating procedures to improve efficiencies and turnaround times and accommodate changes in the SCM landscape. Within the leasing environment, changes that have been effected include the delegation of some of the functions that were previously performed at Head Office level to the regional offices, facilitating decision-making where the execution occurs. The impact of this has been that the responsiveness of the system has been enhanced and turnaround times have improved. The attendance of bid committees, which has been a source of delays in bid execution, turnaround and finalisation, has been made mandatory for all relevant stakeholders. At an operational level, acquisition practitioners have been assigned to take on the function of monitoring compliance to the procurement plan timelines in order to ensure compliance – this will have an impact on the quantum of awards, particularly as it relates to preferential procurement.

The end to end e-procurement system for PMTE is SAGEX3. The procurement blueprint for all SCM modules have been finalised and signed off. A service provider has been appointed to develop the modules and implement as part of the broader ERP System for PMTE. To enhance and optimally implement contract management, an electronic contract management module is also being developed.

7.3.2.3 Investment management policies

A number of operational policies are required to bring consistency and a standardised approach to decision-making and to improve the way of doing things, particularly with regard to investments. One of the policies already under development is the repayment period policy, which will guide the analysis of various investments as well as the determination of user charges. A returns policy is also scheduled for drafting. This policy is aimed at giving context to investment analysis and subsequently providing investment solutions. An asset strategy or performance standards document will be drafted in order to guide various business processes and also provide a base against which to monitor the performance of the immovable asset portfolio. This document is envisaged to guide asset standards, a maintenance strategy for each asset category, and ultimately the pricing or setting of tariffs for such properties.

The new Letting-Out Framework will interrogate new development proposals that will contribute to investment opportunities in small harbours and State-owned coastal properties. This, in turn, will contribute to both revenue generation for the State and GDP as outlined in the NDP 2030. The implementation of the Letting-Out Framework will create opportunities for previously disadvantaged persons to submit proposals for the use of State-owned coastal properties. The framework applies the principles of the Preferential Procurement Policy Framework Act (PPPFA).

7.3.2.4 Revision of the unscheduled maintenance guidelines

The day-to-day guidelines are being reviewed to ensure alignment to NIMMS. As part of the review, streamlined workflows will be improved so that the opening, workflow management and closure of a logged incident all form part of a seamless process in the system, thus minimising opportunities for manual interference. Following the introduction of a mobile app, the approval of maintenance calls and twenty-four hour communication with works managers and regional managers will facilitate faster turnaround times in attending to and closing jobs. The automated process flow will now allow for escalations and the aggregation of logged incidents so that feedback can be provided to the help desk/call centre on progress with regard to jobs/calls.

7.3.2.5 Introduction of Energy Performance Certificates Regulation (EPC) by the Department of Energy

The newly introduced Energy Performance Certificates Regulation stipulates the mandatory display of energy performance certificates in selected Government buildings. The Public Works Green Building Policy already makes provision for the implementation of EPCs, pointing to the added benefit that EPCs would provide in terms of the promotion and rollout of energy saving interventions in Government buildings. The PMTE has issued a formal statement in support of the Regulation to the Department of Energy. The implementation of the Green Building Policy with its principles that contribute to the reduction of Greenhouse gas emissions, resource efficiency, a circular economy (recycling), and the creation of green jobs will continue to be prioritised.

7.3.2.6 National Immovable Asset Maintenance Management Standard (NIMMS)

The National Immovable Asset Maintenance Management Standard (NIMMS) complements the Infrastructure Delivery Management Standard (IDMS) by specifying asset care requirements for immovable assets through their lifecycle and by establishing standards for organisational arrangements, competences and requirements for professionals involved with asset lifecycle activities. Lifecycle activities addressed in this standard include planning for and executing the maintenance, renewal or replacement, decommissioning and disposal of assets. NIMMS describes a component as a specific part of a complex item (Note 2) that has an independent physical or functional identity and specific attributes such as a different life expectancy, maintenance and renewal requirements and regimes, risk or criticality. Note 1: A component is separately recognised and measured (valued) in the organisation's asset register as a unique asset record, in accordance with the requirements of GRAP 17 to componentise assets. Note 2: A complex item is one that can be disaggregated into significant components. Infrastructure and buildings are considered complex items.

The current IAR is GRAP compliant; however, to develop maintenance plans as required by NIMMS and IDMS, further work is required to deepen the IAR through the process of componentisation. It is envisaged that the work of componentisation of the

asset registers of prioritised client departments and prioritised facility types will be completed over a five-year period.

7.3.2.7 Amended Construction Sector Code (ACSC)

The Amended Construction Sector Code (ACSC) was gazetted on 1 December 2017 and immediately became applicable to and binding on all private and public sector entities in the infrastructure- and construction-related industries. Under the ACSC, all businesses affected are measured in terms of the sector code in respect of their BBBEE spend for the previous financial period (the measurement period). All public sector departments and entities in particular are now compelled to measure their procurement and related spend in terms of the ACSC and must report accordingly.

Section 13 (9) (1) of the BBBEE Act makes it compulsory for all spheres of Government, public entities and organs of state to report on their compliance with BBBEE in their audited annual financial statements and annual reports required under the PFMA 1999. To the extent that these are State-owned and regulated entities, the BBBEE reports must be in accordance with paragraph 13(1) and 17 (11) of Mandated Investments and NPOs in the Amended Construction Sector Code.

7.4 Performance environment

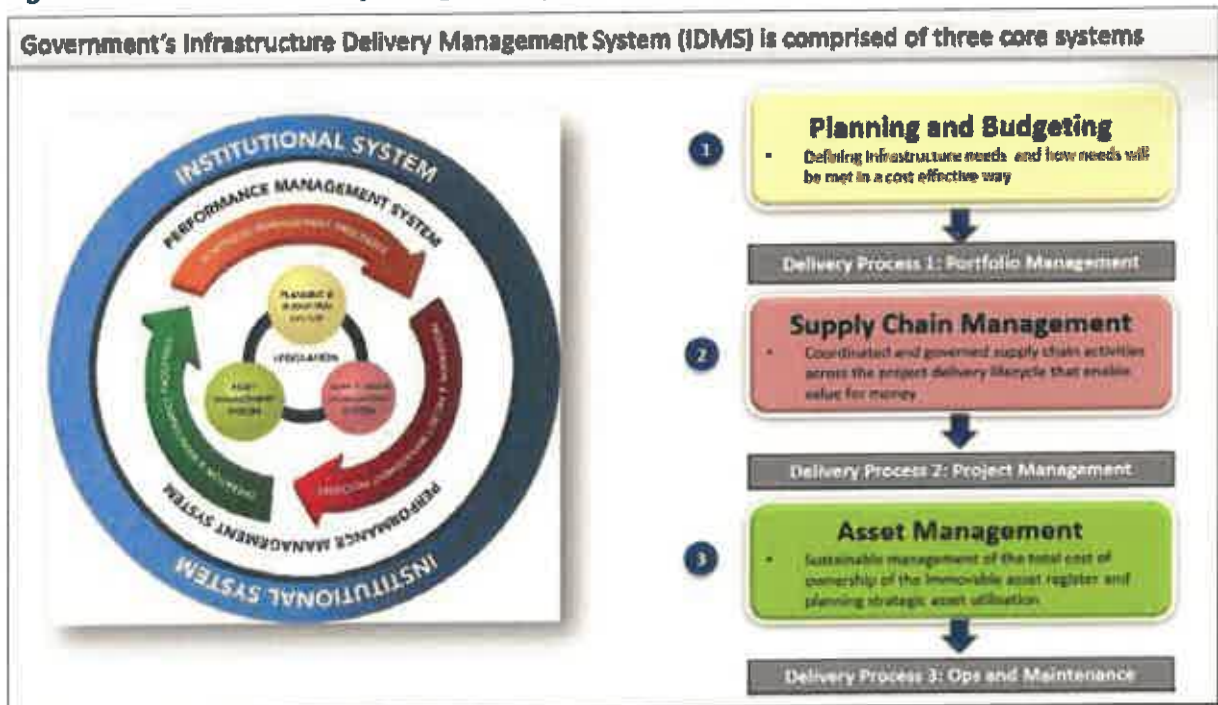
7.4.1 Poor performance of professional service providers and contractors

The PMTE has identified various interventions to improve the delivery of infrastructure projects. Once such intervention is to identify special major and mega turnkey projects (design and build) for the minimisation of scope creep, variation orders and extensions of time that have cost implications. The PMTE will reduce the time spent on internal processes in order to give more attention to the planning of infrastructure projects. This will assist in ensuring proper documentation for construction. Bidders need to be thoroughly assessed at tender stage to ensure that they are adequately capacitated to execute infrastructure projects. There must be a special process to expedite the appointment of completion contractors immediately in case of terminations. Termination must be considered at an early stage of the project to minimise losses if non-performance is detected. The PMTE will also introduce consultant stage payments, where payments are evenly distributed across the duration of the project. Payments made during stages 5 and 6 of a project will be reviewed to make it viable for consultants to administer the contract up to completion.

7.4.2 Increase of scope by user departments resulting in delays during construction

The PMTE is deploying and will leverage the Infrastructure Development Management System (IDMS) as a means of ensuring an efficient and effective integrated planning process that actively engages all of the PMTE's stakeholders in projects to reliably and consistently deliver and maintain a sustainable infrastructure in a way that leads to economic empowerment and job creation for the country. This relates to improving the speed and effectiveness with which we deliver infrastructure, in order to ensure that the PMTE is able to sustainably and consistently satisfy the needs of user departments. IDMS implementation will ensure that, once sign-off has been obtained from a user department, no further scope changes will be considered during the construction stage. User departments will be workshopped on the contract management and cost implications of the delays experienced at construction stage. Special considerations and requirements will be included for the planning of occupied facilities.

Figure 22: Infrastructure delivery management system – future outlook



The accommodation needs of user departments are recorded in the U-AMP prepared by them with the assistance of the PMTE as part of the portfolio planning process within the IDMS, informed by the IAR and condition assessments of buildings.

The PMTE, as the custodian of immovable assets, prepares a C-AMP as part of the portfolio planning process within the IDMS, informed by the U-AMPs of user departments, which is derived from the strategic plan of the custodian. The planning and

execution of new infrastructure, refurbishment and renovation projects; decisions to enter into private leases; and the maintenance of assets are informed by investment decisions taken by the custodian once the C-AMP has been finalised. These will inform the Infrastructure Programme Management Plans (IPMPs) and Infrastructure Programme Implementation Plans (IPIPs). The IDMS will ensure that the planning, execution and maintenance of assets are aligned with the National Treasury's MTEF funding cycle through IPMPs. A total of 42 U-AMPS were received from user departments and the C-AMP developed. The IPMPs for SAPS, DOJ, DCS, DOD and DAC have been completed and workshopped with the user departments.

7.4.3 Enhancing project management capacity within the PMTE

The implementation of the IDMS will ensure integration across the value chain, from sketch plan approval through to construction and final completion. A sketch plan calendar will be developed and tracked on a monthly basis, and support will be provided where the sketch plan approval process is extended. This will ensure that no project moves into the development phase before all the necessary steps have been taken and that a project complies with and meets the minimum set standards at each stage to ensure that it is ready for implementation. Projects under construction will also be tracked to ensure that regional offices with no professional capacity are assisted. Intervention teams will be created to handle critical and mega projects that are experiencing challenges. The PMTE will introduce a clause for mentorship and empowerment when appointing consultant consortiums. Where required, the PMTE will make use of implementing agents to provide expertise and capacity on minor and mega infrastructure and FM projects.

7.4.4 Improving the monitoring, reporting and verification of resource efficiency programmes

Through collaboration with the Department of Environmental Affairs and the German International Cooperation (GIZ), the University of Cape Town's Energy Research Centre (ERC) has been commissioned to develop a monitoring, verification and reporting framework/toolkit to strengthen reporting by regions with a relevant portfolio of evidence for energy and water savings, for implementation in 2019/20.

Improved business processes have been implemented to support reporting. In partnership with the DEA, an intervention to improve employee awareness of Green Building and resource efficiency through training was earmarked to be rolled out in 2018/19. The first round of training, in the form of an introduction to Green Buildings, targets 22 officials from DPW regions, 16 officials from provinces and a further 16 officials from identified municipalities. More training workshops will be held during 2019/20. Reporting on water monitoring and savings has been improved through the introduction of business processes that standardise the management and reporting of water efficiency programmes. Furthermore, the introduction of monitoring, measurement and verification (M&V) protocols through the appointment of specialised M&V service providers will resolve any process issues and enhance the programme moving forward.

RE is capital intensive, and the intervention was undertaken with an understanding that a deliberate funding and delivery mechanism will be required prior to project implementation. An RE funding and delivery strategy developed in conjunction with the DBSA has been finalised for implementation in 2019/20. Implementation of the RE funding and delivery strategy involves, inter alia, power purchase agreements. The DBSA process, undertaken by a transaction advisor on RE, had to provide for business processes required for the PMTE to secure RE project approval from relevant municipalities or Eskom, including the requisite approval from the DoE. Implementing partners comprise the GTAC, DBSA, Department of Energy and Department of Environmental Affairs. Two pilot projects were put in place during 2018/19 at the Makhado Air Force Base, and selected residential buildings were targeted for solar rooftop water heaters. Smart metering in the Union Building and on Robben Island will provide for energy generation data from solar PV facilities that have already been installed there and are currently operational.

7.4.5 Delays with the issuing of itemised billing to user departments

The PMTE identified ten user departments from the IAR to be billed using the UCM. The process that was undertaken to implement itemised billing included key activities such as obtaining confirmation of occupation from the clients. The process was delayed as a result of the information contained in the IAR being inaccurate and outdated, which then led to a significant number

of clients disputes. Due to the extent of disputes with client departments, only four clients out of ten confirmed occupation, which was subsequently submitted to National Treasury for approval. The user departments who confirmed occupation will be billed using itemised billing after further engagements with National Treasury have taken place relating to the user charges that have been approved.

7.4.6 Improving turnaround times across the infrastructure value chain

The construction and property management value chain has various dependencies on external parties such as project managers, bid committees, external consultants doing risk assessments, the State Security Agency for security clearances and user departments for confirmation of funds. Additionally, the implementation of the new PPR 2017 regulations with mandatory requirements for subcontracting, etc. has added more steps into the procurement process, thus impacting the overall turnaround times for the awarding of bids. When procuring services through quotations, the PMTE continuously reviews quotations where there are inadequate supplier responses, leading to protracted turnaround times as the PMTE pursues compliance with the National Treasury's prescription of always obtaining three quotes.

The strategic intervention to address the recurring audit findings within SCM includes a review of supply chain business processes and delegations; regular training of SCM role-players; the implementation of compliance gates within the SCM business processes through compliance checklists; and full enforcement of the milestone monitoring tool. The PMTE will give more attention to the effective functioning of and compliance with all processes, rules and procedures by, for instance, ensuring proper segregation of duties, sufficient supervisory capabilities, the implementation of control gates and quality assurance. Identified cases relating to non-compliance and irregular expenditure will be referred for investigation so that appropriate action can be taken. Based on the outcome of the investigation, existing internal controls, processes and procedures will continue to be followed and enhanced and the necessary monitoring will be conducted to enforce compliance.

Delays in the confirmation of funds by user departments will be addressed through the full implementation of the IDMS, which will require users and custodians to plan, budget and ensure the timely allocation of funds for their planned infrastructure requirements. The signing of service level agreements with user departments becomes critical in this regard in the short term to ensure that project delays are minimised as far as possible. Bid Evaluation Committees (BECs) are a critical component in the turnaround time for the processing of bids. Measures are being set in place to establish service level agreements based on predetermined turnaround times for each gate in the evaluation process, including risk assessment reports, in order to reach the set target. In an effort to reduce turnaround times and benefit from economies of scale, the PMTE continues to facilitate the establishment of term contracts and panels of service providers as part of strategic sourcing.

7.4.7 Promoting a client-centric culture in the delivery of accommodation

Part of operationalising the PMTE, and key to managing the expectations of user departments, is having a defined end-to-end customer experience which enables regular interaction across the project lifecycle. The PMTE aims to efficiently manage client relationships from inception to the delivery of accommodation requirements. This is essential in ensuring that user departments are provided with the required infrastructure that enables the delivery of services through the provision of convenient and accessible accommodation. The PMTE ensures continuous engagement with user departments from the inception stages, i.e. facilitating and receiving the needs assessment until final delivery of the accommodation. User departments are informed of progress with their request for accommodation through direct formal communication, using platforms such as client forum meetings, monthly reports, direct communication and on-site meetings. In addition, the SLAs that are signed with user departments play a critical role in ensuring that service delivery is effective and efficient.

7.4.8 Optimizing portfolio return and investment

The PMTE has not achieved its annual target with regard to the disposal of identified properties owing to a range of issues that include timeous technical investigations, complex land issues relating to ownership, rights and obligations that need to be clarified in reaching a disposal recommendation, and the necessity for requesting parties to confirm funding for the acquisition of the required properties in line with the PMTE's income-generating requirements. In order to improve the turnaround times, the PMTE has introduced various interventions, including but not limited to the development of a policy framework to inform investment management. By prioritising the development of key policies and strategies such as a PMTE disposal policy and strategy, the PMTE will set disposal parameters in support of its income-

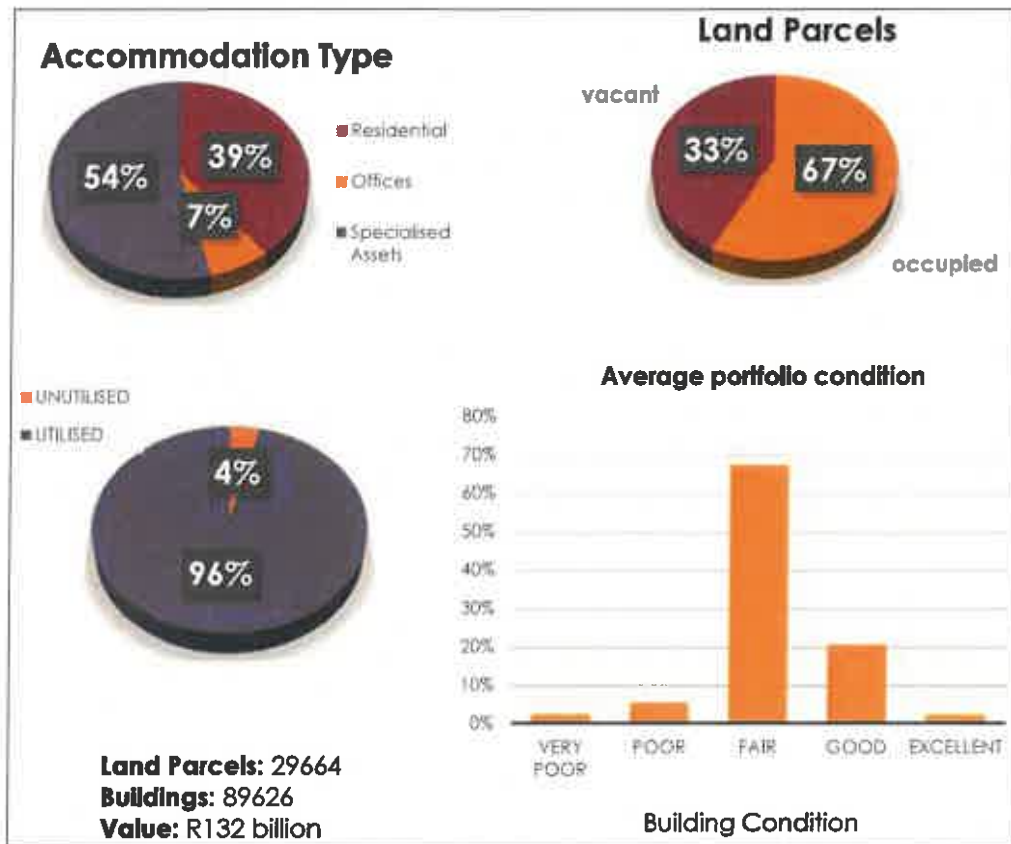
generating requirements and augment its financial resources to facilitate sustainability and improved life-cycle funding for the PMTE asset portfolio. The PMTE will also fast-track the processing of numerous requests from other sectors within Government and the private sector for the disposal of land under the custodianship of the Department if such assets are available to be disposed. The PMTE and the Department of Rural Development and Land Reform (as another key custodian) will jointly investigate the possibility of rebalancing the immovable asset portfolio on a functional rather than geographic basis so as to align it with the functional expertise that lies within each institution and ensure improved management of the overall state portfolio.

7.5 Demand for services

Based on a high level condition assessment undertaken through the enhancement of the IAR Project, 8% of the portfolio's immovable assets are in unacceptable condition and 63% are in a fair to good condition. 3% of the portfolio is in an excellent condition. There are significant opportunities for private sector investment in the State's property portfolio through the development of unutilised government land

and buildings, and the building of small to large government precincts and service delivery outlets in small towns and rural areas. 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).

Figure 23: State of government estate



The UAMP is a planning tool that enhances uniformity on all conceptual planning of accommodation solutions. The streamlining of the UAMP templates has enabled user departments to capture their infrastructure needs for planning of accommodation solutions including their existing and future needs. The total demand from users is approximately 1 432 377 square meters. This demand is fed into the Custodian Asset Management Plan to ensure that holistic planning is developed through the various spheres within the PMTE.

The planning process for the infrastructure demand by the user departments, assisted by the PMTE, takes into consideration the guidelines of the IDMS in order to enhance effective delivery of the infrastructure requested. This will further enhance asset life cycle planning, an integrated information system that captures the needs of user departments from inception to conclusion that will inform the holistic client centric approach by the PMTE. The PMTE has opted to utilise implementing agents to reduce the backlog and improve service delivery on infrastructure. This also caters for the new demand by user departments.

Table 17: Demand for new space per user department (capital requirements)

USER DEPARTMENT	AREA REQUIRED (M ²)	TOTAL NEEDS (CAPITAL FUNDS REQUIRED)	2019/2020 MTEF YEAR 1 REQUIREMENTS	2020/2021 MTEF YEAR 2 REQUIREMENTS	2021/2022 MTEF YEAR 3 REQUIREMENTS
South African Police Services	15 334	R 407 384 813	R 75 366 192	R 166 009 305	R 166 009 315
Defence	56 861	R 340 865 000	R 204 897 000	R 67 984 000	R 67 984 000
Justice and Constitutional Development	42 112	R 4 053 099 224	R 504 112 698	R 1 039 960 014	R 2 509 026 512
Correctional Services	4 097	R 68 798 125	R 16 191 301	R 21 934 579	R 30 672 246
Home Affairs	6 098	R 89 955 140	R 7 233 210	R 25 259 375	R 57 462 555
Labour	14 329	R 131 403 513	R 23 256 811	R 66 300 298	R 41 846 403
Environmental Affairs	32 557	R 42 651 735	R 0	R 7 890 570	R 34 761 165
SUM TOTAL	171 388	R 5 134 157 549	R 831 057 212	R 1 395 338 141	R 2 907 762 196

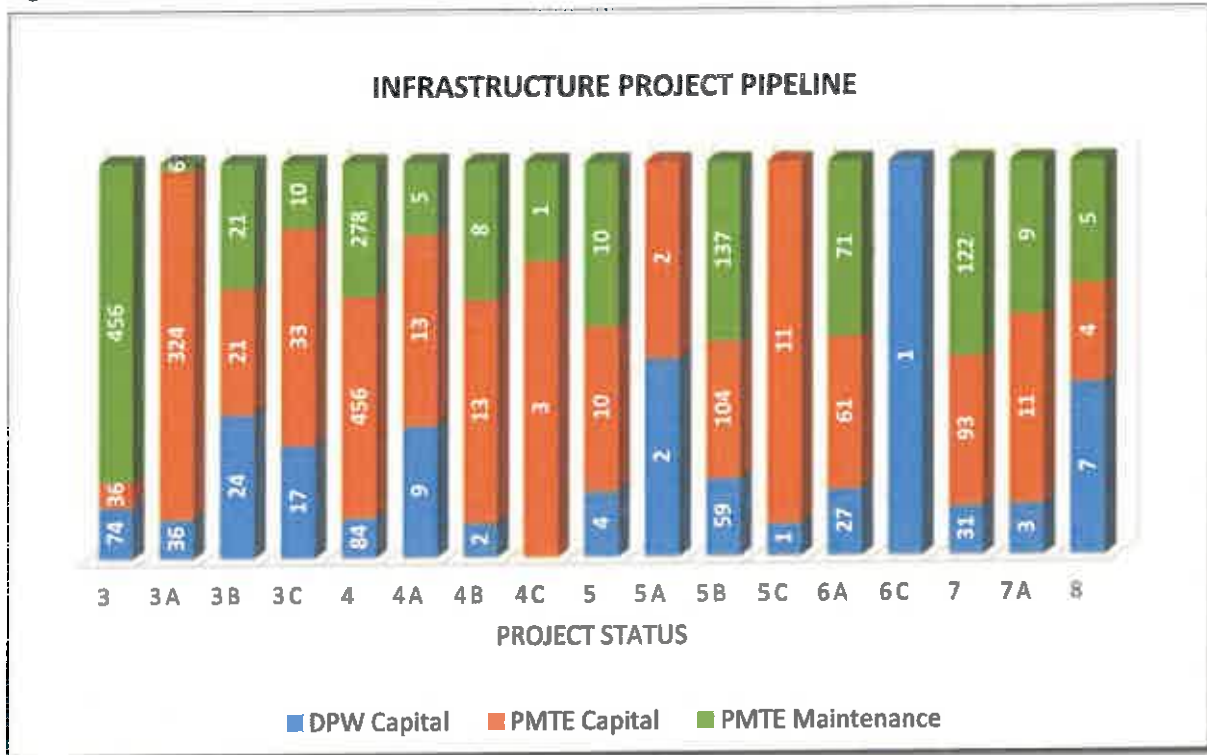
Table 18: Demand for new space per user department (leasing requirements)

USER DEPARTMENT	AREA REQUIRED (M ²)	TOTAL NEEDS (LEASES FUNDS REQUIRED)	2019/2020 MTEF YEAR 1 REQUIREMENTS	2020/2021 MTEF YEAR 2 REQUIREMENTS	2021/2022 MTEF YEAR 3 REQUIREMENTS
South African Police Services	140 491	R 2 179 993	R 691 513	R 726 088	R 762 393
STATS SA	648	R 2 178 245	R 658 080	R 723 888	R 796 277
GCIS	134	R 930 458	R 300 049	R 306 024	R 324 385
Defence	1 155	R 4 191 201	R 1 322 970	R 1 395 733	R 1 472 498
Health	2234	R 10 724 410	R 3 385 195	R 3 571 408	R 3 767 807
Military Veterans	3000	R 13 836 983	R 4 367 700	R 4 607 924	R 4 861 359
Rural Development and Land Reform	2500	R 11 230 015	R 3 544 800	R 3 739 764	R 3 945 451
Justice and Constitutional Development	2 622	R 10 505 922	R 2 676 630	R 3 809 884	R 4 019 408
Labour	179	R 482 000	R 149 141	R 160 381	R 172 478
Agriculture, Forestry and Fisheries	16434	R 136 874 425	R 42 993 600	R 45 573 216	R 48 307 609
SUM TOTAL	169 397	R 193 133 652	R 60 089 678	R 64 614 310	R 68 429 665

There are approximately 2 716 infrastructure projects within the infrastructure programme of the PMTE that are in various stages of implementation. The figure below provides a summary of the infrastructure programme, which runs over multiple years, for new accommodation, replacements, upgrades and additions to existing accommodation within the PMTE. It also provides a summary of the infrastructure programme of user departments and the PMTE's Planned Maintenance Programme for the 2019/20 financial year. The infrastructure programmes

of the PMTE and user departments will deliver sustainable infrastructure and accommodation to user departments while supporting economic growth and socio-economic transformation. Infrastructure projects include the upgrading of facilities to ensure access to people with disabilities; the upgrading and construction of departmental offices; the development of national Government precincts; the refurbishment of infrastructure-related border post centres, correctional centres, and police stations; and the maintenance of existing facilities.

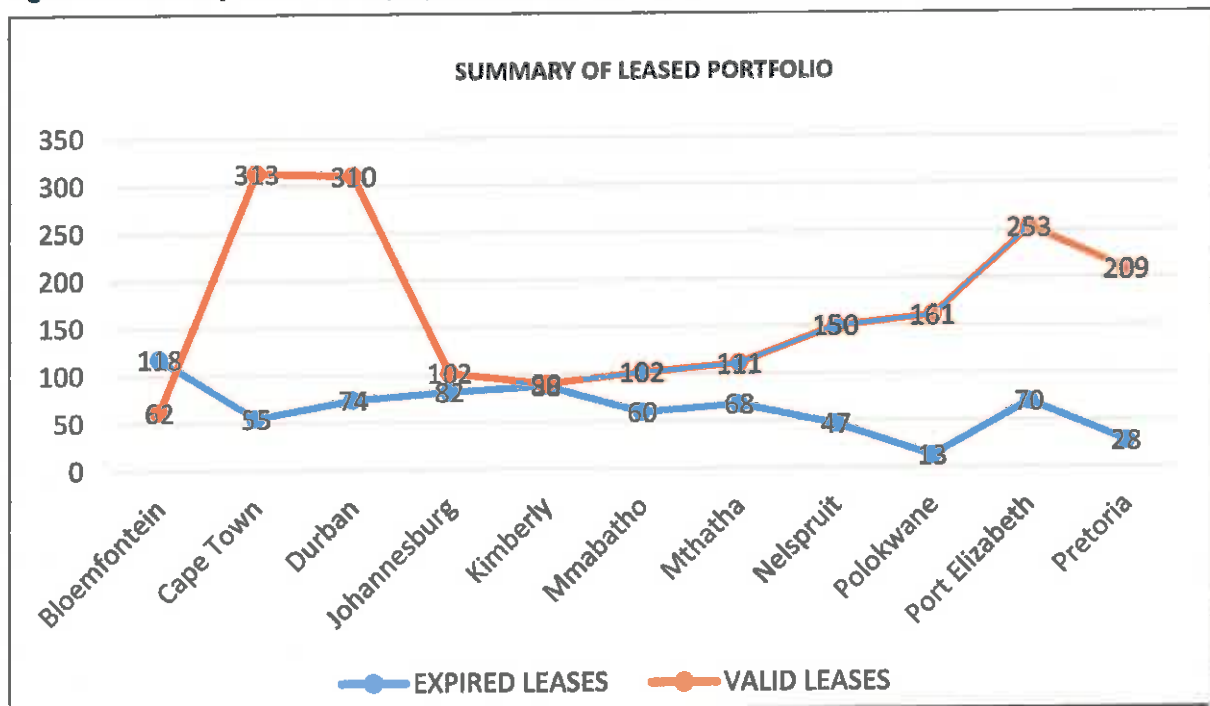
Figure 24: Summary of infrastructure projects per stage of implementation



Due to the scarcity of appropriate infrastructure and maintenance backlog of existing freehold stock, Government is compelled to lease accommodation from third party lessors. The PMTE has a responsibility to positively influence the broader property market and to support transformation so that ownership, management and control better reflected the demographics of the country. The Department will take full advantage of the high concentration of lease agreements among landlords which should

give the PMTE considerable leverage in renegotiating the leases. Reducing the perceived risks of public sector tenants (e.g. late rental payment and failure to adhere to maintenance agreements) would also strengthen the renegotiation process. The PMTE has also strengthened ties with South African businesses especially property institutions which includes Property Sector Charter Council, South African Institute of Black Property Practitioners (SAIBPP) and South African Property Owners Association (SAPOA).

Figure 25: Summary of the leased property portfolio per region



There are currently 409 requests for new accommodation from user departments across the country. These requirements are currently being procured using goods and service procurement methodology pending approval of acquisition framework by National Treasury. The PMTE is in the

process of reviewing business processes in terms of the new acquisition of accommodation. In addition, the PMTE is in the process of finalising an Acquisition Framework which will allow for the efficient and seamless procurement of accommodation for user departments

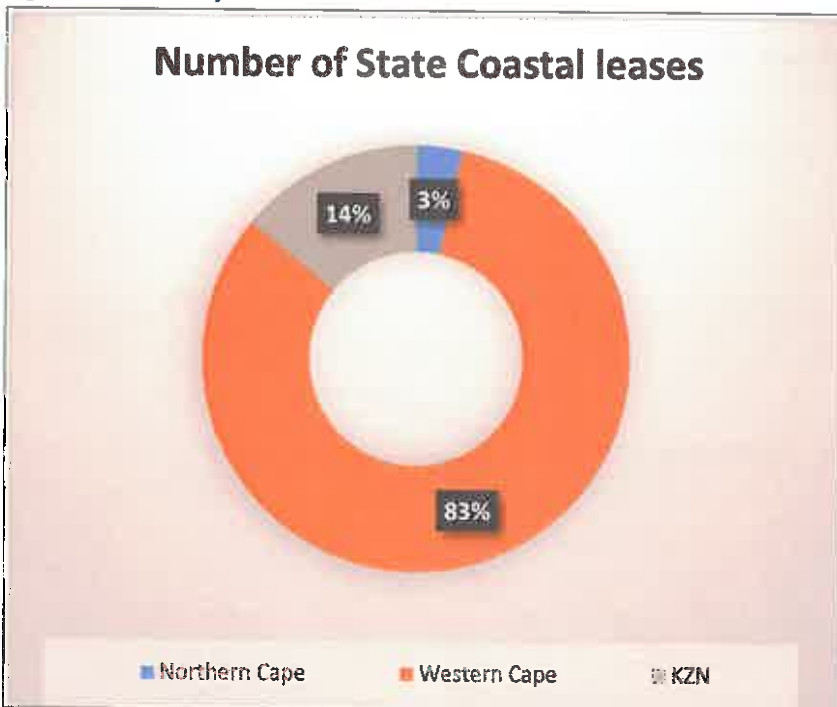
Figure 26: Summary of the new, alternative and additional accommodation requests from user departments



Given the strategic location of the States coastal assets, there is a high demand for the use of space from fishing communities and companies within small harbours and state coastal properties. The current nominal rentals will be deterred with the implementation of the new letting out framework that has a more progressive method of revenue generation.

The PMTE has received a number of unsolicited bids in the past, showing keen interest within the space of small harbours and state coastal properties. All of these proposals and new Request for Proposals that will be published, will be evaluated and adjudicated under the new transparent letting out framework.

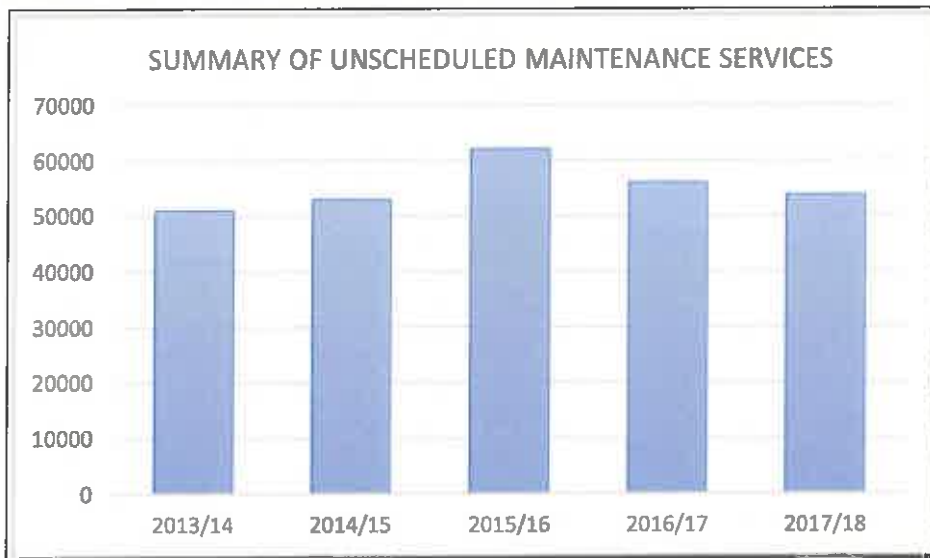
Figure 27: Summary of state coastal leases



Currently there are a total of 333 state coastal letting out agreements which are disaggregated as follows: Northern Cape – 11, Western Cape – 264, Kwa-Zulu Natal – 45. The annual revenue received during 2017/2018 was R16 702 251 with a total 5 594 people employed from the leases. The Proclaimed Fishing

harbours repair programme is a special intervention to the addresses the needs of user departments to ensure the harbours are maintained and remain functional. The functionality of these harbours creates thousands of indirect jobs and also generates revenue for the State with the use of the marine infrastructure.

Figure 28: Summary of unscheduled maintenance services



Extract of data from current Worx4U Call centre are depicted above:

The figure above reflects the total number of calls logged over the past five financial years. The Legacy Call Centre System and Workflow Management tool was dominated by weak controls emanating from fragmented and manual processes. The PMTE has implemented Archibus however the Regional Offices are currently operating on two systems, with intention to phase out the Works4u call centre in 2018/2019 financial year.

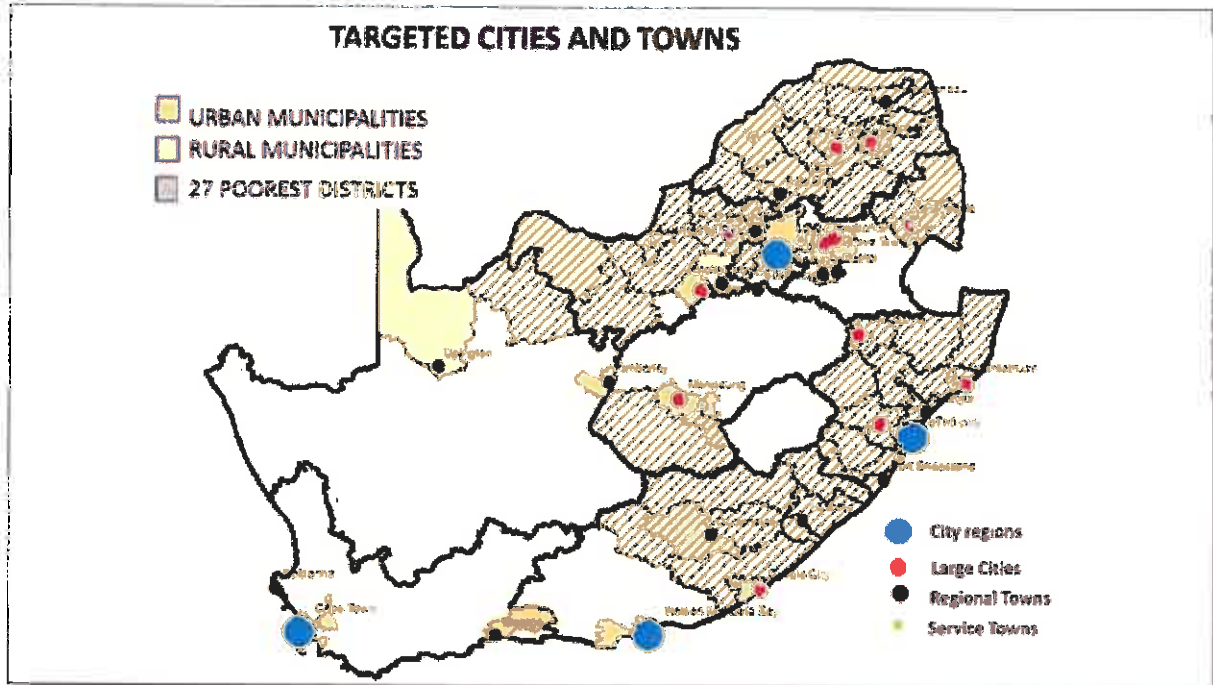
The PMTE is required to maintain some 31 146 registered and unregistered properties and some 92 594 buildings and improvements across 52 user departments. The resultant maintenance backlog has been compounded by inadequate preventative maintenance planning. Failure to regularly maintain buildings has resulted in significant disrepair entailing

costly capital works. A comprehensive Top 300 Programme has been devised to address and eliminate this backlog over a number of years. The programme includes splitting contracts into smaller components thereby providing opportunities for small enterprises involved in labour-intensive construction work to participate in the programme.

Calls for maintenance are categorised into the following:

- Emergency with expected response to have permanent restoration of the fault within 5 days
- Urgent with expected permanent fault rectification of within 15 days.
- Normal with expected permanent rectification of fault within 30 days.

Figure 29: Targeted cities and towns for precinct development



South Africa has 12 large cities where 79% of population live on 6,9% of the land. A total of 53% of the South African population live in 4 major cities (2,5% of the land) as do 66% of the formal employed and where 72% of the GVA is produced. Approximately a quarter of South Africans live in Gauteng while 18% live in dense rural settlements on 11% of the land. This implies that cities are under severe stress while the rural settlements are unable to develop a self-sustaining critical mass of people, goods and services. Tribal areas play an important role as 'home' for a large number of rural and urban South Africans alike.

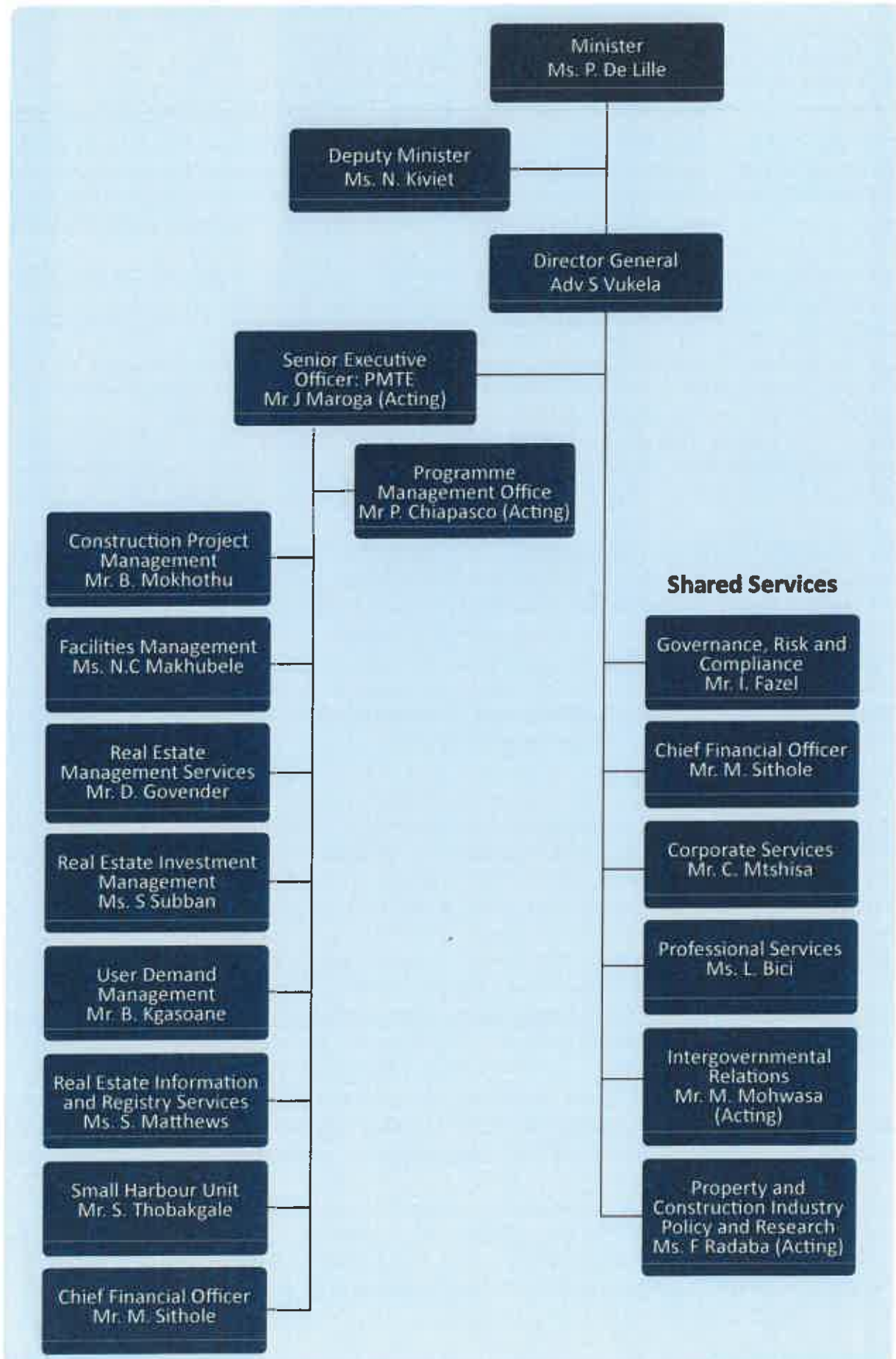
South Africa has 257 local municipalities and 8 metros which include over 600 towns. Dependent on closest town these municipalities experience large influxes of people seeking goods and services. The NDP requires Government to prioritise national major infrastructure investment plans in collaboration key sector departments. Integrated planning requires alignment with a myriad of plans and associated infrastructures that are required to ensure that small towns and rural areas become viable and attractive spaces for households, businesses and institutions. South Africa is part of an undeniable global trend of urbanisation, both to big cities and rural towns. The urban challenge is however, also a rural challenge. Almost 18% of all South Africans live in dense rural settlements. Within the metropolitan regions, cities and Large Regional Service Centres, more than 2 million people live in traditional settlements.

Census information of Statistics South Africa (Stats SA) reveals a large swing in population towards Gauteng, a move towards the Western Cape and relative declines in the Eastern Cape, the Northern Cape, the Free State, KwaZulu-Natal and Limpopo. Although the space economy of South Africa is complex, the overwhelming picture is that of a high and increasing level of economic concentration in a few localities. It is only within the inner core of South Africa that there is a relative gain in economic output, and even within this core, economic output is becoming more concentrated within the three dominating metropolitan agglomerations. Within the inner core, cities are producing the most jobs and are attracting the biggest increase in population. With outmigration from the periphery, unemployment rates in the periphery are dropping. The secondary cities in South Africa still account for a very small share of the national economy and employment, and are a long way off from becoming a viable alternative to metropolitan development. A programmatic approach to addressing this backlog of precinct planning has been adopted as documented in the PMTE's Strategic Spatial Framework where a number of cities and towns are targeted for the development of government precincts. The hierarchy of cities and towns to be included in the final list for precinct development included:

- 25 large cities including 4 City Regions
- 14 rural service centres
- 39 service towns

7.6 Organisational environment

FIGURE 30: HIGH LEVEL ORGANISATIONAL STRUCTURE OF THE PMTE



7.6.1 Key Issues relating to the organisational structure

The organisational structure for the PMTE was finalised and approved in September 2016, in collaboration with the Department of Public Service and Administration and the National Treasury. The PMTE is located within the organisational structure of the Department of Public Works and Infrastructure to undertake the function of custodian and manager of the State's immovable assets under the Department. The process of matching and placing of officials against the new streamlined structure was concluded in the 2017/18 financial year. Following the conclusion of the matching and placing exercise, the unfunded positions on PERSAL have been deactivated in line with the approved Recruitment Plan. All positions that became vacant subsequent to this process will either remain vacant on the new streamlined structure or be prioritised for advertisement and filling thereof. This includes positions reserved through acting appointments and against which contract appointments are made.

The recruitment process has been intensified, as outlined in the Human Resource Plan, in order to fill critical positions, address the high vacancy rate and ensure leadership stability within the Department. Capacitation of functional areas will continue in line with the priority areas as identified in the Policy Statement, which include, Facilities Management, Small Harbours and State Coastal Property Development, Real Estate Management Services Real Estate Investment Services, Finance and Supply Chain Management, Construction Management. The phasing-in approach of the approved organisational structure takes into consideration the restricted compensation budget by ensuring that more capacitation takes place in the core service delivery areas. As the Department continues to implement the organisational structure there will be a reduction on the number of posts additional to the establishment through the non-extension of identified contracts.

The PMTE conducted a comprehensive exercise to determine the positions on the structure that are of highest priority. During this process, the PMTE will take into consideration the restricted compensation budget and ensure that as capacitation takes place, expenditure remains within the allocated budget. The PMTE is currently in the process of strengthening leadership, further separating and streamlining

operations. Critical appointments have already been made in this regard such as with the appointment of a Head of Finance for the PMTE, various appointments of built environment professionals – for property and construction. The process of phasing out of shared services, modelled on the already established Finance Function and Structure in the PMTE, has commenced. In light of concerns raised by Cabinet late last year, the Operationalisation and Financial Sustainability Project (OFSP) was established to support the PMTE in establishing a full cost recovery based business and funding model, which will direct the PMTE's financial sustainability in the medium to long term.

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

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

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

The table hereunder provides a summary of the total staff establishment of the PMTE as at end of January 2019:

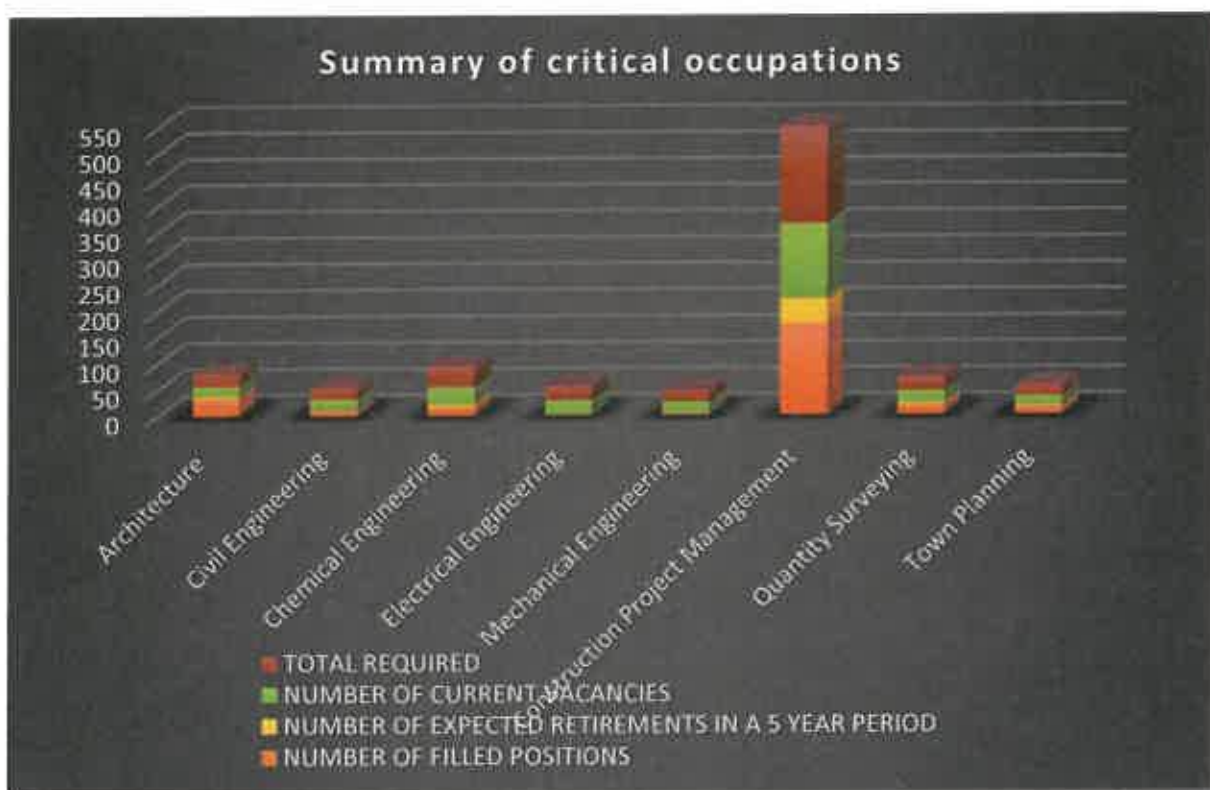
Table 19: Property Management Trading Entity - staff establishment

SALARY LEVEL	FILLED POSTS	VACANT POSTS	TOTAL (FILLED & VACANT)	CURRENT VACANCY RATE (%)	ADDITIONAL TO THE ESTABLISHMENT
1	0	0	0	0%	256
2	0	0	0	0%	1
3	1738	22	1760	1%	124
4	144	6	150	4%	33
5	180	22	202	11%	20
6	215	14	229	6%	8
7	476	40	516	8%	50
8	352	52	404	13%	55
9	69	31	100	31%	7
10	255	35	290	12%	16
11	106	49	155	32%	85
12	260	52	312	17%	62
13	48	46	94	49%	7
14	21	9	30	30%	2
15	3	4	7	57%	6
16		1	1	100%	
Total	3867	383	4250	9%	732

The PMTE has a total staff establishment of 4 982 posts of which 3 867 are filled permanently, 732 are filled additionally and 383 are vacant. Approximately 80% of the PMTE headcount is located at the Regional Offices. The Department has embarked on the process of PERSAL clean up to ensure that only funded positions remain within the establishment of PMTE.

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

Figure 31: Property Management Trading Entity – summary of critical occupations



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

The PMTE has also enlisted with various higher education institutions such as Wits University, the University of Pretoria and the University of Cape Town - Graduate School of Business as part of the candidacy programme. The candidates will be placed with services providers contracted with the PMTE that will train and mentor the candidates. Once registered these professionals will revert back to the PMTE to be placed in permanent positions or linked to Facilities Management Service Centres (workshops), maintenance programmes (as specialists in HVACs, Lifts, Boilers, etc.). Retiring Technical Employees will be identified as mentors and placed in the programme to support the candidacy programme once retired. The candidacy programme will support skills requirements for SIPDM implementation.

7.7 Description of the strategic planning process

The Five Strategic Plan and Annual Performance Plan are informed by the outcomes contained in the National, Continental and International Policy Agenda, which includes Agenda 2030 (2015-2030), Agenda 2063 (2013-2050), Sustainable Development Goals (SDGs), National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF). African Agenda 2063 and the global 2030 Agenda for Sustainable Development offer a unique opportunity for Africa to achieve inclusive, transformative and sustainable development, aspirations that are urgent in order to put the continent on a sustainable development path. The seventeen SDGs fit neatly into the twenty goals of Agenda 2063. They are all encapsulated in the 20 goals of Agenda 2063. The scope of the SDGs is confined to social, economic and environmental dimensions while the Agenda 2063 has broader in scope, covering social, economic and sustainability considerations in the broad context, political cultural and other African priorities. Hence by implementing Agenda 2063 Member States will *Ipso facto* be meeting global obligations under the SDGs.

The NDP was adopted in 2012 and sets out a vision and framework for pursuing radical social and economic transformation is grounded on analysis of South Africa's achievements and the challenges faced since 1994, and sets out the elements which will guide the country's development policies and actions until 2030, with the aim of eliminating poverty and reducing inequality. The objectives of the NDP and the SDGs show broad convergence between the national and global development frameworks, related to all 5Ps of People, Prosperity, Planet, peace and partnerships.

The NDP targets zero per cent poverty in 2030 and reduced unemployment and inequality. The NDP sees significant employment growth (reducing unemployment from 25 per cent in 2010 to 6 per cent in 2030) and economic growth (average growth of 5.4 per cent per year between 2012 and 2030) as the key means of achieving these targets. The NDP serves as an umbrella for the cross-cutting strategies, namely the New Growth Path (NGP), the National Infrastructure Plan (NIP), the Industrial Policy Action

Plan (IPAP) and other plans of Government. 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.

In addition to the National, Continental and International Policy Agenda priorities, the PMTE has also given due consideration to the objectives articulated in the DPME Mandate Paper. The Mandate Paper is a shorter-term instrument of national planning, building on the NDP and the MTSF, to refine objectives and approaches given the prevailing socio-economic context and ensuring that resource strategies (budgets) are aligned with the NDP. It seeks to establish a systematic basis for making strategic choices among competing priorities and limited resources, in order to better optimise the budget as a key lever for driving the NDP. In line with the Mandate Paper the Annual Performance Plan takes into consideration the need to improve (i) the alignment between the budget and the NDP and (ii) resource-allocation decisions in the context of rising budgetary demands, weak economic and revenue growth, as well as a commitment to fiscal consolidation.

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

Figure 32: The strategic planning process for the PMTE



7.8 Overview of the 2019 budget and MTEF estimates

7.8.1 Expenditure estimates

Table 20: 2019 Budget and MTEF Estimates for PMTE

PROGRAMMES	AUDITED OUTCOME			MEDIUM-TERM EXPENDITURE ESTIMATE			
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Administration	892 804	742 812	1 023 074	1 305 649	887 699	940 311	990 746
Real Estate Investment Services	111 357	107 102	145 944	131 058	212 654	224 796	239 441
Construction Project Management	4 603 553	3 509 545	4 181 873	5 578 816	6 064 739	6 400 700	6 756 725
Real Estate Management Services	5 625 495	5 702 718	10 540 441	10 163 541	11 373 070	12 172 985	13 032 587
Real Estate Information and Registry Services	38 299	44 183	26 122	95 001	104 602	107 720	61 565
Facilities Management Services	3 569 137	4 482 615	3 260 465	3 208 640	3 705 014	3 913 960	4 142 052
Total for Programmes	14 840 645	14 588 975	19 177 919	20 482 705	22 347 778	23 760 472	25 223 116

ECONOMIC CLASSIFICATION	AUDITED OUTCOME FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE			
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Current payments	9 667 867	10 764 724	14 565 099	13 770 239	15 331 522	16 322 752	17 337 917
Cleaning and Gardening	211 672	250 005	272 615	298 521	312 253	329 427	347 546
Compensation	1 310 136	1 500 866	1 602 748	1 593 057	2 051 048	2 173 160	2 321 806
Maintenance	2 982 061	3 644 677	2 391 437	2 654 971	2 676 253	2 823 447	2 978 737
Goods and Services	607 875	640 778	775 324	523 247	509 229	537 470	505 787
Municipal Services non-recoverable	232 440	288 165	387 014	388 605	413 246	446 306	482 010
Municipal Services Recoverable	-	-	4 300 639	4 019 322	4 244 404	4 477 846	4 724 128
Private Leases	4 078 738	4 181 166	4 602 461	4 292 516	5 125 089	5 535 096	5 977 903
Construction costs	244 945	259 067	232 861	-	-	-	-
Transfers and subsidies	1 125 442	1 067 488	1 042 236	1 386 125	1 408 621	1 521 311	1 643 016
Property Rates	1 125 442	1 067 488	1 042 236	1 386 125	1 408 621	1 521 311	1 643 016
Capital payments	4 047 336	2 756 763	3 570 584	5 326 341	5 607 635	5 916 409	6 242 183
Capital Recoverable	2 875 473	1 600 303	2 066 888	3 275 325	3 448 103	3 638 608	3 838 722
Capital non-recoverable	1 158 614	1 115 754	1 453 885	1 998 381	2 103 970	2 220 040	2 342 512
Machinery and Equipment	13 249	40 706	49 811	52 635	55 562	57 761	60 949
Total	14 840 645	14 588 975	19 177 919	20 482 705	22 347 778	23 760 472	25 223 116

7.8.2 Relating expenditure trends to Strategic Goals

As the custodian of the State's immovable assets under the Department of Public Works and Infrastructure, the key objective of the PMTE is to optimise its asset portfolio to ensure effective and efficient cost saving service delivery in line with the developmental objectives of the National Development Plan (NDP) and MTSF (Outcome 12, Outcome 10 and Outcome 7). In providing and managing suitable and accessible accommodation, the PMTE impacts on the efficiencies of user departments and consequently the effective delivery of services to the public. The entity has a total budget of R71.3 billion over the MTEF and the bulk of the budget (R41,0 billion) is allocated to recoverable items

namely, Private Leases, Client Capital and Municipal Services. Total spending on goods and services is projected to make up 86.6 per cent of the entity's current payments over the MTEF period towards ensuring efficient service delivery to the country and its citizens, growing from R12.1 billion in 2018/19 to R15 billion in 2021/22, at an average annual rate of 7 per cent.

Through its construction management services programme, over the medium term, the entity intends to replace, refurbish and upgrade existing facilities to ensure people with disabilities have unimpeded access; construct new office buildings

for departments; and refurbish border post centres, correctional centres and police stations. The entity aims to complete 2 800 infrastructure projects over the MTEF period at a projected cost of R6.6 billion, and in the process support economic growth and socioeconomic transformation by creating jobs. In the facilities management services programme, further R4.1 billion has been allocated over the period mainly for repair operations on 488 state-owned buildings with expenditure projected to increase at an average annual rate of 4.4 per cent, and R4.3 billion for ad-hoc maintenance on all building with expenditure projected to increase at an average annual rate of 3.5 per cent .

The entity is required to maintain 31 146 properties (land parcels) and 92 594 buildings for 52 of its user departments. However, due to the maintenance backlog, it has not been able to plan adequately for preventative maintenance. This has resulted in significant disrepair, entailing costly capital works. Accordingly, a comprehensive maintenance programme has been devised to address the backlog at an estimated cost of R7 billion over the MTEF period in the facilities management programme.

The entity intends developing two (2) rural government precincts in Howick (KwaZulu-Natal) and Carolina (Mpumalanga) and two (2) urban government precincts in Polokwane (Limpopo) and Salvokop (Pretoria) over the medium term. These precincts are expected to contribute to efficient and integrated planning, local economic growth, and the establishment of partnerships with the departments of Rural Development and Land Reform, Human Settlements and Cooperative Governance for integrated infrastructure development opportunities. R282 million over the MTEF period in the construction management services programme has been allocated for the acquisition of land, the installation of bulk services and the construction of shared services (parking, security and ablutions) for identified client departments.

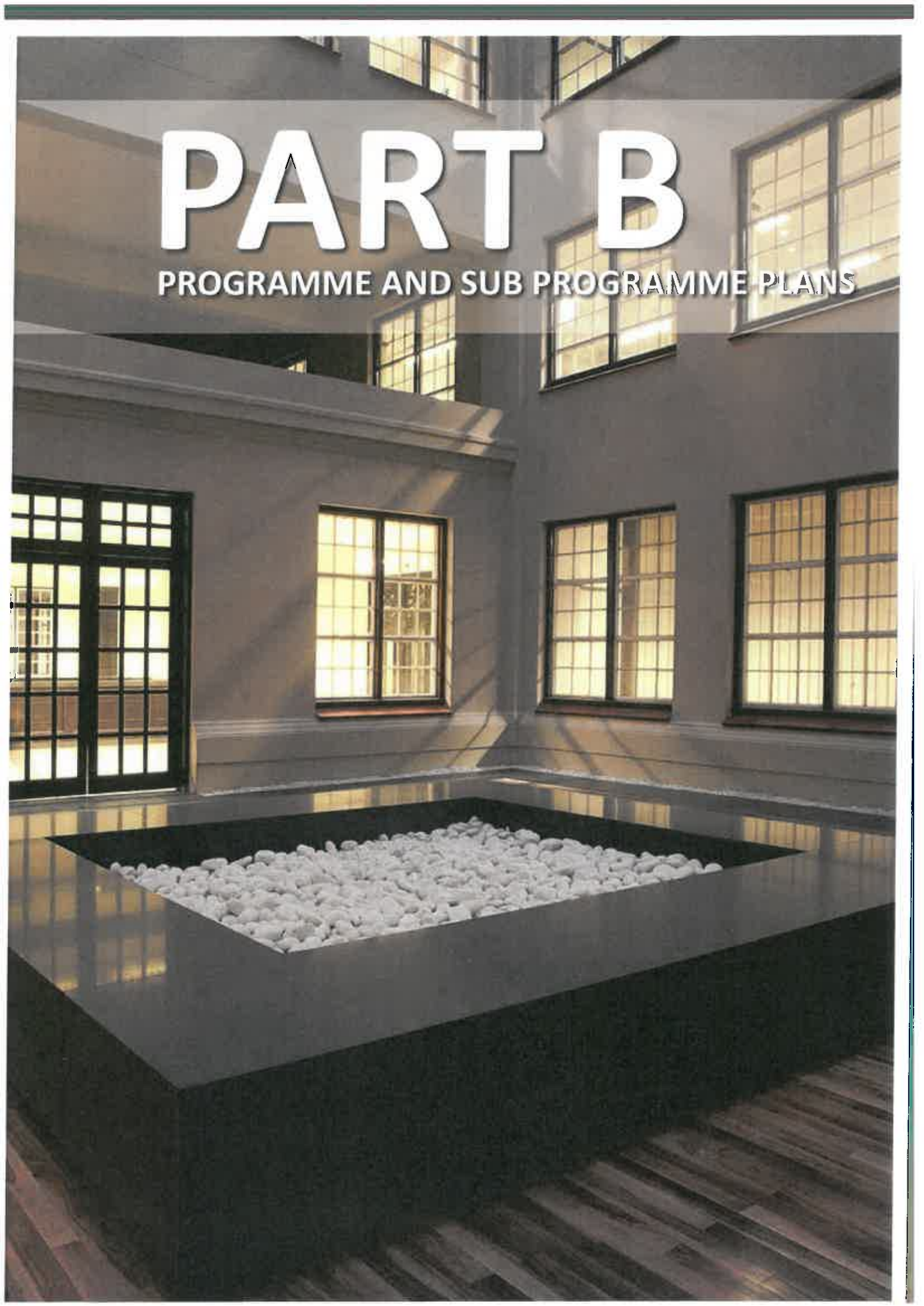
Over the medium term, in collaboration with other departments, the entity plans to finalise spatial and economic development frameworks for 12 proclaimed fishing harbours in Western Cape. It will invest an estimated R76.9 million over the MTEF period in critical capital and maintenance programmes to modernise the harbours. The entity will also aim to develop priority small harbours in Northern Cape, Eastern Cape and KwaZulu-Natal at a projected cost of R60 million over the period. The harbours will be used as a case study on the development of maritime infrastructure.

To ensure its financial sustainability, the entity will over the medium term conduct a detailed technical analysis of individual properties in its immovable asset portfolio to compare the results to existing register information. This is expected to improve the entity's ability to calculate user charges according to facility type. Accordingly, R100 million over the MTEF period has been allocated in the real estate registry services programme for resolving immovable asset or land ownership disputes in government, updating and correcting the immovable asset register, and ratifying title deed records. A further R10 million in this programme will enable the development of a financial sustainability model to accurately project funding deficits or surpluses over a multiyear period, and optimise immovable assets to generate revenue. The model is expected to be fully implemented by March 2019.

The entity generates revenue mainly through management fees, rental fees charged to user departments in the form of accommodation charges (leasehold inter-governmental), client infrastructure projects and transfers from the department. Transfers from the department amounts to R17.3 billion or 57.9 per cent of the total revenue of R91.8 billion. Management and accommodation charges and client infrastructure projects account for R53.1 billion or 18.8 per cent of total revenue of R91.8 billion over the medium term. Revenue is expected to increase at an average annual rate of 7.2 per cent, from R20.5 billion in 2018/19 to R25.2 billion in 2021/22.

PART B

PROGRAMME AND SUB PROGRAMME PLANS



8. PROGRAMME BUDGET STRUCTURE

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

8.1 PROGRAMME 1: ADMINISTRATION

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

8.1.1 PROGRAMME 1: STRATEGIC OBJECTIVES AND MEDIUM TERM TARGETS FOR 2019/20 – 2021/22

Table 21: Programme 1 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE 2018/19	MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18		2019/2020	2020/2021	2021/2022
1	To provide a compliant internal control and financial services	Qualified audit outcome for 2014/2015 (3 qualification areas and 10 negative emphasis of matter)	Qualified audit outcome for 2015/2016 (2 qualifications)	Adverse audit outcome for 2016/2017 (4 qualifications)	Unqualified audit outcome for 2017/2018 (3 negative emphasis of matter)	Unqualified audit outcome for 2018/2019 (with reduced findings on other matters – 2017/18 baseline)	Unqualified audit outcome for 2018/2019	Unqualified audit outcome for 2018/2019
2	To provide a compliant Supply Chain Management services	Qualified audit outcome for 2014/2015 (3 qualification areas and 10 negative emphasis of matter)	Unqualified 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 2017/2018 (1 negative emphasis of matter)	Unqualified audit outcome for 2018/2019	Unqualified audit outcome for 2019/2020	Unqualified audit outcome for 2020/2021

8.1.2 PROGRAMME 1: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2019/20 – 2021/22

Table 22: Programme 1 Performance indicators and medium term targets for 2019/20 – 2021/22

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022		
Strategic Objective: To provide a compliant internal controls and financial services									
1. Percentage of compliant invoices settled within 30 days	85% (128 562) compliant invoices settled within 21 working days	86% (137 435) of compliant invoices settled within 30 days	83% (152 211) of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days	100% of compliant invoices settled within 30 days		
2. Number of new revenue generation sources incubated	-	-	-	7 new revenue generation sources incubated	3 new revenue generation sources incubated	5 new revenue generation sources incubated	5 new revenue generation sources incubated		
3. Number of identified user departments issued with itemised billing	-	-	-	4 identified user departments issued with itemised billing	6 identified user departments issued with itemised billing	4 identified user departments issued with itemised billing	3 identified user departments issued with itemised billing		
Strategic Objective: To provide a compliant Supply Chain Management Services									
4. Percentage of bids awarded within 56 working days of closure of tender advertisement	18% (45) bids awarded for PMTE within 56 working days of closure of tender advertisement	31% (91) bids awarded within the prescribed timeframes	16% (29) bids awarded within 56 working days of closure of tender advertisement	60% bids awarded within 56 working days of closure of tender advertisement	65% bids awarded within 56 working days of closure of tender advertisement	70% bids awarded within 56 working days of closure of tender advertisement	75% bids awarded within 56 working days of closure of tender advertisement		
5. Percentage of quotations awarded within 30 working days from requisition date	47% (229) quotations approved within 14 days	75% (4 326) quotations awarded within 30 days from requisition date	73% (4 863) of quotations awarded within 30 working days from requisition date	77% of quotations awarded within 30 working days from requisition date	80% of quotations awarded within 30 working days from requisition date	85% of quotations awarded within 30 working days from requisition date	90% of quotations awarded within 30 working days from requisition date		

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MEDIUM-TERM TARGETS		
	2015/16	2016/17		2017/18	2019/2020	2020/2021
6. Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	-	(Tenders) 70% (R1,4bn) of procurement spend (Quotations) 70% (R245 894 006) of procurement spend	75% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	85% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	90% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017
7. Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	-	(Tenders) 70% (184) of tenders awarded (Quotations) 70% (3 906) of quotations awarded	75% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	85% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	90% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017

8.1.3 PROGRAMME 1: QUARTERLY TARGETS FOR 2019/20

Table 23: Programme 1 Performance indicators and quarterly targets for 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020				QUARTERLY TARGETS			
		1 st	2 nd	3 rd	4 th				
1. Percentage of compliant invoices settled within 30 days	Quarterly	100% of 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	Annually	3 new revenue generation sources incubated	-	-	3 new revenue sources incubated				
4. Number of identified user departments issued with itemised billing	Annually	6 identified user departments issued with itemised billing	6 identified user departments with itemised billing	-	-				
4. 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				
5. Percentage of quotations awarded within 30 working days from requisition date	Quarterly	80% of quotations awarded within 30 working days from requisition date	80% of quotations awarded within 30 working days from requisition date	80% of quotations awarded within 30 working days from requisition date	80% of quotations awarded within 30 working days from requisition date				
6. Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	Quarterly	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017				
7. Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	Quarterly	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017	80% of bids awarded to designated groups in line with Preferential Procurement Regulations 2017				

8.1.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 24: Expenditure estimates for Programme 1: Administration

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET		MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)	
Management								
Operations Support Management								
Financial and Accounting Management								
Supply Chain Management								
Total	892 804	742 812	1 023 074	1 305 649	887 699	940 311	990 746	

Table 25: Economic classification of MTEF budget for Programme 1: Administration

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Current payments	880 949	742 812	1 023 074	1 305 649	887 699	940 311	990 746		
Compensation	468 804	263 006	445 904	901 671	555 516	587 906	628 492		
Salaries and wages	436 602	217 127	389 635	784 454	72 217	76 428	81 704		
Social Contributions	32 202	45 879	56 269	117 217	483 299	511 478	546 788		
Good and Services	412 145	479 806	577 170	403 978	332 183	352 405	362 254		
Advertising	1 990	2 376	1 602	5 428	5 678	6 037	6 415		
Assets less than R5 000	818	-	-	65	68	72	77		
Audit costs	25 529	28 387	35 660	33 766	35 319	37 549	39 901		
Bank charges	145	298	506	500	523	556	591		
Bursaries (employees)	96 782	4 119	10 366	14 500	15 167	16 125	17 135		
Catering: internal activities	899	-	-	1 897	1 985	2 110	2 242		
Communication	7 234	12 444	5 540	5 730	5 993	6 372	6 771		
Contractors	502	-	-	1 643	1 719	1 827	1 942		
Entertainment	43	-	-	58	61	64	69		
Research and development	-	-	-	5 330	5 575	5 927	6 298		
Training and staff development	9 073	-	-	16 561	17 322	18 416	19 570		
Travel and subsistence	18 815	34 047	43 674	24 730	25 868	27 501	29 224		
Venues and facilities	1 233	-	-	798	835	887	943		
Other unclassified expenditure	249 082	398 135	479 822	292 972	216 070	228 962	231 076		
Capital Payments	11 855	-	-	-	-	-	-		
Machinery and Equipment	11 855	-	-	-	-	-	-		
Total	892 804	742 812	1 023 074	1 305 649	887 699	940 311	990 746		

8.1.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 1

The development of financial sustainability model for the PMTE as an apex Departmental Project with a focus on initiatives to maximise and optimise the immovable assets in the portfolio (Revenue Generation). The entity generates revenue mainly through management fees, rentals charged to user departments, and transfer from the Department of Public Works. Revenue over the medium term is expected to increase at an average annual rate of 7.3 per cent, from R20.4 billion in 2018/19 to R25.3 billion in 2021/22, with accommodation and lease charges and recovery of municipal services accounting for most of the revenue collected.

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 2019/20 – 2021/22

Table 26: Programme 2 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS			
		2015/16	2016/17	2017/18	2018/19	2019/2020		2020/2021	2021/2022		
USER DEMAND MANAGEMENT											
1	To ensure that the User Asset Management Plans (U-AMPs) are produced in compliance with relevant prescripts	100% of UAMPs are compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	100% (U-AMPs) compliant with relevant prescripts	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	24 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	4 accommodation solutions developed for user departments within identified precincts	5 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts	6 accommodation solutions developed for user departments within identified precincts	

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/2020		2020/2021	2021/2022	
REAL ESTATE INVESTMENT MANAGEMENT										
3	To inform asset management decisions through optimal investment solutions	724 investment solutions completed	260 investment solutions completed	136 investment solutions completed	128 investment solutions completed	100 investment solutions completed	100 investment solutions completed	100 investment solutions completed	100 investment solutions completed	100 investment solutions completed
4	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions	19 interventions identified to improve the performance of the property portfolio	3 Interventions identified to improve the performance of the property portfolio	4 Interventions identified to improve the performance of the property portfolio	4 Interventions identified to improve the performance of the property portfolio	4 Interventions identified to improve the performance of the property portfolio	4 Interventions identified to improve the performance of the property portfolio	4 interventions identified to improve the performance of the property portfolio	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 2019/20 – 2021/22

Table 27: Programme 2 Performance indicators and medium term targets for 2019/20 – 2021/22

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE			MEDIUM TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022	2019/2020	2020/2021	2021/2022	
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	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received from user departments	42 U-AMPs received user departments	42 U-AMPs received user departments	42 U-AMPs received user departments	42 U-AMPs received user departments	42 U-AMPs received user departments
2	Number of signed off infrastructure worklists	-	9 signed off infrastructure worklists	9 signed off infrastructure worklists	9 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists	10 signed off infrastructure worklists
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)	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	2 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	3 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	5 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	6 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	6 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	6 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs
4.	Number of sites established for development	1 site established for development	3 sites established for development	3 sites established for development	3 sites established for development	3 sites established for development	4 sites established for development	4 sites established for development	4 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 for identified user departments	5 concept designs completed for identified user departments	5 concept designs completed for identified user departments	4 concept designs completed for identified user departments	5 concept designs completed for identified user departments	6 concept designs completed for identified user departments	6 concept designs completed for identified user departments	6 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		MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022
REAL ESTATE INVESTMENT MANAGEMENT								
Strategic objective: To inform asset management decisions through optimal investment solutions								
6.	Percentage of feasibility studies completed within scheduled timeframes	99% (179) feasibility studies completed within scheduled timeframes 65 backlog feasibility studies completed	82% (230) feasibility studies completed within scheduled timeframes	78% (214) feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes
7.	Percentage of valuations completed within scheduled timeframes	72% (218) valuations completed within scheduled timeframes	83% (290) valuations completed within scheduled timeframes	134% (397) valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes
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	3% Disposal Certificates of approval issued within 6 months from date of request (1 of 34 requested land parcels) Backlog disposal certificates approved for 26 land parcels	36% (34) disposal requests approved within scheduled timeframes	57% (97) disposal requests processed by 31 March 2018	60% disposal requests processed by 31 March 2019	90% disposal requests processed by 31 March 2020	90% disposal requests processed by 31 March 2021	90% disposal requests processed by 31 March 2022

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE			MEDIUM TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022				
9. Custodian Asset Management Plan (C-AMP) submitted to NT	1 C-AMP approved	1 C-AMP approved	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	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
10. Number of facilities performance measured in identified performance areas	300 facilities performance measured in identified performance areas	478 facilities performance measured in identified performance areas	703 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas	800 facilities performance measured in identified performance areas

8.2.3 PROGRAMME 2: QUARTERLY TARGETS FOR 2019/20

Table 28: Programme 2 Performance indicators and quarterly targets 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
USER DEMAND MANAGEMENT						
1. Number of User Asset Management Plans (U-AMPs) received from user departments	Annually	42 U-AMPs received from user departments	-	-	-	42 UAMPS received from User Departments
2. Number of signed off infrastructure worklists	Annually	10 signed off infrastructure work lists	-	-	-	10 signed off infrastructure work lists
PLANNING AND PRECINCT DEVELOPMENT						
3. Number of Government Precinct Development plans aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)	Bi- Annually	4 Government Precinct Development Plans aligned with identified (urban and rural) municipal IDPs	-	1 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. Number of sites established for development	Bi- Annually	4 sites established for development	-	1 sites established for development	-	3 sites established for development
5. Number of concept designs completed for identified user departments	Bi- Annually	6 concept designs completed for identified user departments	-	2 concept designs completed for identified user departments	-	4 concept designs completed for identified user departments

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
REAL ESTATE INVESTMENT MANAGEMENT						
6. Percentage of feasibility studies completed within scheduled timeframes	Quarterly	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes	90% feasibility studies completed within scheduled timeframes
7. Percentage of valuations completed within scheduled timeframes	Quarterly	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes	90% valuations completed within scheduled timeframes
8. Percentage of responsive disposal requests processed by 31 March	Annually	90% disposal requests processed by 31 March 2020	-	-	-	90% disposal requests processed by 31 March 2020
9. Custodian Asset Management Plan (C-AMP) submitted to National Treasury	Annually	1 C-AMP submitted to National Treasury	-	1 C-AMP submitted to National Treasury	-	-
10. Number of facilities performance measured in identified performance areas	Quarterly	800 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas	200 facilities performance measured in identified performance areas

8.2.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 29: Expenditure estimates for Programme 2: Real Estate Investment Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME		FINAL BUDGET		MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
User Demand Management							
Planning and Precinct Development Services							
Investment Management							
Total	111 357	107 102	145 944	131 058	212 654	224 796	239 441

Table 30: Economic classification of MTEF budget for Programme 2: Real Estate Investment Services

ECONOMIC CLASSIFICATION	AUDITED OUTCOME				FINAL BUDGET 2018/19 (R'000)	MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)		2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Current payments	111 065	106 810	145 652	130 766	212 364	224 796	239 147	
Compensation	87 778	100 721	132 818	114 700	195 559	206 931	220 161	
Salaries and wages	77 429	89 336	115 552	99 789	170 136	180 030	191 540	
Social Contributions	10 349	11 385	17 266	14 911	25 423	26 901	28 621	
Good and Services	23 287	6 089	12 834	16 066	16 805	17 865	18 986	
Advertising	165	211	66	412	431	458	487	
Assets less than R5 000	45	-	-	-	-	-	-	
Bursaries (employees)	34	-	-	-	-	-	-	
Catering: Internal activities	48	-	-	319	334	355	377	
Communication	512	597	963	1 154	1 207	1 283	1 364	
Contractors	8	-	-	-	-	-	-	
Entertainment	31	-	-	48	50	53	57	
Research and development	-	-	-	300	314	334	355	
Training and staff development	-	-	-	-	-	-	-	
Travel and subsistence	20 922	4 338	5 035	10 692	11 183	11 889	12 634	
Venues and facilities	-	-	-	168	176	187	199	
Other unclassified expenditure	1 522	943	6 770	2 973	3 110	3 306	3 513	
Capital Payments	292	292	292	292	290	-	294	
Machinery and Equipment	292	292	292	292	290	-	294	
Total	111 357	107 102	145 944	131 058	212 654	224 796	239 441	

8.2.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 2

In support of Outcome 7, the PMTE will develop Government precincts in small towns and rural areas which includes supporting efficient and integrated planning and development of Government infrastructure; addressing the impact of small town decay; accelerating local economic growth; and establishing partnerships with the Department of Rural Development and Land Reform (DRDLR) and the Department of Cooperative Governance (DCOG) for integrated infrastructure development opportunities. An amount of R282 million has been allocated over the medium term period for this programme.

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 2019/20 – 2021/22

Table 31: Programme 3 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/20		2020/2021	2021/2022	
1. To develop detailed construction plans that direct the execution of construction projects ¹⁶	7 design solutions completed for identified user departments	1 design solution completed for identified user departments	2 design solutions completed for identified user departments	2 design solutions completed for identified user departments	2 design solutions completed for identified user departments	1 design solution completed for identified user departments	1 design solution completed for identified user departments	1 design solution completed for identified user departments	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	40% implementation of IDMS for key user departments	50% implementation of IDMS for key user departments	60% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments	70% implementation of IDMS for key user departments

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

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

Table 32: Programme 3 Performance indicators and medium term targets for 2019/20 – 2021/22

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022		
Strategic objective: To develop detailed construction plans that direct the execution of construction projects									
1. Number of approved infrastructure project designs	225 approved infrastructure project designs	210 approved infrastructure project designs	83 approved infrastructure project designs	83 approved infrastructure project designs	103 approved infrastructure project designs	113 approved infrastructure project designs	113 approved infrastructure project designs		
2. Number of approved infrastructure projects ready for tender	225 approved infrastructure projects ready for tender	144 approved infrastructure projects ready for tender	79 approved infrastructure projects ready for tender	128 approved infrastructure projects ready for tender	140 approved infrastructure projects ready for tender	150 approved infrastructure projects ready for tender	150 approved infrastructure projects ready for tender		
3. Number of infrastructure sites handed over for construction	145 infrastructure sites handed over for construction	186 infrastructure sites handed over for construction	89 infrastructure sites handed over for construction	105 infrastructure sites handed over for construction	116 infrastructure sites handed over for construction	125 infrastructure sites handed over for construction	125 infrastructure sites handed over for construction		
Strategic objective: To ensure that construction programmes are implemented according to approved criteria									
4. Number of infrastructure projects completed	192 infrastructure projects completed	182 infrastructure projects completed	148 infrastructure projects completed	105 infrastructure projects completed	116 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	139 (57%) infrastructure projects completed within agreed construction period	138 (93%) infrastructure projects completed within agreed construction period	84 (80%) infrastructure projects completed within agreed construction period	92 (80%) infrastructure projects completed within agreed construction period	115 (80%) infrastructure projects completed within agreed construction period	115 (80%) infrastructure projects completed within agreed construction period		
6. Number of infrastructure projects completed within approved budget	109 (57%) infrastructure projects completed within approved budget	129 (53%) infrastructure projects completed within approved budget	141 (95%) infrastructure projects completed within approved budget	84 (80%) infrastructure projects completed within approved budget	92 (80%) infrastructure projects completed within approved budget	115 (80%) infrastructure projects completed within approved budget	115 (80%) infrastructure projects completed within approved budget		

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022		
7. Number of EPWP work opportunities created through construction projects	11 126 EPWP work opportunities created through construction projects	8 959 EPWP work opportunities created through construction projects	5 732 EPWP work opportunities created through construction projects	7 511 EPWP work opportunities created through construction projects	8 200 EPWP work opportunities created through construction projects	9 020 EPWP work opportunities created through construction projects	9 020 EPWP work opportunities created through construction projects		
8. Percentage reduction of infrastructure projects backlogs	15% (216) infrastructure project backlogs reduced in the planning phase	14% (154) infrastructure projects backlogs reduced across all project phases	100% (43) infrastructure project backlogs reduced in the construction phase	20% infrastructure project backlogs reduced in the construction phase	30% reduction of backlogs in infrastructure projects	40% reduction of backlogs in infrastructure projects	40% reduction of backlogs in infrastructure projects		
9. Number of contractors incubated through the Contractor Incubation Programme (CIP)	-	-	-	297 contractors incubated through the Contractor Incubation Programme (CIP)	297 contractors incubated through the Contractor Incubation Programme (CIP)	297 contractors incubated through the Contractor Incubation Programme (CIP)	387 contractors incubated through the Contractor Incubation Programme (CIP)		

8.3.3 PROGRAMME 3 QUARTERLY TARGETS FOR 2019/20

Table 33: Programme 3: Performance indicators and quarterly targets for 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020	QUARTERLY TARGETS			
			1 st	2 nd	3 rd	4 th
1. Number of approved infrastructure project designs	Quarterly	103 approved infrastructure project designs	26 approved infrastructure project designs	26 approved infrastructure project designs	26 approved infrastructure project designs	25 approved infrastructure project designs
2. Number of approved infrastructure projects ready for tender	Quarterly	140 approved infrastructure projects ready for tender	30 approved infrastructure projects ready for tender	40 approved infrastructure projects ready for tender	40 approved infrastructure projects ready for tender	30 approved infrastructure projects ready for tender
3. Number of infrastructure sites handed over for construction	Quarterly	116 infrastructure sites handed over for construction	25 infrastructure sites handed over for construction	33 infrastructure sites handed over for construction	33 infrastructure sites handed over for construction	25 infrastructure sites handed over for construction
4. Number of infrastructure projects completed	Quarterly (Cumulative - YTD)	116 infrastructure projects completed	25 infrastructure projects completed	58 infrastructure projects completed	91 infrastructure projects completed	116 infrastructure projects completed
5. Number of infrastructure projects completed within agreed construction period	Quarterly (Cumulative - YTD)	92 (80%) infrastructure projects completed within agreed construction period	23 infrastructure projects completed within agreed construction period	46 infrastructure projects completed within agreed construction period	69 infrastructure projects completed within agreed construction period	92 infrastructure projects completed within agreed construction period
6. Number of infrastructure projects completed within approved budget	Quarterly (Cumulative -YTD)	92 (80%) Infrastructure projects completed within approved budget	23 infrastructure projects completed within agreed budget	46 infrastructure projects completed within agreed budget	69 infrastructure projects completed within agreed budget	92 infrastructure projects completed within agreed budget

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
7. Number of EPWP work opportunities created through construction projects	Quarterly	8 200 EPWP work opportunities created through construction projects	1800 EPWP work opportunities created through construction projects	2200 EPWP work opportunities created through construction projects	2200 EPWP work opportunities created through construction projects	2000 EPWP work opportunities created through construction projects
8. Percentage reduction of infrastructure projects backlogs	Annually	30% infrastructure project backlogs reduced in the construction phase	-	-	-	30% infrastructure project backlogs reduced in the construction phase
9. Number of contractors incubated through the Contractor Incubation Programme	Annually	297 contractors incubated through the Contractor Incubation Programme	-	-	-	297 contractors incubated through the Contractor Incubation Programme

8.3.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 34: Expenditure estimates for Programme 3: Construction Project Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME		FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE	
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Pre-Construction Project Planning							
Construction Project Management							
Total	4 603 553	3 509 545	4 181 873	5 578 816	6 064 739	6 400 700	6 756 725

Table 35: Economic classification of MTEF budget for Programme 3: Construction Project Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 R'000	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Current payments	568 955	753 074	611 581	252 767	457 394	484 291	514 836		
Compensation	252 075	432 557	221 756	216 656	419 623	444 134	472 163		
Salaries and wages	225 009	398 082	192 928	188 491	365 072	386 397	410 782		
Social Contributions	27 066	34 475	28 828	28 165	54 551	57 737	61 381		
Good and Services	71 935	61 450	156 964	36 111	37 771	40 157	42 673		
Advertising	360	90	1 883	1 507	1 576	1 676	1 781		
Assets less than R5 000	40		70	70	73	78	83		
Catering: internal activities	40		391	391	409	435	462		
Communication	1 118		1 095	1 513	1 583	1 683	1 788		
Contractors	37 142			509	532	566	601		
Entertainment	27			20	21	22	24		
Research and development	16 464			5 050	5 282	5 616	5 968		
Travel and subsistence	16 652	19 212	10 737	19 312	20 200	21 475	22 821		
Venues and facilities	92			4 005	4 189	4 454	4 733		
Other unclassified expenditure	-	42 148	143 249	3 734	3 906	4 152	4 412		
Construction costs	244 945	259 067	232 861	-	-	-	-		
Capital Payments	4 034 598	2 756 471	3 570 292	5 326 049	5 607 345	5 916 409	6 241 889		
Capital non-recoverable	1 158 614	1 115 754	1 453 885	1 998 381	2 103 970	2 220 040	2 342 512		
Capital recoverable	2 875 473	1 600 303	2 066 888	3 275 325	3 448 103	3 638 608	3 838 722		
Machinery and Equipment	511	40 414	49 519	52 343	55 272	57 761	60 655		
Total	4 603 553	3 509 545	4 181 873	5 578 816	6 064 739	6 400 700	6 756 725		

8.3.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 3

One of the key intended outcomes of the public works infrastructure programme is the replacements, refurbishment and upgrading of existing facilities to ensure access to people with disabilities, construction of new and additional departmental offices; the development of national Government precincts; the refurbishment of infrastructure-related border post centres, correctional centres, and police stations. There are approximately 2 800 infrastructure projects within the infrastructure programme of the PMTE that are in various stages of implementation which runs over multiple years. The infrastructure programmes of the PMTE and user departments will deliver sustainable infrastructure and accommodation to user departments while supporting economic growth and socio-economic transformation. An amount of R 6.6 billion has been allocated over the medium term period for the execution of the Infrastructure projects (DPW: Capital and Refurbishment). The focus over the MTEF will be to increase emphasis on labour intensive construction projects, as well as the monitoring and reporting of work opportunities.

Over the medium term, in collaboration with other departments, the entity plans to finalise spatial and economic development frameworks for 12 proclaimed fishing harbours in Western Cape. It will invest an estimated R90.5 million over the MTEF period in critical capital and maintenance programmes to modernise the harbours. The entity will also aim to develop priority small harbours in Northern Cape, Eastern Cape and KwaZulu-Natal at a projected cost of R60 million over the period. The harbours will be used as a case study on the development of maritime infrastructure.

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 2019/20 – 2021/22

Table 36: Programme 4 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE	MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/2020		2020/2021	2021/2022	
1	To provide functional leased accommodation for user departments	-	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	70% new leases procured according to user department's minimum requirements	70% new leases procured according to user department's minimum requirements	70% new leases procured according to user department's minimum requirements	70% new leases procured according to user department's minimum requirements
2	To optimise the utilisation of State owned buildings	-	4% (3 033) vacancy rate on unutilised buildings	3,5% (3 000) vacancy rate on unutilised buildings	3% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings	2% vacancy rate on unutilised buildings

8.4.2 PROGRAMME 4: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2019/20 – 2021/22

Table 37: Programme 4 Performance Indicators and medium term targets for 2019/20 – 2021/22

Performance Indicator		Audited/ Actual Performance			Estimated Performance			Medium-Term Targets	
		2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022	
Strategic objective: To provide functional leased accommodation for user departments									
1.	Percentage of lease agreements signed within scheduled timeframes	-	20% (1) lease agreements signed within scheduled timeframes 5 Leases signed out of scheduled timeframes 148 extensions finalised.	No lease agreements signed within scheduled timeframes	600 lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes
Strategic objective: To optimise the utilisation of State owned buildings									
2.	Number of private leases reduced within the security cluster	-	2 private lease reduced for the security cluster	7 private leases reduced for the security cluster	12 private leases reduced for the security cluster	13 private leases reduced for the security cluster	13 private leases reduced for the security cluster	10 private leases reduced for the security cluster	10 private leases reduced for the security cluster
3.	Percentage increase in revenue generation through letting of State-owned properties (excluding harbour properties)	R31 mil revenue generated (incl. harbour properties)	10% (R3,1) mil increase in revenue generation through letting of state-owned properties (excluding harbour properties)	30% (R6,82) mil increase in revenue generation	10% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	10% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	10% increase in revenue generation through letting of state-owned properties (excluding harbour properties)

Performance Indicator	Audited/ Actual Performance				Estimated Performance		Medium-Term Targets	
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022	
4. Number of identified vacant surplus State-owned properties let out	3 state-owned properties let out	56 identified vacant surplus state-owned properties let out	32 identified vacant surplus state-owned properties let out	65 identified vacant surplus state-owned properties let out	70 identified vacant surplus state-owned properties let out	70 identified vacant surplus state-owned properties let out	70 identified vacant surplus state-owned properties let out	
5. Percentage of revenue increased through rentals of small harbour and State owned coastal properties	R10 821 759 revenue generated for 2015/16 through rentals of small harbour and State owned coastal properties	9.7% (R1 050 175) increase in revenue through rentals of small harbour and State owned coastal properties	41% (R4 830 317) increase in revenue through rentals of small harbour and State owned coastal properties	20% increase in revenue through rentals of small harbour and State owned coastal properties	20% increase in revenue through rentals of small harbour and State owned coastal properties	30% increase in revenue through rentals of small harbour and State owned coastal properties	40% increase in revenue through rentals of small harbour and State owned coastal properties	
6. Number of work opportunities created through the letting out of small harbour and State owned coastal properties	-	-	-	1 000 work opportunities created through the letting out of small harbour and State owned coastal properties	2 000 work opportunities created through the letting out of small harbour and State owned coastal properties	3 000 work opportunities created through the letting out of small harbour and State owned coastal properties	4 000 work opportunities created through the letting out of small harbour and State owned coastal properties	

8.4.3 PROGRAMME 4: QUARTERLY TARGETS FOR 2019/20

Table 38: Programme 4 Performance Indicators and quarterly targets for 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020	QUARTERLY TARGETS			
			1 ST	2 ND	3 RD	4 TH
1. Number of lease agreements signed within scheduled timeframes	Quarterly	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes	100% lease agreements signed within scheduled timeframes
2. Number of private leases reduced within the security cluster	Annually	13 private leases reduced for the security cluster	-	-	-	13 private leases reduced for the security cluster
3. Percentage increase in revenue generation through letting of state-owned properties (excluding harbour properties)	Annually	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)	-	-	-	15% increase in revenue generation through letting of state-owned properties (excluding harbour properties)
4. Number of identified vacant surplus state-owned properties let out	Bi-Annually	70 identified vacant surplus state-owned properties let out	-	35 identified vacant surplus state-owned properties let out	-	35 identified vacant surplus state-owned properties let out
5. Percentage of revenue increased through rentals of State owned small harbour and coastal properties	Annually	20% increase in revenue through rentals of state owned small harbour and coastal properties	-	-	-	20% increase in revenue through rentals of state owned small harbour and coastal properties
6. Number of work opportunities created through the letting out of small harbour and State owned coastal properties	Bi- Annually	2 000 work opportunities created through the letting out of small harbour and State owned coastal properties	-	1 000 work opportunities created through the letting out of small harbour and State owned coastal properties	-	1 000 work opportunities created through the letting out of small harbour and State owned coastal properties

8.4.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 39: Expenditure estimates for Programme 4: Real Estate Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME		FINAL BUDGET		MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Management of Freehold Property for State Departments							
Management of leased –in properties for State Departments							
Leased Out freehold Properties for revenue							
Land Management & Administration							
Total	5 625 495	5 702 718	10 540 441	10 163 541	11 373 070	12 172 985	13 032 587

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

ECONOMIC CLASSIFICATION	AUDITED OUTCOME		FINAL BUDGET		MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)
Current payments	4 499 879	4 635 230	9 498 205	8 777 416	9 964 449	10 651 674	11 389 571
Compensation	139 135	159 700	199 248	66 908	168 890	178 797	191 046
Salaries and wages	121 488	139 395	173 346	58 210	146 934	155 553	166 210
Social Contributions	17 647	20 305	25 902	8 698	21 956	23 244	24 836
Good and Services	49 566	6 199	8 843	10 065	12 820	13 629	14 484
Advertising	393	364	119	390	408	434	461
Assets less than R5 000	22			10	10	11	12
Bursaries (employees)	41 092	-	-	-	-	-	-
Catering: internal activities	46	-	-	291	304	324	344
Communication	406	412		611	639	679	722
Contractors	3	-	-	-	-	-	-
Entertainment	11	-	-	22	23	24	26
Lease Payments	4 078 738	4 181 166	4 602 461	4 292 516	5 125 089	5 535 096	5 977 903
Research and development	-	-	-	-	-	-	-
Training and staff development	6	-	-	-	-	-	-
Travel and subsistence	5 256	5 423	3 935	8 741	9 143	9 720	10 329
Venues and facilities	124	-	-	-	-	-	-
Other unclassified expenditure	2 207	-	4 789	-	2 293	2 437	2 590
Municipal services non-recoverable	232 440	288 165	387 014	388 605	413 246	446 306	482 010
Municipal services recoverable	-	-	4 300 639	4 019 322	4 244 404	4 477 846	4 724 128
Transfers and Subsidies	1 125 442	1 067 488	1 042 236	1 386 125	1 408 621	1 521 311	1 643 016
Property Rates	1 125 442	1 067 488	1 042 236	1 386 125	1 408 621	1 521 311	1 643 016
Capital Payments	174	-	-	-	-	-	-
Machinery and Equipment	174	-	-	-	-	-	-
Total	5 625 495	5 702 718	10 540 441	10 163 541	11 373 070	12 172 985	13 032 587

8.4.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 4

The demand for accommodation, and particularly for office space, always exceeds the capacity of government-owned properties. There is thus a need to lease private property. The PMTE also manages some 2 621 property leases contracted in from the private sector which comprises of approximately 6.3 million square metres of floor space, with an annual projected expenditure of approximately R5.1 billion. The PMTE will continue performing valuations to determine whether the rentals offered by landlords are market related, aligning annual rental escalation rates to the Consumer Price Index (CPI), reducing rentals to market-related amounts and opting for permanent solutions where possible.

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 2019/20 – 2021/22

Table 41: Programme 5 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE 2018/19	MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2019/20	2020/2021		2021/2022		
1. To maintain a compliant Immovable Asset Register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)	Adverse audit opinion on the immovable asset register (IAR)	Qualified 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)	Unqualified audit opinion on the immovable asset register (IAR)	Unqualified audit opinion on the immovable asset register (IAR)
2. To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers	Average increase of 60% in the compliance of provincial and national immovable asset registers	Compliance criteria agreed with Provinces	54% (average) compliance of provincial and national immovable asset registers	60% (average) compliance of provincial and national immovable asset registers	65% (average) compliance of provincial and national immovable asset registers	70% (average) compliance of provincial and national immovable asset registers	75% (average) compliance of provincial and national immovable asset registers	80% (average) compliance of provincial and national immovable asset registers		

8.5.2 PROGRAMME 5: PERFORMANCE INDICATORS AND MEDIUM TERM TARGETS FOR 2019/20 – 2021/22

Table 42: Programme 5 Performance indicators and medium term targets for 2019/20 – 2021/22

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/2019	2019/2020	2020/2021	2021/2022	2019/2020	2020/2021	2021/2022
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) disposals approved in 2015/16 processed for transfer	70% (10) disposals approved in 2016/17 processed for transfer	80% disposals approved in 2017/18 processed for transfer	90% disposals approved in 2018/19 processed for transfer	100% disposals approved in 2019/20 processed for transfer	100% disposals approved in 2020/21 processed for transfer	100% disposals approved in 2020/21 processed for transfer	100% disposals approved in 2020/21 processed for transfer	100% disposals approved in 2020/21 processed for transfer
2. Percentage of immovable assets updated on the IAR for completed infrastructure projects	-	100% (70) immovable assets updated on the IAR for completed infrastructure projects	100% (24) immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects
3. Number of land parcels vested (confirmation of ownership)	775 land parcels vested	518 land parcels vested	572 land parcels vested	800 land parcels vested	900 land parcels vested	1 000 land parcels vested	1 000 land parcels vested	1 000 land parcels vested	1 000 land parcels vested	1 000 land parcels vested
4. Number of immovable assets physically verified to validate existence	8 159 immovable assets physically verified to validate existence	7 516 immovable assets physically verified to validate existence	6 300 immovable assets physically verified to validate existence	19 708 immovable assets physically verified to validate existence	24 636 immovable assets physically verified to validate existence	29 562 immovable assets physically verified to validate existence	24 680 immovable assets physically verified to validate existence	29 562 immovable assets physically verified to validate existence	29 562 immovable assets physically verified to validate existence	24 680 immovable assets physically verified to validate existence

PERFORMANCE INDICATOR		AUDITED/ ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE		MEDIUM-TERM TARGETS		
		2015/16	2016/17	2017/18	2018/2019	2019/2020	2020/2021	2021/2022	
Strategic objective: To provide guidance and support to other custodians in the compilation of compliant immovable Asset Registers									
5.	Number of Provincial Immovable Asset Registers assessed for compliance	-	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance	9 Provincial Immovable Asset Registers assessed for compliance
6.	Number of National and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)	-	2 National and Provincial Immovable Asset Registers incorporated into the single repository	4 National and Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository	4 Provincial Immovable Asset Registers incorporated into the single repository

8.5.3 PROGRAMME 5 QUARTERLY TARGETS FOR 2019/20

Table 43: Programme 5 Performance indicators and quarterly targets for 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020			
		1 ST	2 ND	3 RD	4 TH
1. Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer	Annually	90% disposals approved in 2018/19 processed for transfer.	-	-	90% disposals approved in 2018/19 processed for transfer.
2. Percentage of immovable assets updated on the IAR for completed infrastructure projects	Bi-Annually	100% immovable assets updated on the IAR for completed infrastructure projects	100% immovable assets updated on the IAR for completed infrastructure projects	-	100% immovable assets updated on the IAR for completed infrastructure projects
3. Number of land parcels vested (confirmation of ownership)	Quarterly	900 land parcels vested	225 land parcels vested	225 land parcels vested	225 land parcels vested
4. Number of immovable assets physically verified to validate existence	Quarterly	24 636 immovable assets physically verified to validate existence	6 158 immovable assets physically verified to validate existence	6 162 immovable assets physically verified to validate existence	6 158 immovable assets physically verified to validate existence
5. Number of Provincial Immovable Asset Registers assessed for compliance	Quarterly	9 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
6. Number of National and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)	Bi-Annually	4 National and Provincial Immovable Asset Registers incorporated into the single repository	2 National and Provincial Immovable Asset Registers incorporated into the single repository	-	2 National and Provincial Immovable Asset Registers incorporated into the single repository

8.5.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 44: Expenditure estimates for Programme 5: Real Estate Information and Registry

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Asset Register Management									
Conveyancing and Vesting									
Total	38 299	44 183	26 122	95 001	104 602	107 720	61 565		

Table 45: Economic classification of MTEF budget for Programme 5: Real Estate Information and Registry

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Current payments	38 275	44 183	26 122	95 001	104 602	107 720	61 565		
Compensation	7 871	42 174	25 567	76 466	35 215	37 110	39 662		
Salaries and wages	7 559	41 862	22 243	66 525	30 637	32 286	34 506		
Social Contributions	312	312	3 324	9 941	4 578	4 824	5 156		
Good and Services	30 404	2 009	555	18 535	69 387	70 610	21 903		
Advertising	-	-	-	1 205	1 260	1 340	1 424		
Assets less than R5 000	-	-	-	-	-	-	-		
Bursaries (employees)	29 675	-	-	-	-	-	-		
Catering: internal activities	6	-	-	405	424	450	479		
Communication	268	178	-	655	685	728	774		
Entertainment	4	-	-	14	15	16	17		
Research and development	-	-	-	10 203	10 672	11 346	12 057		
Travel and subsistence	101	502	112	3 622	3 788	4 027	4 280		
Venues and facilities	-	-	-	125	131	139	148		
Other unclassified expenditure	350	1 329	443	2 306	52 412	52 564	2 724		
Capital Payments	24	-	-	-	-	-	-		
Machinery and Equipment	24	-	-	-	-	-	-		
Total	38 299	44 183	26 122	95 001	104 602	107 720	61 565		

8.5.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 5

To ensure its financial sustainability, the entity will over the medium term conduct a detailed technical analysis of individual properties in its immovable asset portfolio to compare the results to existing register information. This is expected to improve the entity's ability to calculate user charges according to facility type. Accordingly, R100 million over the MTEF period has been allocated in the real estate registry services programme for resolving immovable asset or land ownership disputes in government, updating and correcting the immovable asset register, and ratifying title deed records. A further R10 million in this programme will enable the development of a financial sustainability model to accurately project funding deficits or surpluses over a multiyear period, and optimise immovable assets to generate revenue. The model is expected to be fully implemented by March 2019.

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 2019/20 – 2021/22

Table 46: Programme 6 Strategic objectives and medium term targets for 2019/20 – 2021/22

STRATEGIC OBJECTIVE	STRATEGIC PLAN TARGET (5 YEAR TARGET)	AUDITED/ ACTUAL PERFORMANCE					ESTIMATED PERFORMANCE			MEDIUM TERM TARGETS		
		2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022	2019/2020	2020/2021	2021/2022	
1. To manage maintenance programmes in accordance with an approved plan	2 000 buildings maintained through scheduled maintenance as per approved maintenance plan	400 buildings maintained through scheduled maintenance as per approved maintenance plan	350 buildings maintained through scheduled maintenance as per approved maintenance plan	450 buildings maintained through scheduled maintenance as per approved maintenance plan	500 buildings maintained through scheduled maintenance as per approved maintenance plan	550 buildings maintained through scheduled maintenance as per approved maintenance plan	600 Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates	700 Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates	100% implementation of water and energy management plans	100% implementation of water and energy management plans	100% implementation of water and energy management plans	
2. To ensure resource efficiency in State-owned buildings	100% implementation of water and energy management plans	National Green Building Plan approved	50% implementation of water and energy management plans	80% implementation of water and energy management plans	90% implementation of water and energy management plans	100% implementation of water and energy management plans	100% implementation of water and energy management plans	100% implementation of water and energy management plans	100% 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 2019/20 – 2021/22

Table 47: Programme 6 Performance Indicators and medium term targets for 2019/20 – 2021/22

PERFORMANCE INDICATOR	AUDITED/ACTUAL PERFORMANCE			ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/2021	2021/2022		
Strategic objective: To manage maintenance programmes in accordance with an approved plan									
1. Number of facilities with maintenance contracts in place	718 identified buildings with facilities management contracts in place	881 buildings with scheduled maintenance contracts in place	742 facilities with maintenance contracts in place	500 facilities with maintenance contracts in place	550 facilities with maintenance contracts in place	600 Schedule of facilities with maintenance contracts in place	650 Schedule of facilities with maintenance contracts in place		
2. Percentage of unscheduled reported maintenance incidents resolved within agreed timeframes	5 % (5 553) unscheduled reported maintenance incidences resolved within agreed timeframes	8% (3 124) unscheduled reported maintenance incidents resolved within agreed timeframes	5% (595) unscheduled reported maintenance incidents resolved within agreed timeframes	15% unscheduled reported maintenance incidents resolved within agreed timeframes	20% unscheduled reported maintenance incidents resolved within agreed timeframes	25% unscheduled reported maintenance incidents resolved within agreed timeframes	30% unscheduled reported maintenance incidents resolved within agreed timeframes		
3. Percentage of term contracts awarded to BBBEE companies	-	30% (114) maintenance contracts awarded compliant to BBBEE property sector targets	94% (16) term contracts awarded to BBBEE companies	35% term contracts awarded to BBBEE companies	40% maintenance term contracts awarded to BBBEE companies	45% maintenance term contracts awarded to BBBEE companies	50% maintenance term contracts awarded to BBBEE companies		

PERFORMANCE INDICATOR	AUDITED/ ACTUAL PERFORMANCE				ESTIMATED PERFORMANCE			MEDIUM-TERM TARGETS		
	2015/16	2016/17	2017/18	2018/19	2019/2020	2020/2021	2021/2022	2019/2020	2020/2021	2021/2022
Strategic objective: To ensure resource efficiency in State-owned buildings										
4. Reduction in energy consumption (kilowatt hours) in identified buildings	284 410 947 kWh reduction in energy consumption for identified buildings	274 316 368 kWh reduction in energy consumption for identified buildings	61 982 024.6 kWh reduction in energy consumption for identified buildings	150 000 000 kWh reduction in energy consumption for identified buildings	155 000 000 kWh reduction in energy consumption for identified buildings	200 000 000 kWh reduction in energy consumption for identified buildings	250 000 000 kWh reduction in energy consumption for identified buildings	155 000 000 kWh reduction in energy consumption for identified buildings	200 000 000 kWh reduction in energy consumption for identified buildings	250 000 000 kWh reduction in energy consumption for identified buildings
5. Number of kilowatt hours of Renewable Energy generated	-	-	-	10 400 000 kWh of renewable energy generated (Union Buildings)	20 000 000 kWh of renewable energy generated	30 000 000 kWh of renewable energy generated	40 000 000 kWh of renewable energy generated	20 000 000 kWh of renewable energy generated	30 000 000 kWh of renewable energy generated	40 000 000 kWh of renewable energy generated
6. Reduction in water consumption (kilolitres) in identified buildings	4 090 865kl reduction in water consumption for identified buildings	4 459 707kl reduction in water consumption for identified buildings	10 541 273kl reduction in water consumption for identified buildings	12 000 000kl reduction in water consumption for identified buildings	15 000 000kl reduction in water consumption for identified buildings	16 000 000kl reduction in water consumption for identified buildings	17 000 000kl reduction in water consumption for identified buildings	15 000 000kl reduction in water consumption for identified buildings	16 000 000kl reduction in water consumption for identified buildings	17 000 000kl reduction in water consumption for identified buildings

8.6.3 PROGRAMME 6: QUARTERLY TARGETS FOR 2019/20

Table 48: Programme 6 Performance indicators and quarterly targets for 2019/20

PERFORMANCE INDICATOR	REPORTING PERIOD	ANNUAL TARGET 2019/2020				QUARTERLY TARGETS			
		1 ST	2 ND	3 RD	4 TH				
1. Number of facilities with maintenance contracts in place	Quarterly	550 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place	150 facilities with maintenance contracts in place				
2. Percentage of unscheduled maintenance incidents resolved within agreed timeframes	Quarterly	20% unscheduled reported maintenance incidents resolved within agreed timeframe	20% unscheduled reported maintenance incidents resolved within agreed timeframe	20% unscheduled reported maintenance incidents resolved within agreed timeframe	20% unscheduled reported maintenance incidents resolved within agreed timeframe				
3. Percentage term contracts awarded to BBBEE companies	Annually	40% term contracts awarded to BBBEE companies	-	-	40% term contracts awarded to BBBEE companies				
4. Reduction in energy consumption (kilowatt hours) in identified buildings	Quarterly	155 000 000 kWh reduction in energy consumption for identified buildings	38 000 000 kWh reduction in energy consumption for identified buildings	38 750 000 kWh reduction in energy consumption for identified buildings	39 500 000 kWh reduction in energy consumption for identified buildings				
5. Number of kilowatt hours of Renewable Energy generated	Quarterly	20 000 000 kWh of Renewable Energy generated	100 000 kWh of renewable energy generated	5 000 000 kWh of renewable energy generated	9 900 000 kWh of renewable energy generated				
6. Reduction in water consumption (kilolitres) in identified buildings	Quarterly	15 000 000 kl reduction in water consumption for identified buildings	1 500 000 kl reduction in water consumption for identified buildings	3 500 000 kl reduction in water consumption for identified buildings	5 500 000 kl reduction in water consumption for identified buildings				

8.6.4 RECONCILING PERFORMANCE TARGETS WITH THE BUDGET AND MTEF

Table 49: Expenditure estimates for Programme 6: Facilities Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Scheduled Maintenance									
Unscheduled Maintenance									
Other expenditure									
Total	3 569 137	4 482 615	3 260 465	3 208 640	3 705 014	3 913 960	4 142 052		

Table 50: Economic classification of MTEF budget for Programme 6: Facilities Management

ECONOMIC CLASSIFICATION	AUDITED OUTCOME			FINAL BUDGET			MEDIUM-TERM EXPENDITURE ESTIMATE		
	2015/16 (R'000)	2016/17 (R'000)	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2020/21 (R'000)	2021/22 (R'000)		
Current payments	3 568 744	4 482 615	3 260 465	3 208 640	3 705 014	3 913 960	4 142 052		
Compensation	354 473	502 708	577 455	216 656	676 245	718 282	770 282		
Salaries and wages	291 108	427 454	502 386	188 491	588 333	624 905	670 145		
Social Contributions	63 365	75 254	75 069	28 165	87 912	93 377	100 137		
Good and Services	20 538	85 225	18 958	38 492	40 263	42 804	45 487		
Advertising	80		88	702	734	781	830		
Assets less than R5 000	219			325	340	361	384		
Bursaries (employees)	419			80	84	89	95		
Catering: internal activities	56			753	788	837	890		
Communication	544	1 051		1 572	1 644	1 748	1 858		
Contractors	7			410	429	456	484		
Consultant	-	16							
Entertainment	9			28	29	31	33		
Maintenance	2 982 061	3 644 677	2 391 437	2 654 971	2 676 253	2 823 447	2 978 737		
Research and development	-								
Training and staff development	-								
Travel and subsistence	7 500	8 257	9 406	14 934	15 621	16 607	17 648		
Venues and facilities	67			305	319	339	360		
Other unclassified expenditure	11 637	75 901	9 464	19 383	20 275	21 555	22 905		
Cleaning and Gardening	211 672	250 005	272 615	298 521	312 253	329 427	347 546		
Capital Payments	393	-	-	-	-	-	-		
Machinery and Equipment	393								
Total	3 569 137	4 482 615	3 260 465	3 208 640	3 705 014	3 913 960	4 142 052		

8.6.5 PERFORMANCE AND EXPENDITURE TRENDS FOR PROGRAMME 6

The entity is required to maintain 31 146 properties (land parcels) and 92 594 buildings for 52 of its user departments. However, due to the maintenance backlog, it has not been able to plan adequately for preventative maintenance. This has resulted in significant disrepair, entailing costly capital works. Accordingly, a comprehensive maintenance programme has been devised to address the backlog at an estimated cost of R7 billion over the MTEF period in the facilities management programme. An amount of R4.3 billion has been allocated over the medium term period for the repair of the State owned buildings and ad-hoc maintenance requests.

A photograph of a modern building at night. The building features a prominent glass tower with a grid pattern, illuminated from within. The sky is a deep blue. In the foreground, there is a metal fence and a ramp with a handrail. The text 'PART C' is overlaid in large white letters.

PART C

LINKS TO LONG TERM PLAN

9. LINKS TO LONG-TERM INFRASTRUCTURE PLAN

Table 51: Infrastructure Programme: New, replacement, upgrades and additions

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES		
					2015/16	2016/17	2017/18			2018/19	2019/2020	2020/2021
41	Various	Departmental	Various	Various	197 918 000	147 773 000	125 424 000	180 560 000	-	180 560 000	201 158 000	212 222 000
68	Various	Accessibility	Various	Various	6 650 000	8 168 000	16 846 000	15 320 000	-	15 320 000	17 068 000	18 007 000
32	Various	Dolomite Risk Management	Various	Various	74 951 000	77 329 000	119 958 000	121 000 000	5 741 000	126 741 000	134 804 000	142 218 000
98	Various	Land Ports of Entry	Various	Various	167 908 000	203 529 000	340 588 000	216 553 000	-	216 553 000	241 257 000	254 526 000
14	Various	Inner City Regeneration	Various	Various	44 588 000	44 718 000	372 000	84 676 000	-	84 676 000	94 336 000	99 524 000
57	Various	Prestige	Various	Various	136 428 000	151 507 000	97 792 000	186 500 000	-5 741 000	180 759 000	207 776 000	219 204 000

Table 52: Infrastructure Programme: Maintenance and Repairs

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES			
					2015/16	2016/17	2017/18			2018/19	2019/2020	2020/2021	2021/2022
683	Various	6	Various	Various	782 486 615	884 078 315	950 983 014	1 244 634 937	39 640 742	1 284 275 679	1 313 352 700	1 385 586 999	1 461 794 000

Table 53: Infrastructure Programme: Rehabilitation, renovation and refurbishment

NO OF PROJECTS	PROJECT DESCRIPTION	PROGRAMME	MUNICIPALITY	OUTPUT	OUTCOME			ADJUSTED APPROPRIATION	REVISED ESTIMATE	MEDIUM TERM ESTIMATES			
					2015/16	2016/17	2017/18			2018/19	2019/2020	2020/2021	2021/2022
466	Various	3	Various	Various	1 203 450 801	1 116 114 049	1 034 464 277	1 233 413 064	-39 640 742	1 193 772 322	1 251 303 000	1 323 641 000	1 396 820 000

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

Table 54: Service Delivery Improvement Plan (2017/18 - 2019/20)

STANDARDS	SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR [1]	CURRENT STANDARD (BASELINE)	TARGET 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
CUSTOMER/ CLIENT RELATIONS										
Consultation, Access, Courtesy, Openness & Transparency, Information, Redress and Value for Money.	Client Departments	Active management of client relations (DP1: Portfolio Management, DP1-1: Infrastructure Planning, U-AMP, and Gate 1(a)).	To Improve Client Satisfaction by conducting Client Surveys for the Service Delivery Improvement Plan.	Service excellence and understanding client satisfaction. <i>Firstly</i> , by focusing PMTE on the importance of fulfilling and exceeding client expectation. <i>Secondly</i> 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. Management of consultants as per agreed contract deliverables	Greater customer satisfaction through close communication Timeous commencement of projects	Service Level Agreements between client & DPW	Number of service level agreements in place between PMTE and clients	117	53	53	53
						Number of site handover certificates issued	52	52	52	52

STANDARDS	SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR [1]	CURRENT STANDARD (BASELINE)	TARGET 2017/18	TARGET 2018/19	TARGET 2019/20	TARGET 2020/21
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Streamlining of business processes to reduce response time	Faster response times to calls logged	Percentage of unscheduled calls responded to within targeted time frames	-	10%	15%	20%	24%
			Conduct client portfolio meetings.	Achieve alignment with clients on priorities for Facilities Management	Number of client meetings attended	1	8	16	24	24
Courtesy, Openness and transparency, Service standards, Redress	Client Department	Establish Standards to improve communication.	Better informed regarding construction issues	Current information informing decisions regarding client requirements.	Number of site meetings attended by clients	-	16	24	32	32
			Facilitate client portfolio meetings.		Number of portfolio reports issued to clients	-	16	24	32	32

STANDARDS	SERVICE BENEFICIARY	AREA FOR SERVICE IMPROVEMENT	KEY IMPROVEMENT ACTIVITIES	CLIENT IMPACT OF IMPROVEMENT	KEY PERFORMANCE INDICATOR [1]	CURRENT STANDARD (BASELINE)	TARGET	TARGET	TARGET	
							2017/18	2018/19	2019/20	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%	
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%	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	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 WTW'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

Table 55: Property Management Trading Entity – Strategic Risk Register – 2019/20 Financial Year

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements	1	Inadequate service delivery leading to the erosion of the Department's mandate.	Inadequate capacity to deliver on key functions across the PMTE.	Poor service delivery to user departments and key stakeholders. Lack of staff morale, increase in employee absenteeism.		Awarding of bursaries to internal and external candidates. Retention of staff through the Retention Policy.		Insourcing of capacity through the filling of funded and critical posts within the new structure.	Corporate Services	All Branches	31/03/2020
			Poor organisational culture (Tone set by Management – engagement with staff). Inconsistent implementation of the PMDS.		Recruitment of prioritised and funded posts.		Resuscitate the change management strategy (align to PMTE Operationalisation) and appointment of a change management specialist (and unit). Training of SMS Members on Management / Leadership (soft skills).		30/09/2019		
			Inadequate organisational wide Enterprise Resource Planning solution to ensure consolidation of information between projects and IAR (e.g., too many tools and applications (PMIS, WCS, SAGE, etc.).	Failure to integrate Business information for cross cutting function that inform proper infrastructure planning.		Reliance on existing non-integrated property, finance, and project management information systems, (Currently utilising old system WCS and PMIS and manual systems).		Implementation of REIS Module and Enhancement of 5 modules (Conditions assessment, Schedule Maintenance, Lease In, Lease Out, and Construction Project Management).	Corporate Services	FM, REIRS, REIS, REMS, CPM and Finance	31/03/2020

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Outdated business processes and standard operating procedures (SoPs).	Lack of integration between programmes.		Mapping and analysis of existing business processes.		Document and mapping of To Be business processes and SOPs.	Head of PMTE	PMO	31/03/2020
			Lack of continuity with business strategy.	High costs of doing business (maintenance, leases, products & services).		Development of improved business processes on a case-by-case basis.		Establishment of a High Performance Centre to drive the Turnaround.	PMO	Head of PMTE	31/03/2020
						Turnaround Programme to Operationalise PMTE.			PMO		
To consolidate user demands that enable planning and budgeting.			Poor quality of U-AMPS and C-AMP – not meeting GIAMA requirements.	Poor service delivery to User Department and key Stakeholders.		Constant engagements with user departments to ensure UAMPS is C-AMP is comprehensive.		Build asset management capability to assist client departments (i.t.o GIAMA) to submit complete/comprehensive U-AMPS and align U-AMPS and C-AMPS.	RIEM, UDM	All Branches	31/03/2020
To increase the value of the State's immovable asset portfolio.			Non alignment between U-AMPS and C-AMP (w.r.t. Infrastructure and budget planning).	Uncoordinated and multiple communications to user departments.		1 CAMP submitted annually to National Treasury as per GIAMA.		Reinforce information sessions/ client forum meetings.	UDM	PMO	Quarterly
			Inadequate life cycle planning for immovable assets under the custodianship of the Department.	Inability to optimally utilize State-owned properties to accommodate user departments.				Writing letters to client Departments for non-compliance.	UDM	REIS, FM, Finance, REMS, CPM	Quarterly
			Lack of suitably skilled asset managers to implement GIAMA and manage the asset lifecycle.	High costs of doing business (maintenance, leases, products & services).				Development of asset management plans and life cycle plans for immovable asset in line with GIAMA.	REIS	UDM, REIS	Quarterly

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
To develop accommodation solutions for user departments in collaboration with the relevant spheres of Government.			Non-alignment of infrastructure planning with Government services at Municipal level (IDPs and SDFs).	Non-integrated planning will perpetuate spatial imbalances and lack of integrated accessible Government facilities.		Structured engagements with Municipalities, Regions and Provinces Compliance with Spatial Planning and Land Use Management Act (SPLUMA) to ensure integrated planning.		Quarterly engagements with Municipalities to align planned precincts with Municipal Infrastructure Plans.	REIS	IGC	31/03/2020
			Incompetent consultants and contractors. Inadequate screening/assessment of contractors. Late payment of contractors.	Late/non-delivery of infrastructure in terms of quality, time and costs. Negative audit findings, Fruitless and wasteful expenditure on infrastructure projects.		Placing the underperforming contracts in Mora SCM Policy, procedures and compliance checklist in place. Risk Assessment delegated to consultants.		Review of the PMTE Service Delivery Model (insourcing vs outsourcing). Implement contractor incubator programme that includes mentoring and training of contractors.	PMTE PMO CPM	GRC CPM SCM PMO	31/03/2020 31/03/2020 31/07/2019

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Ineffective contract management.	Inability to fully implement infrastructure programme.		Mora letters issued by Project Managers.		Enforcement of delegation of authority to terminate non-performing contractors.		All Branches	31/03/2020
		Processes to terminate contracts is cumbersome.				Blacklisting of service providers.					
		Reduction in infrastructure budget for PMTE and Client Departments.				Functionality Assessments.		Develop Contract Management Framework (infrastructure).	CPM	Regional Offices, UDM	
		Processes to terminate contracts is cumbersome.				Reprioritisation of infrastructure programmes biannual.					
		Lack of a standardised Blueprint (infrastructure development).				Monthly performance review meetings with all executing units.					

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
To ensure optimal performance of the State's Immovable Asset Portfolio	2	Inadequate maintenance and safeguarding of State assets.	Poorly maintained buildings and facilities that threaten the health and safety of the occupants. Lack of a comprehensive maintenance plans for State Buildings.	Deterioration in the condition and value of the State's portfolio of immovable assets. Reputational Damage. Litigation against the Department.	IR	Health and safety inspections are being conducted. Maintenance schedules for 15 identified State Assets have been developed for HVAC, Boilers and Lifts within the Top 300 programme.	RR	Implementation of the Top 300 Programme. Implement OHS structure for HO and Regional Offices. Continuous implementation and monitoring of OHS inspections as controls.	FM	REIS Finance REIS	31/03/2020
									FM	REIS, Finance, CS	31/03/2019
To provide quality accommodation and contribute to the financial sustainability of the PMTE		Maintenance activities are significantly under budgeted from both a capital and operational expenditure baseline.	Non-compliance with OHS 85 of 1993 and various regulations General Machine Regulations (GMR) and Electrical Regulations (ER). Increasing reliance on unscheduled maintenance.	IR	Planned Maintenance, repair and rehabilitation program. Limited budget to undertake planned and scheduled maintenance. IAR meets compliance and reporting requirements in terms of PFMA and GRAP.	RR	Identification of OHS training plans. Development of templates. Physical verification and detailed technical analysis to assess condition of the immovable asset portfolio at sub component level.	FM REIS	REIS, FM, CPM, Finance	31/03/2020	
								FM	PMTE	31/03/2020	
		Maintenance plans not compliant with NIMMS and IDMS requirements due to a lack of detailed technical analysis of asset sub components (IAR not componentised).							FM CS	FM	31/03/2020
									REMS	UDM, REIS	31/03/2020

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Inadequate condition assessments at sub component level linked to individual properties on the IAR.	Inability to account for maintenance costs (unscheduled maintenance accruals and provisions cannot be accounted for).		Unscheduled maintenance guidelines and interim business processes in place to address short term maintenance requirements.		Facilitate the approval of the Facilities Management Strategy.			
			Current systems do not support identification of accruals (jobs done and amounts due) and provisions after the calls has been logged.	Deterioration of the value of State's Portfolio of Immovable Assets.		Inspection of vacant State-owned properties to compile condition assessment and determine occupation status.		Full implementation of the integrated ERP system.			
			Illegal occupation and vandalism of State owned properties.	Lack of revenue and financial loss which impacts PMTE finance sustainability.		Regular engagements with user departments.		Establishment of satellite Offices in Regional Offices.			
			Vacation of properties by user departments without notifying the Department.	Poor service delivery, Potential loss of clients and erosion of the Departmental mandate.		Signing of SLA's and MOUs.		Revitalization of workshops.	FM		
			Lack of funding to secure vacant State-owned properties.	Contravention and prohibition notice issued which will lead to the closing of facilities.		Utilisation of State agencies (DBSA/CSIR/COEGA) to fast track the implementation of maintenance interventions.		Property Solution on case by case basis for illegal occupation. (OBB).	REMS	CS	31/03/2020
			Lack of integrated plans.	Actual loss of the Immovable State assets (Impact).				Investment/Option analysis on the portfolio.	REIM	UDM	31/03/2020
			Lack of technical skills to implement the plans.					Finalisation of the revised day to day maintenance guidelines.	FM	All Branches	31/03/2020

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE		
To ensure the optimal performance of the State's immovable asset portfolio.	3	Inadequate delivery of national Government priorities.	Lack of integrated ERP system to support maintenance.	High building operating costs.		Implementation of the integrated resource efficiency interventions (Energy, Water and Waste).		Implementation of the Green Building programme.	FM	All branches	31/03/2020		
			Lack of monitoring and implementation of SLA's.	High level of unscheduled maintenance.			Implementation of the maintenance term contracts.	FM		REIM,SCM	31/03/2020		
			Aging Engineering Assets driving inefficient resource consumption.	High consumption of water and energy.		Implementation of Waste Management Hierarchy strategies.	PMO	Training of the emerging Contractors as part of the Contractor Incubator Programme (CIP).	UDM, SCM			31/03/2020	
			Behavioural patterns of occupants does not ensure resource preservation.	Insufficient recovery rates for water and energy from user charges.		Capital and Planned Maintenance Infrastructure projects subscribe to EPWP.	CPM		SCM			31/03/2020	
			Use of inefficient technologies.	Contribution to 90% of waste disposed Landfills that leads to non-compliance.		Scheduled maintenance contracts awarded to SMMIEs.		EPWP labour intensive guidelines to be applied to the procurement of infrastructure projects.	CPM		SCM	Quarterly	
													31/03/2020

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES/ CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Job creation in the context of Public Employment Programmes not optimised.	Insufficient work opportunities created through labour intensive construction		Approved Green Building Policy.		Capacitation of Engineers and Project Managers in labour intensive methodologies for application in the implementation of projects.	CPM	SCM	31/03/2020
			Lack of contribution to the national priority on reducing levels of unemployment, inequality and poverty.	Inadequate opportunities available to black-owned, emerging companies.		Payment of contractors' adherence to EPWP tender specification requirements.		Monitoring and reporting of all work opportunities created.	SCM	All Branches	Quarterly
			Lack of investment in rural areas (no economic activity).	High levels of unemployment, inequality and poverty.				Implementation of the 2017 Preferential Procurement Regulations (and new SCM Policy) to create sustainable opportunities.	SCM		31/03/2020
			Lack of reskilling of the current workforce and youth.	Low investment in rural areas (no economic activity).							
				Inadequate skills within the current and existing workforce and youth.							

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
To provide quality accommodation and contribute to the financial sustainability of the PMTE	4	Weakening financial viability and sustainability of PMTE.	Lack of Revenue Generation Strategy.	Unable to pay creditors.	E	Approval of extension for exemption on itemised billing (0.65).	E	Develop and implement a revenue generation strategy.	Head of PMTE	All Branches	31/03/2020
			Lack of Asset Optimization Strategy	Inability to maintain the current immovable asset portfolio.		Confirmation of utilisation of municipal services accounts are paid (0.9).		Application of Finance Model.	Head of PMTE	REMS, REIS, CS, Finance	31/03/2020
			Expenditure incurred on unutilised properties.	Increase in bank overdraft.		Master Data Base (MDB) excel spreadsheet to identify over/under payments of leases (0.8).		Implementation of the approved Acquisition and Disposal (leasing and letting) Framework by National Treasury.	REMS		31/03/2020
			Lack of Letting-out Policy and letting of all vacant properties.	High acquisition costs		Utilisation of the Lease Module on Archibus.		REMS	Corporate Services	31/03/2020	
To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements.		Inadequate controls on leasing system to ensure accurate payments leading to duplicate/overpayments on the same property.	Inability to leverage procurement spend	E	Sustained budget management (0.65).	E	Re - negotiations of leasing-in and letting-out contracts.	REMS			31/03/2020
			Inability to recover debt due to user departments disputing occupation of the properties.		Inability to implement new projects leading to missed opportunity costs		Implementation of interest on overdue accounts. (0.9)	Revision of the Operating Model: Submit to Treasury application for tariff increase for identified user departments.	Head of Finance (PMTE)	REMS	31/03/2020
									CFO	REMS	31/03/2020

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES/ CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Reduction of National Treasury allocations.	Erosion in the Department's credibility as a procuring agency.		Monitoring and enforcement of internal controls (0.8).		Submit a request to NT to ring fence the allocation for accommodation.	SCM	Corporate Services	31/03/2020
			Inadequate Operating Model of the PMTE (pay first and recover later).			Price negotiations conducted in line with the Preferential Procurement Regulations(0.8)		Establish the Demand Management Structure for Head Office.	SCM	All Branches	31/03/2020
			Ineffective market research, commodity pricing data analysis, buying patterns analysis due to insufficient capacity to fully implement Demand Management as per the National Treasury Framework			Implementation of the two Bid Committee System (Leasing, Projects, Goods & Services). (0.65) SCM Policy and processes in place. (0.8)		Populate the PMTE SCM structure to operationalise demand management in the regions as per National Treasury Demand Management Framework.	SCM	All Branches	31/03/2020
			Inadequate planning for the required goods & services.			Use of National Treasury Central Supplier Database as the only repository of supplier information. (0.65)		Operationalise Demand Management at Regional Offices.	SCM	All Branches	31/03/2020
			Non-compliance with laws and regulations.			Restriction Committee Authority (RCA) implemented. (0.9)		Conduct market research, where required, to ensure prices are commensurate with prevailing market conditions.	SCM	All Branches	31/03/2020
			Lack of skilled negotiators within PMTE.								

STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
			Abuse of the SCM system by service providers / contractors.			Prior approval by Bid Adjudication Committee and National Treasury. (0.65)	High	Preparation of effective and realistic annual demand plans.	SCM	All Branches	31/03/2020
			Avoidance / non-utilisation of open and competitive bidding processes.				High	Blacklist service providers / contractors that are found to have abused the SCM system in terms of the SCM Prescripts.	SCM	All Branches	31/03/2020
								Quarterly engagement with Provinces on the changing SCM Landscape.	SCM		31/03/2020
								Ongoing SCM training.			

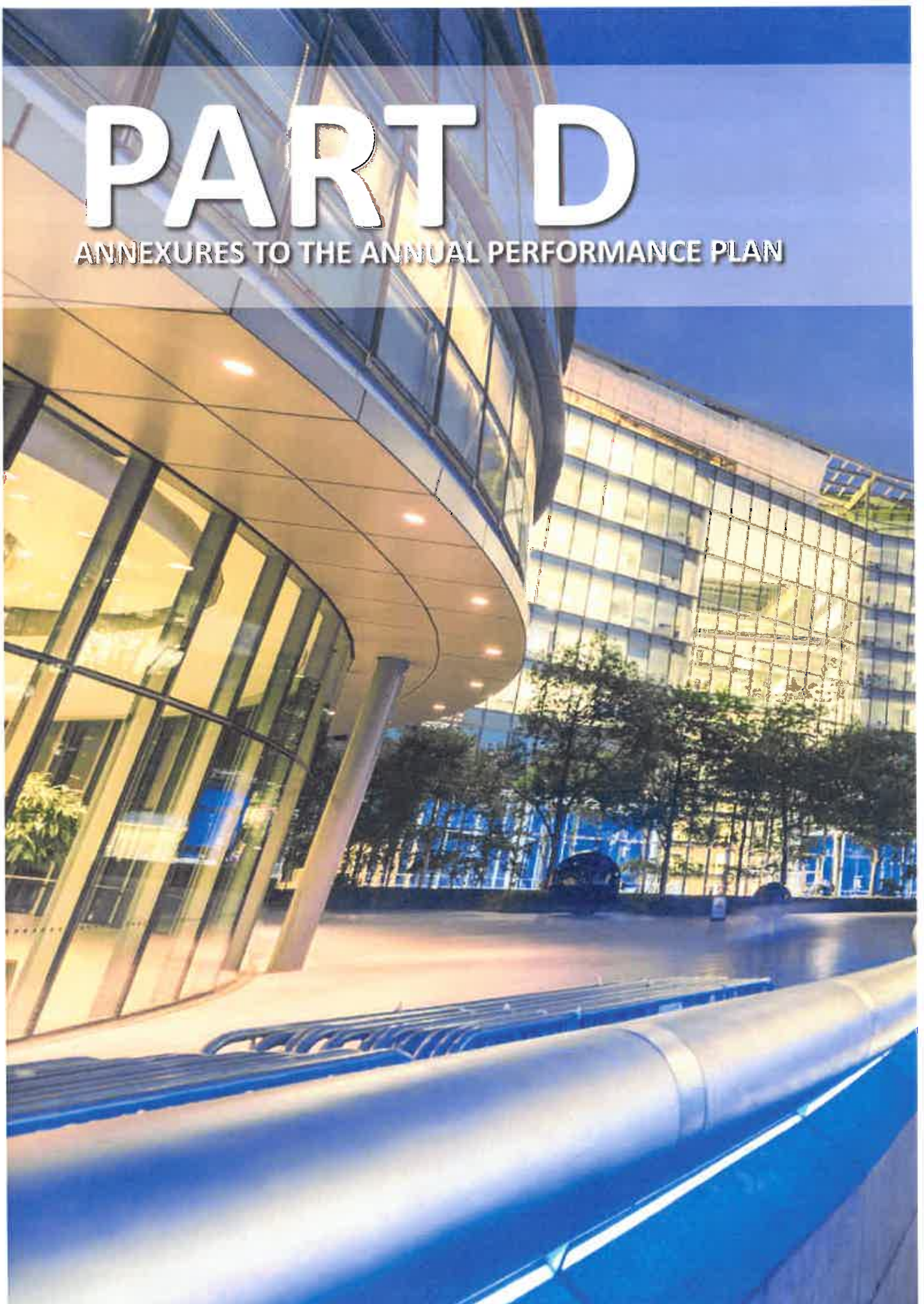
STRATEGIC GOALS	RISK NO	RISK TITLE	ROOT CAUSES / CONTRIBUTING FACTOR	CONSEQUENCE	IR	CURRENT / EXISTING CONTROLS	RR	ACTION PLAN	PRIMARY BRANCH	SECONDARY BRANCH	DUE DATE
To provide reliable immovable asset information that informs investment decisions and portfolio management.	5	Inability to maintain a reliable and accurate immovable asset register (IAR).	Fragmented government systems and inadequate communication amongst key stakeholders leading to misalignment between various data sources (e.g. SG data, deeds records and municipal valuation rolls). Inadequate condition assessments at sub component level linked to individual properties on the IAR. Failure to fully utilise internal capacity within the Department - CPM, FM, REIS, REIRS, CS & REMS.	Non integration of immovable asset registers for all spheres of Government. Negative impact on the PMTE business. Negative audit findings. No transfer of skills / appointment of the critical resources to ensure continuity and reduce dependency on consultants and contract workers.	Medium	State land analysis and reconciliation of National and Provincial IARs against the Deeds Records, SG data and MVRs.	Medium	Implement a single asset repository (system) for the Public Works sector.	CS	REIRS, Finance, FM	31/03/2020
						Conduct physical verification and condition assessment of properties and significant components. Capacity building and skills transfer to existing DPW employees in alignment with the Project Charter. Over utilisation of limited capacity.		Engage DRDLR (DG, Chief Surveyor General, Chief Registrar of Deeds), Office of the State Attorney, Municipalities and Provinces for the rectification of the following: Properties reflecting no registered owner as per deeds records (850 000), Dual ownership (980), Illegal transfer (325).	REIRS	REIM and FM	31/03/2020
			Inadequate internal capacity to compile and maintain an Immovable Asset Register under the custodianship of Public Works.			Implementation of the Project Charter on skills transfer for additional capacity.			REIRS	Corporate Services	31/03/2020
						Filling of vacant posts and critical posts that were excluded from the streamlined structure.			REIRS	Corporate Services	31/03/2020

12. PUBLIC PRIVATE PARTNERSHIPS

There are no Public Private Partnerships to report for the 2019/20 period

PART D

ANNEXURES TO THE ANNUAL PERFORMANCE PLAN



13. AMENDMENTS TO THE STRATEGIC PLAN

There are no amendments to the 5 year Strategic Plan.

14. TECHNICAL INDICATOR DESCRIPTIONS

14.1 PROGRAMME 1: ADMINISTRATION

Key Performance Indicator 1.1

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide compliant internal controls and financial services				
Indicator Title	Percentage of compliant invoices settled within 30 days				
Short description	This indicator is measuring the percentage of compliant invoices received from suppliers that are paid within 30 days in line with legislative requirements. An invoice is only regarded as valid once the work has been certified as completed in accordance with the requirements of the PMTE.				
Purpose/importance	To indicate how effectively the PMTE is paying suppliers in line with the statutory requirements of the PFMA and Treasury Regulations 8.3.1				
Data source	Invoices received from suppliers, payments register/ Reapatala Invoice Tracking System and SAGE X3.				
Collection of data	The data is updated by executing units on the Reapatala system. The information is then extracted quarterly for reporting.				
Method of calculation	Count the number of compliant invoices paid within 30 days and express this as a percentage of the total number of compliant invoices received for the same period. <u>Number of compliant invoices paid within 30 days</u> Total number of compliant invoices received for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Activity				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	The PMTE to ensure that all compliant invoices are paid within 30 days.				
Indicator owner	Chief Director: Financial Accounting and Reporting				
Indicator updater	Director: Financial Accounting				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	85%(128 562)	87% (137 435)	83% (152 211)	100%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	100%	100%	100%	100%	100%
Portfolio of Evidence	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100%	100%	100%	100%	
Portfolio of Evidence	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	Reapatala Report indicating date of invoice received, status, compliance, date paid	

Key Performance Indicator 1.2

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide a compliant internal controls and financial service				
Indicator Title	Number of new revenue generation sources incubated				
Short description	The indicator is measuring the incubation of newly identified revenue generation sources. The incubation process involves the identification of new revenue opportunities, conducting a cost benefit assessments to evaluate the expected returns to be generated, the testing of the market and concluding of agreements that will translate into sustainable future revenue receipts in the outer years				
Purpose/Importance	Growth of the revenue base of PMTE to fund operational requirements				
Data source	Revenue generation implementation plans				
Collection of data	The data is collected by the OFSP and consolidated onto the Revenue Generation Implementation Plans				
Method of calculation	A simple count of the number of revenue generation sources incubated				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Input				
Calculation type	Non – cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	The conclusion of new agreements that will generate new and sustainable sources of revenue to fund operational requirements within the PMTE				
Indicator owner	Chief Financial Officer				
Indicator updater	Head: Operationalisation and Financial Sustainability Programme				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	7	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	7	3	5	5	5
Portfolio of Evidence	Approved revenue generation Implementation Plans	New revenue generation agreements signed	New revenue generation agreements signed	New revenue generation agreements signed	New revenue generation agreements signed
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	3	
Portfolio of Evidence	-	-	-	New revenue generation agreements signed	

Key Performance Indicator 1.3

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide a compliant internal controls and financial service				
Indicator Title	Number of identified user departments issued with itemised billing				
Short description	This indicator is measuring itemised billing issued to identified user departments for State accommodation that is occupied by the user department in order to generate the appropriate accommodation charges.				
Purpose/importance	The purpose is to recover accommodation charges as per the approved user charges model and to ensure financial stability of the Property Management Trading System (PMTE).				
Data source	IAR, Billing System.				
Collection of data	The data is collected by the PMTE Finance Branch and consolidated onto a schedule of user departments with Itemised billing				
Method of calculation	A simple count of the number of identified user departments that have been Issued with Itemised billing				
Unit of Measure	Number				
Data limitations	Non componentisation of the Immoveable Asset Register				
Type of Indicator	Input				
Calculation type	Non – cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	Implementation of itemised billing to all user departments				
Indicator owner	Chief Financial Officer				
Indicator updater	Chief Director Revenue and Debt Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	4	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	4	6	4	3	3
Portfolio of Evidence	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	6	-	-	-	
Portfolio of Evidence	Schedule of user departments with Itemised billing (supported by signed MOU/SLA)	-	-		

Key Performance Indicator 1.4

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide a compliant Supply Chain Management service				
Indicator Title	Percentage of bids awarded within 56 working days of closure of tender advertisement				
Short description	The indicator is measuring the percentage of relevant bids awarded for services above R500 000 procured for the PMTE within 56 working days of closure of tender advertisement (validity period).				
Purpose/importance	To demonstrate that the end to end business process for processing bids is able to be executed within the validity period thereby enhancing service delivery to clients and ensuring compliance to regulations. This performance measure indicates how effectively the PMTE will achieve the efficiency of acquiring goods, services and works over the R500 000 threshold.				
Data source	Register of all bids awarded for services within the PMTE and Procurement Plan.				
Collection of data	The data is collected from executing units and consolidated into a register of bids awarded (above R500 000) indicating the date of tender closure and award date				
Method of calculation	Count the number of bids awarded within 56 working days of closure of tender advertisement and express this as a percentage of the total number of bids awarded for the same time period. <u>Count the number of bids awarded within 56 working days of closure of tender advertisement</u> Total number of bids awarded over the period				
Unit of Measure	Percentage				
Data limitations	None				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	The aim is to award all bids within the 56 day validity period with no variations				
Indicator owner	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)	
	18% (45)	31% (91)	16% (29)	60%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	60%	65%	70%	75%	80%
Portfolio of Evidence	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	65%	65%	65%	65%	
Portfolio of Evidence	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	Register of bids awarded (above R500 000) indicating the date of tender closure and award date (supported by letter of award)	

Key Performance Indicator 1.5

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 of quotations awarded within 30 working days from requisition date				
Short description	The indicator is measuring the percentage of relevant quotations approved for services below R500 000 procured for the PMTE within the 30 working days period from the date of requisition to support the delivery of services within time and cost				
Purpose/Importance	To indicate the efficiency in which Supply Chain Management is acquiring goods, services and works below the R500 000 threshold				
Data source	Register of all quotations awarded for PMTE services through the quotation process.				
Collection of data	The data is collected from executing units and consolidated into a register of awarded quotations (below R500 000) indicating date of requisition and approval date				
Method of calculation	Count the number of quotes awarded within 30 days from requisition date and express this as a percentage of the total number of quotes awarded. <u>Count the number of quotes awarded within 30 working days from the requisition date</u> Total number of quotes approved over the period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	The aim is to award quotations within 30 working days from the requisition date for the next three years with no deviations.				
Indicator owner	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)	
	47% (229)	75% (4 326)	73% (4 863)	77%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	77%	80%	85%	90%	90%
Portfolio of Evidence	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	80%	80%	80%	80%	
Portfolio of Evidence	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	Register of awarded quotations (below R500 000) indicating date of requisition and approval date (supported with approval memo)	

Key Performance Indicator 1.6

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide compliant internal controls and financial services				
Indicator Title	Percentage of procurement spend for bids awarded to designated groups in line with Preferential Procurement Regulations 2017				
Short description	<p>The indicator is measuring the procurement spend (quotation and tenders) awarded to Designated Groups as defined in the PPR of 2017:</p> <ul style="list-style-type: none"> • B-BBEE status level of contributor, • An EME or QSE; • Bidders that subcontract a minimum 30% of their contract to any of the following groups - an EME or QSE which is at least 51% owned by black people, • black people who are women, • black people who are youth, • black people with disabilities, • black people living in rural or undeveloped areas or townships, • cooperatives which is 51% owned by black people, • black people who are Military Veterans to accelerate empowerment of these groups through Public Sector Procurement. • to accelerate empowerment of these groups through Public Sector Procurement. 				
Purpose/importance	To leverage procurement spend to promote socio-economic transformation and empowerment of designated groups in line with the Preferential Procurement Regulations 2017				
Data source	Register of all bids and quotations awarded in the Department.				
Collection of data	The data is collected from executing units and consolidated into a register of awards indicating awarded amount and Designated Groups				
Method of calculation	<p>Calculate the rand value of bids awarded to Designated Groups and express this as a percentage of the total value of bids awarded for the same period</p> <p><u>Calculate the rand value of bids awarded to Designated Groups</u></p> <p>Total rand value of bids awarded over the same period</p>				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To ensure that 70% rand value of bids is awarded to Designated Groups in line with the PPR of 2017				
Indicator owner	Chief Financial Officer				
Indicator updater	Chief Director: Supply Chain Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	(Tender) R1,4bn (Quotations) 70% (245 894 006)	75%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	75%	80%	85%	90%	90%
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	80%	80%	80%	80%	
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	

Key Performance Indicator 1.7

Strategic Goal	To support service delivery in a smart, proactive and business centric manner that is aligned to statutory requirements				
Strategic Objective	To provide compliant internal controls and financial services				
Indicator Title	Percentage of bids awarded to designated groups in line with Preferential Procurement Regulations 2017				
Short description	<p>The Indicator is measuring the percentage of bids (Quotation and tenders) awarded to Designated Groups as defined in the PPR of 2017:</p> <ul style="list-style-type: none"> • B-BBEE status level of contributor, • An EME or QSE; • Bidders that subcontract a minimum 30% of their contract to any of the following groups - an EME or QSE which is at least 51% owned by black people, • black people who are women, • black people who are youth, • black people with disabilities, • black people living in rural or undeveloped areas or townships, • cooperatives which is 51% owned by black people, • black people who are Military Veterans to accelerate empowerment of these groups through Public Sector Procurement. • to accelerate empowerment of these groups through Public Sector Procurement. 				
Purpose/importance	To leverage procurement spend to promote socio-economic transformation and empowerment of designated groups in line with the Preferential Procurement Regulations 2017				
Data source	Register of all bids and quotations awarded in the Department.				
Collection of data	The data is collected from executing units and consolidated into a register of awards indicating awarded amount and Designated Groups.				
Method of calculation	<p>Count the number of bids awarded to the Designated Groups and express this as a percentage of the total number of bids awarded for the same period</p> <p><u>Count the number of bids awarded to Designated Groups</u></p> <p>Total number of bids awarded for the same period</p>				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To ensure that 70% of bids are awarded to Designated Groups in line with the PPR of 2017				
Indicator owner	Chief Financial Officer				
Indicator updater	Chief Director: Supply Chain Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	(Tender) 70% R184 (Quotations) 70% (39 06)	75%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	75%	80%	85%	90%	90%
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	80%	80%	80%	80%	
Portfolio of Evidence	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	Register of awards indicating awarded amount and Designated Groups (Supported by PA40)	

14.2 PROGRAMME 2: REAL ESTATE INVESTMENT SERVICES

Key Performance Indicator 2.1

Strategic Goal	To consolidate user demands that enables planning and budgeting				
Strategic Objective	To ensure that the User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Number of User Asset Management Plans received from user departments				
Short description	The indicator is measuring the number of U-AMPs, which is a document containing the list of users' prioritised property and construction projects requests for accommodation, received by the Department for execution in line with requirements of GIAMA. User Departments are assisted by the User Demand Management Unit to produce the User Asset Management Plans.				
Purpose/Importance	To inform planning and budgeting of infrastructure requirements for both the user and the custodian.				
Data source	User prioritised accommodation requirements, accommodation currently occupied by user departments (as per the IAR).				
Collection of data	The data is collected by the User Demand Management Branch and consolidated into a schedule of UAMPs received				
Method of calculation	Simple count of the number of User Asset Management Plans received from user departments.				
Unit of Measure	Number				
Data limitations	Adequacy of information received from user departments and entities.				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To receive user asset management plans from all user departments and entities.				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	42	42	42	42	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	42	42	42	42	42
Portfolio of Evidence	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	42	
Portfolio of Evidence	-	-	-	Schedule of UAMPs received (supported by UAMP documents for User Departments and Entities)	

Key Performance Indicator 2.2

Strategic Goal	To consolidate user demands that enables planning and budgeting				
Strategic Objective	To ensure that the User Asset Management Plans are produced in compliance with relevant prescripts				
Indicator Title	Number off signed infrastructure work lists				
Short description	The indicator is measuring the number of worklists containing a schedule of prioritised and funded infrastructure projects for the upcoming financial year signed by user departments that are compiled in line with IDMS based on the User Asset Management Plans				
Purpose/importance	To enable the PMTE to mobilise its resources for the execution of the prioritised and funded infrastructure projects.				
Data source	User Asset Management Plans for all User Departments and Entities.				
Collection of data	The data is collected by the User Demand Management Branch and consolidated into a list of users with prioritised capital infrastructure requirements				
Method of calculation	Simple count of the number of infrastructure work lists signed by user departments.				
Unit of Measure	Number				
Data limitations	Data integrity on WCS				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To obtain signed off infrastructure work lists at the start of the financial year for user departments that have capital projects				
Indicator owner	Deputy Director-General: User Demand Management				
Indicator updater	Chief Director: User Demand Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	9	9	10	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	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 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	10	
Portfolio of Evidence	-	-	-	List of users with prioritised capital infrastructure requirements (supported by the signed worklist)	

Key Performance 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 contribute to integrated development and creation of permanent National Government accommodation as well as Government precincts in collaboration with Municipalities. Precinct plans will ensure effective management to promote safe, secure and accessible government facilities as well as invariably reduce the leased portfolio and costs towards a Government estate concept.				
Data source	List of all scheduled precinct development plans completed for the period.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of precinct development plans completed				
Method of calculation	Simple count of the precinct development plans completed that have been aligned with identified municipal (urban and rural) Integrated Development Plans (IDPs)				
Unit of Measure	Number				
Data limitations	Incomplete framework document and mapping. No needs from user departments. Incapacity at local and/or provincial levels. Liaison constraints.				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Bi-Annually				
New indicator	No				
Desired performance	Precinct development plans developed and approved within planned timeframes				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Planning and Precinct Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	6	2	3	4	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	4	4	5	6	6
Portfolio of Evidence	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1	-	3	
Portfolio of Evidence	-	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	-	Schedule of precinct development plans completed indicating name of municipality (supported by Precinct Development Plan Report)	

Key Performance Indicator 2.4

Strategic Goal	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government				
Strategic Objective	To direct precinct planning and development for national government in urban and rural areas				
Indicator Title	Number of sites established for development				
Short description	To ensure that the identified sites are fully ready for development by meeting the requirements in terms of applicable Town Planning and Engineering legislation, feasibility and ownership of the sites encapsulated in a site clearance certificate				
Purpose/importance	To deliver a site that is ready for project design, documentation and development.				
Data source	List of all scheduled site clearances completed for the period.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of sites established for development				
Method of calculation	Simple count of sites established for development				
Unit of Measure	Number				
Data limitations	Source data on the sites not available or incomplete. Legal and other statutory processes incomplete				
Type of indicator	Output				
Calculation type	Non –cumulative				
Reporting cycle	Bi-Annually				
New indicator	No				
Desired performance	100% of the identified sites established within the required timeframes				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Planning and Precinct Development				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	1	3	2	3	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	3	4	4	4	4
Portfolio of Evidence	Schedule of sites established for development (supported by Site Clearance certificates)	Schedule of sites established for development (supported by Site Clearance certificates)	Schedule of sites established for development (supported by Site Clearance certificates)	Schedule of sites established for development (supported by Site Clearance certificates)	Schedule of sites established for development (supported by Site Clearance certificates)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1	-	3	
Portfolio of Evidence	-	Schedule of sites established for development (supported by Site Clearance certificates)	-	Schedule of sites established for development (supported by Site Clearance certificates)	

Key Performance Indicator 2.5

Strategic Goal	To develop accommodation solutions for User Departments in collaboration with the relevant spheres of Government				
Strategic Objective	To direct precinct planning and development for national government in urban and rural areas				
Indicator Title	Number of concept designs completed for identified user departments				
Short description	The Indicator measures the number of concept designs completed for identified user department. The aim is to provide an accommodation solution for user departments in the form of a 3D design models, sketches, diagrams, plans or drawings with estimated costs for the development				
Purpose/importance	To provide a development package to guide the investment decisions and procurement options for a user departments				
Data source	List of concept designs completed for identified user department.				
Collection of data	3D design models, sketches, diagrams, plans or drawings concept designs and drawings				
Method of calculation	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of concept designs completed				
Unit of Measure	Simple count of the number of concept designs completed for identified user departments				
Data limitations	Needs not received from user departments, no certified staff structure, no approved site establishment				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Bi-Annually				
New indicator	No				
Desired performance	All concept designs completed for identified user departments within agreed timeframes				
Indicator owner	Deputy Director-General Real Estate Investment Services				
Indicator updater	Chief Director Planning and Precinct Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	1	5	4	5	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	5	6	6	6	6
Portfolio of Evidence	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	2	-	4	
Portfolio of Evidence	-	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	-	Schedule of concept designs completed indicating user departments (supported by Concept designs and drawings)	

Key Performance 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 investment analysis studies completed within three (3) months from the date of receipt of the request to determine the optimal investment/disinvestment accommodation solution				
Purpose/importance	To recommend preferred accommodation options in a credible manner and within an agreed turnaround times				
Data source	List of scheduled feasibility reports completed for the period.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of feasibility studies completed				
Method of calculation	<p>Count the completed feasibility reports within the scheduled timeframes and express this as a percentage of the total number of feasibility studies that were scheduled for completion for the same period.</p> <p><u>Count the number of feasibility reports completed within the scheduled timeframes</u></p> <p>Total number of feasibility studies scheduled for completion for the same time period</p>				
Unit of Measure	Percentage				
Data limitations	None				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	With increased capacity, automated processes and a significant improvement in credible information the PMTE will improve turnaround times from 85% to 90% over the next five years.				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Portfolio Analysis				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	99% (179)	82% (230)	78% (124)	90%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	90%	90%	90%	90%	90%
Portfolio of Evidence	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	90%	90%	90%	90%	
Portfolio of Evidence	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	Schedule of feasibility studies completed with planned and actual completed timeframes (supported by Feasibility Reports)	

Key Performance Indicator 2.7

Strategic Goal	To increase the value of the State's immovable asset portfolio				
Strategic Objective	To inform asset management decisions through optimal investment solutions				
Indicator Title	Percentage of valuations completed within scheduled timeframes				
Short description	The Indicator is measuring the completion of valuations of immovable assets undertaken within three (3) months from the date of receipt of the request				
Purpose/Importance	To conduct compliant valuations that determine the market value of PMTE immovable assets within the scheduled timeframe				
Data source	Schedule of valuations completed for identified immovable assets on the immovable asset register within relevant timeframes.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of valuations completed				
Method of calculation	Count the number of valuations completed in accordance with the scheduled timeframes and express this as a percentage of the total number of valuations scheduled for completion for the same period. <u>Count the number of valuations completed within the scheduled timeframes</u> Total number of valuations scheduled for completion for the same period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Quarterly				
New Indicator	No				
Desired performance	Through increased and retained capacity the PMTE will be able to increase the number of valuation done to 90% over the next three years				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Portfolio Analysis				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	72% (218)	83% (290)	134% (397)	90%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	90%	90%	90%	90%	90%
Portfolio of Evidence	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	90%	90%	90%	90%	
Portfolio of Evidence	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	Schedule of Valuations completed with planned and actual completed timeframes (supported by Valuation Report)	

Key Performance Indicator 2.8

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 from all requests received within the respective financial year. The processing of the disposal request involves either the rejection of the request, referral to another custodian or compilation of requisite submission requesting consideration for approval by the Minister				
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements (DHS) and to Department of Rural Development and Land Reform (DRDLR)				
Data source	List of disposals processed for approval within the respective financial year.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of disposal requests processed				
Method of calculation	Count the number of disposal requests processed within the financial year for socio-economic purposes and express this as a percentage of the total number of received requests for the same period <u>Count the number of requests processed for disposal for the financial year</u> Total number of disposal requests received for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To release the total number of immovable assets that have been identified by the DHS, DRDLR and other Entities which contribute to the Government's socio-economic objectives				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	3% (1 of 34 requested land parcels)	36% (34 of 95)	57% (97 of 170)	60%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	60%	90%	90%	90%	90%
Portfolio of Evidence	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	90%	
Portfolio of Evidence	-	-	-	Schedule of disposal requests processed indicating date of request received and actual date of completion (supported by disposal approval submission or proof of referral)	

Key Performance Indicator 2.9

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 contains the development of an infrastructure plan indicating how the custodian intends to meet the accommodation requirements of the User Departments				
Purpose/importance	To align the use of immovable assets with service delivery objectives of National Government Departments in compliance with GIAMA				
Data source	Approved Custodian Asset Management Plan, User Asset Management Plans.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and reported on the M&E system				
Method of calculation	Simple count of the number of approved C-AMPs completed annually in line with GIAMA and submitted to National Treasury				
Unit of Measure	Number				
Data limitations	Lack of User Asset Management Plans to inform the C-AMP				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To ensure comprehensive and reliable life cycle planning on all immovable assets under PMTE custodianship through the compilation of the C-AMP.				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	1 C-AMP Approved	1 C-AMP Approved	1 C-AMP Approved	1 C-AMP Approved	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	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 National Treasury (submitted with signed off C-AMP 2019/20)	Letter to National Treasury (submitted with signed off C-AMP 2020/21)	Letter to National Treasury (submitted with signed off C-AMP 2021/22)	Letter to National Treasury (submitted with signed off C-AMP 2022/23)	Letter to National Treasury (submitted with signed off C-AMP 2023/24)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1 C-AMP submitted to National Treasury	-	-	
Portfolio of Evidence	-	Letter to National Treasury (submitted with signed off C-AMP 2020/21)	-	-	

Key Performance Indicator 2.10

Strategic Goal	To increase the value of the State's immovable asset portfolio				
Strategic Objective	To manage the performance of the immovable asset portfolio so as to ensure appropriate investment decisions				
Indicator Title	Number of facilities performance measured in identified performance areas				
Short description	The indicator measures the performance of the facilities that are utilised as functional accommodation as recorded on the immovable asset register in relation to operating cost and utilisation in compliance with GIAMA				
Purpose/importance	To ensure that functional accommodation is performing at required /acceptable levels				
Data source	Schedule of facilities (functional accommodation) from the IAR that have been identified for performance measurement.				
Collection of data	The data is collected by the Real Estate Investment Management Branch and consolidated into a schedule of facilities measured against identified performance areas				
Method of calculation	Simple count of the number of facilities (functional accommodation) measured against identified performance areas				
Unit of Measure	Number				
Data limitations	Completeness and accuracy of the IAR				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To increase the number of performance measurements completed that support decision making over the next five years.				
Indicator owner	Deputy Director-General: Real Estate Investment Services				
Indicator updater	Chief Director: Property Performance Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	300	478	703	800	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	800	800	800	800	800
Portfolio of Evidence	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	200	200	200	200	
Portfolio of Evidence	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	Schedule of facilities measured against identified performance areas (supported by building performance reports)	

14.3 PROGRAMME 3: CONSTRUCTION PROJECT MANAGEMENT

Key Performance Indicator 3.1

Strategic Goal	To meet user 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	The indicator measures the development of infrastructure project designs that have been approved by the Sketch Plan Committee. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and approval certificates.				
Purpose/importance	To ensure that infrastructure projects are timeously planned and delivered based on proper infrastructure designs.				
Data source	Needs assessments of user departments, site clearance reports, working drawings, minutes of sketch plan committee meetings.				
Collection of data	The data is collected from executing units and consolidated onto a schedule of infrastructure projects designs with approved sketch plans				
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	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	225	210	83	83	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	83	103	113	113	113
Portfolio of Evidence	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	26	26	26	25	
Portfolio of Evidence	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	Schedule of infrastructure projects designs with approved sketch plans (supported by Approval certificate - PRM 16)	

Key Performance 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. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and completion certificates.				
Purpose/importance	To ensure that infrastructure projects are timeously delivered based on proper infrastructure designs.				
Data source	User departments' requirements, sketch plan approvals, minutes of bid committee indicating approval of tender specifications.				
Collection of data	The data is collected from executing units and consolidated onto a schedule of infrastructure projects approved for tender advertisement by delegated authority				
Method of calculation	Simple count of the number of infrastructure projects with tender specifications approved by delegated authority				
Unit of Measure	Number				
Data limitations	Incomplete designs and documentation				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New Indicator	No				
Desired performance	To ensure that infrastructure projects are ready for tender within timeframes that have been agreed to with user departments and delivered within time and cost				
Indicator owner	Deputy Director-General Construction Project Management				
Indicator updater	Chief Director: Construction Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	225	144	79	128	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	128	140	150	150	150
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	30	40	40	30	
Portfolio of Evidence	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	Schedule of infrastructure projects approved for tender advertisement by delegated authority (supported by PA 01 and/or PA 12)	

Key Performance Indicator 3.3

Strategic Goal	To meet user 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	The Indicator measures the number of infrastructure project sites that have been handed over to the appointed contractor to commence with the construction of the project. One WCS number may contain a tender that is unbundled into various projects for different locations with specific designs and handover certificates.			
Purpose/importance	To ensure that infrastructure projects are timeously delivered within time, cost and quality requirements.			
Data source	User departments' requirements, sketch plan approvals, bill of quantities, tender documentation and contract documentation.			
Collection of data	The data is collected from executing units and consolidated onto a schedule of infrastructure project sites handed over to the appointed contractor			
Method of calculation	Simple count of the number of infrastructure sites that have been handed over to the appointed contractor to commence with construction			
Unit of Measure	Number			
Data limitations	Incomplete designs and contract documentation			
Type of Indicator	Output			
Calculation type	Non-cumulative			
Reporting cycle	Quarterly			
New indicator	No			
Desired performance	To ensure that infrastructure projects commence construction within timeframes that have been agreed to with user departments and delivered within time and cost			
Indicator owner	Deputy Director-General: Construction Project Management			
Indicator updater	Chief Director: Construction Management			
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)
	145	186	89	105
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22
	105	116	125	125
Portfolio of Evidence	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	25	33	33	25
Portfolio of Evidence	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)	Schedule of infrastructure project sites handed over to the appointed contractor (supported by Site handover certificate)

Key Performance 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.				
Purpose/importance	The completion of infrastructure projects demonstrates progress in service delivery that ensures accommodation requirements are met.				
Data source	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation.				
Collection of data	The data is collected from executing units and consolidated into a schedule of infrastructure projects completed in the financial year				
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 Year to Date				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To accelerate service delivery by ensuring that all infrastructure projects are completed				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	192	182	148	105	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	105	116	130	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 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	25	58	91	116	
Portfolio of Evidence	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	Schedule of infrastructure projects completed in the financial year (supported by Practical Completion Certificates)	

Key Performance Indicator 3.5

Strategic Goal	To meet user 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 measuring number of infrastructure projects that are completed within contractual time periods (including any extension of time that has been approved).				
Purpose/importance	The completion of infrastructure projects within set timeframes to demonstrate progress in service delivery and meeting accommodation requirements of user department.				
Data source	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation, approval for extension of time where applicable.				
Collection of data	The data is collected from executing units and consolidated by into a schedule of infrastructure projects indicating the planned completion date and the actual completion date				
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 Year to Date				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To accelerate service delivery by ensuring that new infrastructure projects are completed within the agreed construction time-period.				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	125 (65%)	139 (57%)	138 (93%)	84 (80%)	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	84 (80%)	92 (80%)	115 (80%)	115 (80%)	115 (80%)
Portfolio of Evidence	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	23	46	69	92	
Portfolio of Evidence	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	Schedule of Infrastructure projects indicating the planned completion date and the actual completion date (supported by Practical Completion Certificates)	

Key Performance Indicator 3.6

Strategic Goal	To meet user 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 indicator measures the completion of awarded infrastructure projects within approved budgets (including any variations for additional funds that have been approved)				
Purpose/importance	To ensure that new infrastructure projects are delivered within the approved budget to improve the cost-effectiveness of the project. To ensure transparency and accountability in the expenditure of the infrastructure budget.				
Data source	Infrastructure Implementation Programmes, Project Management System, bid and contract documentation, approved variation orders where applicable.				
Collection of data	The data is collected from executing units and consolidated into a schedule of infrastructure completed projects indicating the approved budget and actual expenditure				
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 Year to Date				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To accelerate service delivery by ensuring that new infrastructure projects are completed within the approved budget.				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	109 (57%)	129 (53%)	141 (95%)	84 (80%)	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	84 (80%)	92 (80%)	115 (80%)	115 (80%)	115 (80%)
Portfolio of Evidence	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	23	46	69	92	
Portfolio of Evidence	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	Schedule of infrastructure completed projects indicating the approved budget and actual expenditure (supported by Practical Completion Certificates)	

Key Performance Indicator 3.7

Strategic Goal	To meet user 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				
Data source	Project Management System report indicating projects that are implemented using EPWP principles.				
Collection of data	Information on EPWP progress is reported by executing units on the EPWP Reporting System and validated and consolidated by the system. The information is then extracted quarterly for reporting.				
Method of calculation	Simple count of the number of work opportunities created on the PMTE infrastructure programme				
Unit of Measure	Number				
Data limitations	Accuracy of work opportunities captured by the contractor				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities in the infrastructure sector				
Indicator owner	Deputy Director-General: Construction Project Management				
Indicator updater	Chief Director: Projects				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	11 126	8 959	5 732	7 511	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	7 511	8 200	9 020	9 020	9 020
Portfolio of Evidence	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1 800	2 200	2 200	2 000	
Portfolio of Evidence	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	Validated list of work opportunities reported through the EPWP RS (supported by ID copies, Attendance Register, Payments Register and Employment Contract)	

Key Performance Indicator 3.8

Strategic Goal	To meet user 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 projects backlogs				
Short description	The indicator is intended to show a reduction in the backlog of infrastructure projects where a project is on construction stage for a period exceeding two (2) years of the planned construction period. The reason for the backlog in the construction phase is due to poor performance of contractors that either have a lack of resources or lack of technical skills. The liquidation of contractor can also result in infrastructure project backlogs.				
Purpose/importance	To reduce the existing backlogs on infrastructure projects that are in the construction stage exceeding two (2) years of the planned construction period				
Data source	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.				
Collection of data	The data is collected from executing units and consolidated into a schedule of backlogged infrastructure projects indicating the previous status and current year's status				
Method of calculation	<p>Subtract the number of infrastructure projects that have moved to practical completion from the total number of infrastructure backlogged projects in construction phase and express this as a percentage of the total number of infrastructure backlogged projects in construction</p> <p><u>Total number of infrastructure backlogged projects in construction phase - number of infrastructure projects that have moved to practical completion</u></p> <p>Total number of infrastructure backlogged projects in construction phase</p>				
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	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	15% (216)	14% (154)	231% (74)	20%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	20%	30%	40%	40%	40%
Portfolio of Evidence	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
				30%	
Portfolio of Evidence	-	-	-	Schedule of backlogged infrastructure projects indicating the previous status and current year's status (supported practical completion certificate)	

Key Performance Indicator 3.9

Strategic Goal	To meet user 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 contractors incubated through the Contractor Incubation Programme (CIP)				
Short description	The indicator is measuring the number of emerging contractors that are participating in the Contractor Incubation Programme that aims to capacitate historically disadvantaged individuals. The incubated contractors will be participating in the following categories (Grade 1 to Grade 2; Grade 3 to Grade 6 for General Building Works and Civil Engineering). The programme will be implemented for a three year cycle.				
Purpose/Importance	The purpose is to create a pool of technical expertise in the construction industry on the following areas: project planning, execution, management and quality control of construction projects, whilst addressing specific business skills and driving transformation in the construction industry.				
Data source	RBAC documents/ minutes, Regional Evaluation Committee documents/ minutes, Project Management System.				
Collection of data	The data is collected from executing units and consolidated into a database indicating the contractors incubated				
Method of calculation	Simple count of the number of contractors incubated through the Contractor Incubation Programme				
Unit of Measure	Number				
Data limitations	Inadequate/limited number of approved industry mentors				
Type of Indicator	Output				
Calculation type	Non - Cumulative				
Reporting cycle	Annually				
New Indicator	No				
Desired performance	To ensure that emerging contractors are competitively participating in the Construction Industry				
Indicator owner	Deputy Director-General: Project Management Office				
Indicator updater	Chief Director: Project Management Office				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	297	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	297	297	297	387	387
Portfolio of Evidence	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	297	
Portfolio of Evidence	-	-	-	Database indicating the contractors incubated in each region (supported by a Letter of Appointment)	

14.4 PROGRAMME 4: REAL ESTATE MANAGEMENT

Key Performance Indicator 4.1

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective	To provide functional leased accommodation for user departments				
Indicator Title	Percentage of lease agreements signed within scheduled timeframes				
Short description	The indicator measures the percentage of lease agreements signed within 1 month from bid adjudication committee approval				
Purpose/Importance	To ensure that the lease agreements are signed within the scheduled timeframes in order to reduce month to month leases				
Data source	Lease Agreements PMIS/ARCHIBUS system report indicating all awarded leases and lease signed date. Procurement Instruction Letter of confirmation from user department for renewal of leases				
Collection of data	The data is collected from executing units and consolidated into a schedule of signed leases				
Method of calculation	Count the number of signed lease agreements signed within 1 months from the date of BAC approval and express this as a percentage of the total number of approvals received within the same period Number of signed lease agreements signed within 1 months from the date of BAC approval Number of approvals received within the same period				
Unit of Measure	Percentage				
Data limitations	Inadequate system information on private leases, incomplete lease agreements				
Type of Indicator	Output				
Calculation type	Non- Cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Through the alignment of applicable policies and procedures, in order to reduce month to month leases the PMTE will ensure that all signed lease agreements comply within the scheduled timeframes				
Indicator owner	Divisional Head: Real Estate Management Services				
Indicator updater	Chief Director: Leased Portfolio				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	20% (1)	0	600	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	600	100%	100%	100%	100%
Portfolio of Evidence	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100%	100%	100%	100%	
Portfolio of Evidence	Schedule of signed leases indicating the date of receipt of procurement instruction or renewal confirmation from user department and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	Schedule of signed leases indicating the date of receipt of BAC approval and actual date signed (supported by signed lease agreements)	

Key Performance Indicator 4.2

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective	To optimise the utilisation of State owned buildings				
Indicator Title	Number of private leases reduced within the security cluster				
Short description	The indicator is measuring the systematic reduction of private leases for the security cluster departments namely: Department of Justice, Department of Defence, Department of Correctional Services, and South African Police Service through the provision of State-owned accommodation. The leases must be terminated within the reporting financial year.				
Purpose/importance	To reduce the strategic risks associated with the security, confidentiality and the disturbance of the essential services cluster and increase utilisation of State-owned accommodation				
Data source	PMIS / WCS / IAR / Archibus.				
Collection of data	The data is collected from executing units and consolidated into a schedule of leases for the security cluster				
Method of calculation	<p>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</p> <p>(Number of private leases for the security cluster departments in the previous financial year) – [(number of private leases for the security cluster departments for the current year) – (new leases for the current year)]</p>				
Unit of Measure	Number				
Data limitations	Lack of reliable IAR data. Lack of reliable property valuations				
Type of indicator	Output				
Calculation type	Non-Cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	Reduction of leased in accommodation for security cluster departments through various methods of procurement				
Indicator owner	Divisional Head: Real Estate Management Services				
Indicator updater	Chief Director: Leased Portfolio				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	2	7	12	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	12	13	13	10	10
Portfolio of Evidence	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	13	
Portfolio of Evidence	-	-	-	Schedule of leases for the security cluster indicating private leases for the previous financial year and private leases for the current financial year. (supported by termination letter for private lease)	

Key Performance Indicator 4.3

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				
Data source	Rental Debtors report/schedule from property management system.				
Collection of data	The data is collected by the Real Estate Management Services Branch and consolidated into a Rental Debtors Report.				
Method of calculation	<p>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</p> <p><u>Revenue generated (excl. small harbours) for the current year - Revenue generated for the prior year (excl. small harbours)</u></p> <p>Revenue generated for the prior year (excl. small harbours)</p>				
Unit of Measure	Percentage				
Data limitations	None				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	100% of surplus immovable properties leased out in line with up to date valuations and market rentals				
Indicator owner	Divisional Head: Real Estate Management Services				
Indicator updater	Chief Director: State Owned Portfolio				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	R31 mil	10% (R3,1mil)	30% (R6,82 mil)	10%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	10%	15%	15%	15%	10%
Portfolio of Evidence	Rental Debtors Report indicating the Income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	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 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	15%	
Portfolio of Evidence	-	-	-	Rental Debtors Report indicating the income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	

Key Performance Indicator 4.4

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	Number of identified vacant surplus State-owned properties let out				
Short description	The Indicator measures the percentage of vacant, unutilised surplus (non-strategic) State owned properties let out within the financial year from the identified list of properties.				
Purpose/importance	To ensure that the State owned properties are optimally utilised (do not stand vacant) through letting out.				
Data source	Signed lease agreements / Debtors report from property management system.				
Collection of data	The data is updated by executing units on the property management system. The information is then extracted quarterly for reporting.				
Method of calculation	A simple count of the number of surplus State owned properties let out in the same reporting period.				
Unit of Measure	Number				
Data limitations	Incomplete documentation, incomplete property information				
Type of indicator	Output				
Calculation type	Non - cumulative				
Reporting cycle	BI- annually				
New indicator	No				
Desired performance	All vacant surplus immovable assets identified are leased out in line with up to date valuations and market rentals				
Indicator owner	Divisional Head: Real Estate Management Services				
Indicator updater	Chief Director: State Owned Portfolio				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	3	59	32	65	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	65	70	70	70	70
Portfolio of Evidence	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement/ signed letting out offer)	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	35	-	35	
Portfolio of Evidence	-	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	-	Schedule indicating the vacant surplus properties let out for the financial year from the vacant surplus State-owned properties identified for letting out (supported by signed lease agreement or signed letting out offer)	

Key Performance Indicator 4.5

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 of revenue increased through rentals of small harbours and state coastal properties				
Short description	The indicator is measuring the increase in revenue generated for PMTE through the leasing out of small harbour and state owned coastal properties				
Purpose/importance	To promote economic development and localised job creation in coastal areas through the letting of state coastal property				
Data source	PMIS Immovable Asset Register.				
Collection of data	The data is collected by the Small Harbours Unit and consolidated into a Rental Debtors Report				
Method of calculation	<p>Subtract the revenue generated through the leasing out of small harbour and state owned coastal properties in the prior year from the revenue generated for the current financial year and express that as a percentage of the revenue generated through the leasing out harbour related properties in the prior year</p> <p><u>Revenue generated for harbours related properties for the current year - revenue generated for the prior year harbours related properties</u></p> <p>Revenue generated for harbour related properties in the prior year</p>				
Unit of Measure	Percentage				
Data limitations	None				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New Indicator	No				
Desired performance	Increase of 10% in current revenue baseline				
Indicator owner	Deputy Director-General: Small Harbour Development				
Indicator updater	Chief Director: Small Harbour Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	R10 821 759	9.7% (R1 050 175)	41% (R4 830 317.00)	20%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	20%	20%	30%	40%	40%
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 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	20%	
Portfolio of Evidence	-	-	-	Rental debtors report indicating income for the current financial year and income for the previous financial year (supported by signed Lease Agreements)	

Key Performance Indicator 4.6

Strategic Goal	To provide quality accommodation and contribute to the financial sustainability of the PMTE				
Strategic Objective	To optimise the utilisation of State owned buildings				
Indicator Title	Number of work opportunities created through the letting out of Small harbours and State coastal properties				
Short description	The Indicator is measuring the number of indirect work opportunities created by the PMTE through the letting out of small harbour and state coastal properties. The PMTE is letting out Small harbour and state coastal properties to companies that employ local labour and therefore create work opportunities.				
Purpose/importance	The purpose is to measure the downstream job creation benefits on the letting out of small harbour and state coastal properties				
Data source	Lessor of a state coastal property / Small Harbours Unit Project Management Systems.				
Collection of data	The data is collected by the Small Harbours Unit and consolidated into a Schedule indicating the name of employees of the companies operating at the small harbour and state coastal properties				
Method of calculation	Simple count of the number of indirect work opportunities created through the letting out of small harbour and state coastal properties				
Unit of Measure	Number				
Data limitations	Accuracy of work opportunities captured by the Lessor				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To reduce the level of unemployment and ensure skills transfer through the creation of work opportunities in the Phakisa Ocean's Economy				
Indicator owner	Deputy Director-General: Small Harbours Development				
Indicator updater	Chief Director: Small Harbours Development				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	-	1 000	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	1 000	2 000	3 000	4 000	5 000
Portfolio of Evidence	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and signed employment contracts)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)	Schedule indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	1 000	-	1 000	
Portfolio of Evidence	-	Schedule Indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)	-	Schedule Indicating the name of employees of the companies operating at the State coastal properties and Small Harbours (Harbour Lease agreements and - employment contracts or copies of payroll print out or pay slips)	

14.5 PROGRAMME 5: REAL ESTATE INFORMATION REGISTRY

Key Performance Indicator 5.1

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Percentage of approved disposals (in respect of socio-economic purposes) processed for transfer				
Short description	The indicator is measuring the percentage of properties that have been processed for transfer as per the approved disposals within the respective financial year for socio-economic purpose				
Purpose/importance	To contribute towards addressing the housing backlog in the country and the land reform programme by releasing suitable State-owned land to the Department of Human Settlements and to the Department of Rural Development and Land Reform				
Data source	List of approved disposals by the Minister of Public Works and the National Treasury.				
Collection of data	The data is collected by the Real Estate Information and Registry Services Branch and consolidated into a schedule of immovable asset transfers processed for socio-economic purposes				
Method of calculation	Count the number of transfers processed for socio-economic purposes and express this as a percentage of the total number of approved disposals received for the same time period. <u>Count the number of transfers processed for socio-economic purposes</u> Total number of approved disposals received for the same time period				
Unit of Measure	Percentage				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	To release the total number of properties that have been identified by the Department of Human Settlements and the Department of Rural Development and Land Reform and thereby contribute the Government's socio-economic objectives				
Indicator owner	Deputy Director-General: Real Estate Information and Registry Services				
Indicator updater	Chief Director: Real Estate Information and Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	60% (16)	70% (10)	80%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	80%	90%	100%	100%	100%
Portfolio of Evidence	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	90%	
Portfolio of Evidence	-	-	-	Schedule of immovable asset transfers processed for socio-economic purposes (supported by section 42 transfers or a copy of transfer application lodged with the Deeds Office)	

Key Performance Indicator 5.2

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Percentage of immovable assets updated on the IAR for completed infrastructure projects				
Short description	The indicator is measuring the updating of the information on the IAR based on newly completed projects where completion certificates have been issued				
Purpose/importance	To ensure that the IAR is continuously updated with information in line with the IDMS Model that corresponds to the newly completed infrastructure projects (new construction, additions, upgrades renovations).				
Data source Collection of data	Schedule of completed projects (project files) with description of work completed downloaded from WCS. The data is collected by the Real Estate Information and Registry Services Branch and consolidated into a schedule of completed infrastructure projects updated on the IAR based on completion certificates issued				
Method of calculation	Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed and express this as a percentage of the total number of completion certificates that have been received by REIRS for construction projects that have been completed for the same timeframe <u>Count the number of properties that have been recorded with updated information on the IAR where construction projects have been completed</u> Total number of completion certificates that have been received for construction projects that have been completed for the same timeframe				
Unit of Measure	Percentage				
Data limitations	Insufficient details of new construction work completed. Construction projects undertaken by user departments without the involvement of the PMTE				
Type of Indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	BI annually				
New indicator	No				
Desired performance	To ensure that the IAR is continuously updated to reflect the most recent information of the asset portfolio taking into consideration newly completed projects				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	100% (70)	100% (24)	100% (161)	
Annual Targets	2018/19 (EP) 100% (161)	2019/20 100%	2020/21 100%	2021/22 100%	2022/23 100%
Portfolio of Evidence	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)
Quarterly targets 2019/20	Quarter 1 -	Quarter 2 100%	Quarter 3 -	Quarter 4 100%	
Portfolio of Evidence	-	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	-	Schedule of completed infrastructure projects updated on the IAR based on completion certificates issued (supported by IAR System information and completion certificates)	

Key Performance Indicator 5.3

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Number of Land parcels vested (confirmation of ownership)				
Short description	The indicator is measuring the number of land parcels vested in the correct sphere of Government (ownership confirmed) within the respective financial year				
Purpose/Importance	All State owned immovable assets under the custodianship of DPW must be vested in the name of the National Government of the Republic of South Africa. Vesting and Endorsement of Title Deeds in the name of the National Government will prevent misappropriation of immovable assets and resolve disputes regarding the custodianship of State owned immovable assets.				
Data source	List of registered land parcels according to the Deeds Registry and IAR. Surveyed but not yet registered land parcels from IAR and Surveyor General.				
Collection of data	The data is collected from executing units and consolidated into a schedule of land parcels vested				
Method of calculation	Count the number of land parcels vested i.e. [Item 28 (1) certificate issued per land parcel]				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To confirm ownership of State owned immovable assets under the custodianship of DPW				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	775	518	572	800	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	800	900	1 000	1 000	1 000
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 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	225	225	225	225	
Portfolio of Evidence	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	Schedule of land parcels vested (supported by Item 28 (1) certificates issued)	

Key Performance Indicator 5.4

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To maintain a compliant Immovable Asset Register				
Indicator Title	Number of immovable assets physically verified to validate existence				
Short description	The indicator is measuring the number of properties on the immovable asset register that are verified against the immovable asset register, i.e. to undertake a visual inspection of land and buildings under the custodianship of the Department of Public Works in order to validate existence of the immovable assets on site and confirm the quantity line with section 13(d) of GIAMA and applicable GRAP standards				
Purpose/importance	To provide reliable, accurate and complete data on immovable assets in support of asset investment, property and construction management functions in the life cycle of the immovable assets				
Data source	Deeds records, Surveyor-General, LAW (DRDLR vesting system), municipality valuation rolls, National and Provincial Immovable Asset Registers.				
Collection of data	The data is updated by executing units on the IAR server. The schedule is then extracted quarterly for reporting.				
Method of calculation	Simple count of the number of immovable assets physically verified against the immovable asset register to validate existence				
Unit of Measure	Number				
Data limitations	Incomplete records, inaccurate property descriptions and dependency on various stakeholders for the provision of data				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New Indicator	No				
Desired performance	To verify all land and buildings recorded on the IAR				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	8 159	7 516	6 300	19 708	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	19 708	24 636	29 562	24 680	24 680
Portfolio of Evidence	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	6 158	6 158	6 162	6 158	
Portfolio of Evidence	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	Schedule of immovable properties verified against the IAR (supported by Download from Quality Assurance system)	

Key Performance Indicator 5.5

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers				
Indicator Title	Number of Provincial Immovable Asset Registers assessed for compliance				
Short description	The indicator is measuring the numbers of Provincial IARs that have been assessed to determine the level of compliance of Provincial IARs in accordance with set criteria for other custodians				
Purpose/importance	Improve the completeness and compliance of IARs of other custodians by performing compliance assessments that are focussed on specific aspects that are analysed in each quarter.				
Data source	Signed off compliance checklist.				
Collection of data	The data is collected by the Real Estate Information and Registry Services Branch and reported on the M&E system				
Method of calculation	Simple count of the number of immovable asset registers of other custodians assessed for compliance				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Through continuous assessments all provincial IARs are compliant and serve as a tool to inform investment decisions for the sector				
Indicator owner	Deputy Director-General Real Estate Registry Services				
Indicator updater	Chief Director Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	9	9	9	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	9	9	9	9	9
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	2	2	3	2	
Portfolio of Evidence	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	Schedule of Provincial Asset Registers assessed against the compliance criteria (supported by assessment report)	

Key Performance Indicator 5.6

Strategic Goal:	To provide reliable immovable asset information that informs investment decisions and portfolio management				
Strategic Objective:	To provide guidance and support to other custodians in the compilation of compliant Immovable Asset Registers				
Indicator Title	Number of national and Provincial Immovable Asset Registers incorporated into the single repository (National Database of State properties)				
Short description	The indicator is measuring the number of National and Provincial IARs to be incorporated into the single repository				
Purpose/Importance	To establish a comprehensive and integrated single repository of State owned immovable assets in order to provide: a) A single point of truth for the asset data for analysis, reporting and investment decisions. b) Spatial and graphic view of asset data to be available for use.				
Data source	National and Provincial Immovable Asset Registers.				
Collection of data	The data is updated by Provincial Departments on the integrated single repository. The information is then extracted quarterly for reporting.				
Method of calculation	Count the number of National and Provincial IARs incorporated into the single repository				
Unit of Measure	Number				
Data limitations	None				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Bi-Annually				
New Indicator	No				
Desired performance	A complete and reliable single repository of all State immovable assets				
Indicator owner	Deputy Director-General: Real Estate Registry Services				
Indicator updater	Chief Director: Real Estate Registry Services				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	-	-	2	4	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	4	4	4	4	4
Portfolio of Evidence	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository	Download of National and Provincial immovable assets extracted from the integrated single repository
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	2	-	2	
Portfolio of Evidence		Download of National and Provincial immovable assets extracted from the integrated single repository		-	Download of National and Provincial immovable assets extracted from the integrated single repository

14.6 PROGRAMME 6: FACILITIES MANAGEMENT

Key Performance Indicator 6.1

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Number of facilities with maintenance contracts in place				
Short description	The indicator measures the number of facilities (can consist of more than one building) that are being maintained through maintenance contracts (dealing with either breakdown or servicing or scheduled)				
Purpose/importance	To minimise ad-hoc breakdowns and maintain facilities in a proactive manner				
Data source	Register of contracts in the Regional SCM Offices.				
Collection of data	The data is collected from executing units and consolidated into a schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates				
Method of calculation	A simple count of the number of facilities with maintenance contracts in place				
Unit of Measure	Number				
Data limitations	Limited aggregation of property IDs into facilities on the Immovable Asset Register				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	Maintenance contracts in place for all State-owned facilities				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	718	881	742	500	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	500	550	600	650	700
Portfolio of Evidence	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100	150	150	150	
Portfolio of Evidence	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	Schedule of facilities with maintenance contracts in place indicating the contract start dates and end dates (supported by copies of contract or appointment letter)	

Key Performance Indicator 6.2

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To manage maintenance programmes in accordance with an approved plan				
Indicator Title	Percentage of unscheduled reported maintenance incidents resolved within agreed timeframe				
Short description	The indicator measures the number of unscheduled reported maintenance incidents resolved to minimize breakdowns for State facilities. The categories of unscheduled maintenance are emergency, urgent and normal services. The agreed timeframes are as contained in the 2015 Day to Day Maintenance Guidelines.				
Purpose/importance	The PMTE is currently experiencing a high number of unscheduled maintenance incidents which need to be responded to within agreed timelines, to ensure that the breakdowns are resolved efficiently.				
Data source	Worx 4 U system/ARCHIBUS reports indicating unscheduled maintenance incident reported.				
Collection of data	The data on unscheduled maintenance services is updated on the Worx 4 U System. The list is then extracted quarterly for reporting.				
Method of calculation	<p>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.</p> <p>Weighted average of all categories of unscheduled maintenance:</p> <p><u>Number of reported unscheduled maintenance incidences completed within agreed timeframes for State-owned facilities</u></p> <p>Total number of reported unscheduled maintenance incidences logged for the same time period</p>				
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)	
	5% (5 553)	8% (3 124)	5%(595)	15%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	15%	20%	25%	30%	30%
Portfolio of Evidence	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)

Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	20%	20%	20%	20%
Portfolio of Evidence	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)	List of completed unscheduled maintenance incidents reported for State-owned facilities with the date on which the incident was reported, expected date of completion and actual date of completion (supported by facilities management system incident reports)

Key Performance Indicator 6.3

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To manage maintenance programmes in accordance with an approved plan				
Indicator	Percentage of term contracts awarded to BBBEE companies				
Short description	The Indicator is measuring a number of term contracts awarded to BBBEE companies to undertake maintenance on State owned buildings in line with the Property Empowerment Policy.				
Purpose/Importance	To support the transformation in the property industry as the catalyst to achieving economic growth and development. The Government has therefore targeted BBBEE as an economic empowerment vehicle for previously disadvantaged people.				
Data source	Maintenance files Ownership documentation ARCHIBUS				
Collection of data	The data is collected from executing units and consolidated into a schedule of maintenance term contracts awarded to BBBEE companies				
Method of calculation	Count the number of contracts awarded to BBBEE companies to undertake maintenance on State-owned buildings and express this as a percentage of the total number of contracts awarded for the same time period. <u>Number of term contracts awarded to BBBEE companies to undertake maintenance on State-owned buildings</u> <u>Total number of term contracts awarded for the same time period</u>				
Unit of Measure	Percentage				
Data limitations	Componentised Immoveable Asset Register				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Annually				
New indicator	No				
Desired performance	The aim is to create opportunities for BBBEE Companies through scheduled maintenance services.				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3	Year – 2	Year – 1	Current Year	
	Audited Actual	Audited Actual	Audited Actual	(Estimated Performance)	
	30% (114)	30% (60)	94% (16)	35%	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	35%	40%	45%	50%	50%
Portfolio of Evidence	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	-	-	-	40%	
Portfolio of Evidence	-	-	-	Schedule of maintenance term contracts awarded to BBBEE companies (supported by maintenance term contracts or BBBEE Certificates or ownership or CSD documentation,)	

Key Performance Indicator 6.4

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To ensure resource efficiency in government buildings				
Indicator Title	Reduction in energy consumption (kilowatt hours) in identified buildings				
Short description	The indicator is measuring the reduction in energy consumption per identified building through energy saving interventions.				
Purpose/importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030.				
Data source	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				
Collection of data	The data is collected from executing units and consolidated into a schedule of buildings with energy savings installations				
Method of calculation	Difference between (The Kilowatt hours of energy consumed at the end of the previous financial year) and (The Kilowatt hours of energy consumed at the end of the current financial year) (Kilowatt hours of energy consumed at the end of the previous financial year) – (Kilowatt hours of energy consumed at the end of the current financial year)				
Unit of Measure	Kilowatt hours				
Data limitations	Non-delivery of Municipal Bills/Incomplete Energy Audits				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New Indicator	No				
Desired performance	To implement energy saving initiatives to achieve or exceed set targets in order to meet national targets for energy consumption				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3 Audited Actual 284 410 947.60kWh	Year – 2 Audited Actual 274 316 368.2kWh	Year – 1 Audited Actual 61 982 024.6kWh	Current Year (Estimated Performance) 150 000 000 kWh	
Annual Targets	2018/19 (EP) 150 000 000 kWh	2019/20 155 000 000 kWh	2020/21 200 000 000 kWh	2021/22 250 000 000 kWh	2022/23 300 000 000 kWh
Portfolio of Evidence	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)

Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	38 000 000 kWh	38 750 000 kWh	38 750 000 kWh	39 500 000 kWh
Portfolio of Evidence	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)	Schedule of buildings with energy savings installations indicating energy consumption in the previous and currently financial year (supported by Energy Management Report or Energy Consumption Baseline Document or corresponding municipal invoices for the reporting period)

Key Performance Indicator 6.5

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To ensure resource efficiency in State-owned buildings				
Indicator Title	Number of kilowatt hours of renewable energy generated				
Short description	The indicator is measuring the kilowatt hours of renewable energy generated through the installation of roof top solar panels, photo voltaic in selected buildings. The renewable energy targets are based on the National and Provincial Green Building Sector Plan and cooperation between the Department of Energy, Environmental Affairs and Public Works.				
Purpose/Importance	The indicator contributes towards energy security in the country and towards meeting the targets of the energy efficiency strategy 2015-2030 and the climate change strategy.				
Data source	List of identified buildings with energy generating installations Desktop research on existing solar panel buildings from Government and Private Sector				
Collection of data	The data is collected from executing units and consolidated into a schedule of identified buildings with energy generating installations.				
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)	
	-	-	-	10 400 000 kWh	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	10 400 000 kWh	20 000 000 kWh	30 000 000 kWh	40 000 000 kWh	50 000 000 kWh
Portfolio of Evidence	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	100 000 kWh	5 000 000 kWh	5 000 000 kWh	9 900 000 kWh	
Portfolio of Evidence	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	Schedule of identified buildings with energy generating installations (supported by electronic information generated on renewable energy)	

Key Performance Indicator 6.6

Strategic Goal	To ensure optimal performance of the State's immovable asset portfolio				
Strategic Objective	To ensure resource efficiency in State-owned buildings				
Indicator Title	Reduction in water consumption (kilolitres) in identified buildings				
Short description	The indicator measures the reduction in water consumption in identified buildings through water savings interventions.				
Purpose/importance	The indicator contributes towards water security in the country and to achieve water resource efficiency in Government buildings.				
Data source	List of buildings with water savings installations based on audit conducted Baseline calculation Municipal water bills				
Collection of data	The data is collected from executing units and consolidated into a schedule of buildings with water savings installations				
Method of calculation	Difference between baseline volume and the monthly actual volume is determined as the reduction in kilolitres. The summation of each month in the respective financial year equals the total water reduction volume for the financial year in kilolitres. (Actual volume of water consumption) – (baseline volume of water consumption)				
Unit of Measure	kilolitres				
Data limitations	Non-delivery of Municipal Bills/Faulty meters				
Type of indicator	Output				
Calculation type	Non-cumulative				
Reporting cycle	Quarterly				
New indicator	No				
Desired performance	To implement water resource reduction initiatives to achieve or exceed targets set for water savings thereby contributing to the national targets for reduction in water consumption				
Indicator owner	Deputy Director-General: Facilities Management				
Indicator updater	Chief Director: Facilities Management				
Baseline	Year – 3 Audited Actual	Year – 2 Audited Actual	Year – 1 Audited Actual	Current Year (Estimated Performance)	
	4 090 865 kl	4 090 865 kl	10 541 273kl	12 000 000 kl	
Annual Targets	2018/19 (EP)	2019/20	2020/21	2021/22	2022/23
	12 000 000 kl	15 000 000 kl	16 000 000 kl	17 000 000 kl	17 000 000 kl
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)
Quarterly targets 2019/20	Quarter 1	Quarter 2	Quarter 3	Quarter 4	
	1 5 000 000 kl	3 5 000 000 kl	4 5 000 000 kl	5 5 000 000 kl	
Portfolio of Evidence	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	Schedule of buildings with water savings installations for the current financial year (Supported by Shared Savings Report or Invoices or Baseline Reports)	

15. LEGISLATION THE DEPARTMENT OF PUBLIC WORKS AND INFRASTRUCTURE ADMINISTRATORS

Table 56: Legislation the Department of Public Works and Infrastructure administrators

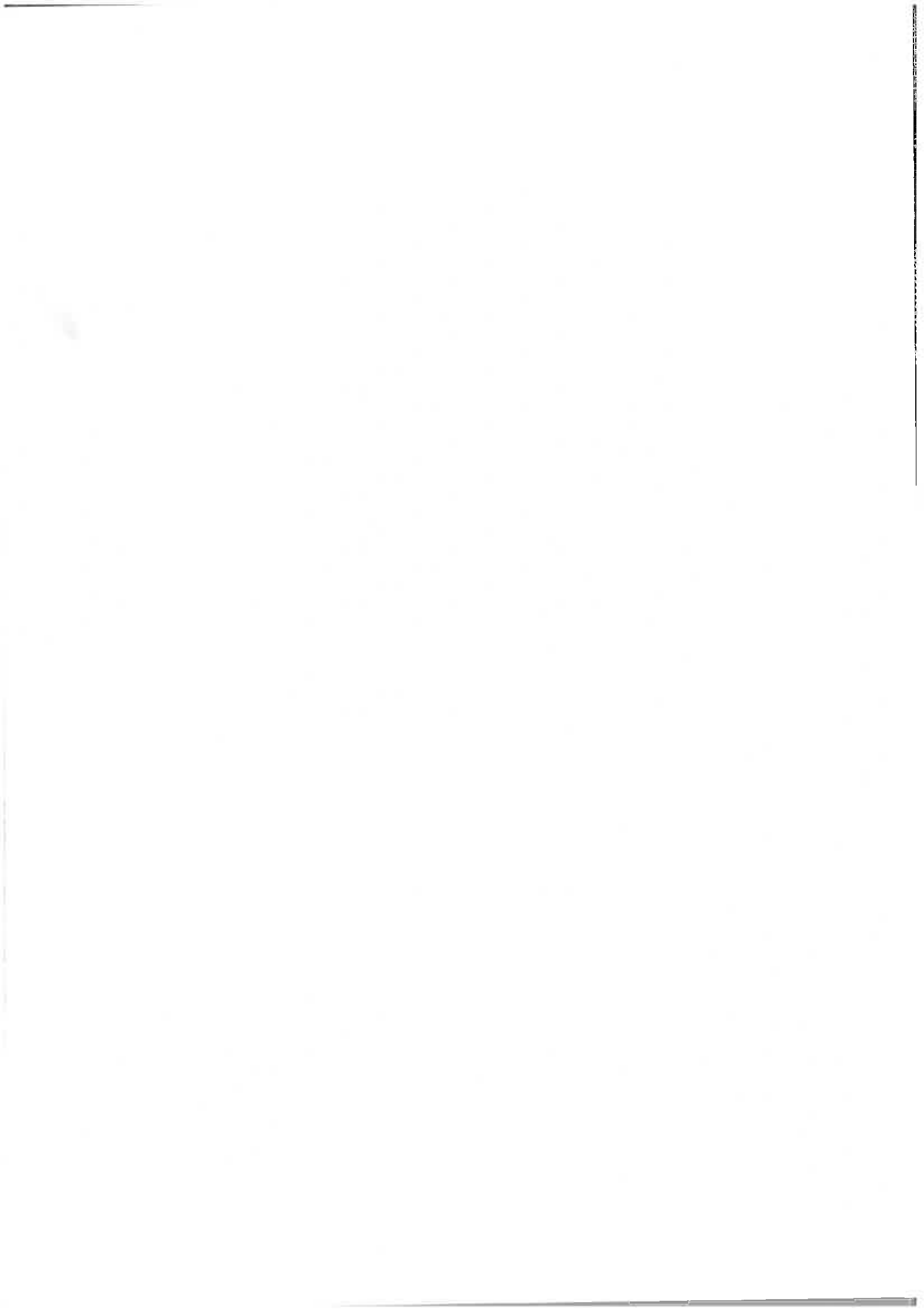
Short Title of the Act	Purpose of the Act
Before Union (prior to 1910)	
Cape Outspans Act 17 of 1902	To provide for the resumption of unused Outspans, and cancellation and delimitation of Outspan Servitudes.
Pretoria and Military Supply Ordinance, 1905	To render certain Crown Land to the Municipality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

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

Short Title of the Act	Purpose of the Act
South Africa (1994 to date)	
Parliamentary Village Management Board Act 96 of 1998	To provide for the establishment of a Parliamentary Villages Management Board and matters incidental thereto.
Construction Industry Development Board Act 38 of 2000	To provide for the establishment of the Construction Industry Development Board, and matters incidental thereto.
Council for the Built Environment Act 43 of 2000	To provide for the establishment of the Council for the Built Environment and matters incidental thereto.
Architectural Profession Act 44 of 2000	To provide for the establishment of the Council for the Architectural Profession and matters incidental thereto.
Landscape Architectural Professional Act 45 of 2000	To provide for the establishment of the Council for the Landscape Architectural Profession and matters incidental thereto.
Engineering Profession of South Africa Act 46 of 2000	To provide for the establishment of the Council for the Engineering Profession and matters incidental thereto.
Property Valuers Profession Act 47 of 2000	To provide for the establishment of the Council for the Property Valuers Profession and matters incidental thereto.
Project and Construction Management Profession Act 48 of 2000	To provide for the establishment of the Council for the Project and Construction Management Profession and matters incidental thereto.
Quantity Surveying Profession Act 49 of 2000	To provide for the establishment of the Council for the Quantity Surveying Profession and matters incidental thereto.
Government Immovable Asset Management Act 19 of 2007	To provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.

16. LIST OF REFERENCES

1. Budget Speech (2019)
2. Department of Economic Development. 2011. New Growth Path.
3. Department of Performance Monitoring and Evaluation. 2014-2019 Medium Term Strategic Framework.
4. Department of Public Works, 2018. Ministerial Input made at the strategic planning session. November 2018.
5. Government Targets: National Treasury - National Development Plan (NDP),
6. National Treasury. 2018. Budget Review.
7. Presidency. National Planning Commission. 2011. National Development Plan.
8. Global: International Monetary Fund World Economic outlook
9. South African Reserve Bank quarterly bulletins
10. Statistics South Africa 2018 Q3 GDP report, published December 2018
11. Statistics South Africa 2019 Q4 GDP report, published February 2019
12. Statistics South Africa CPI Monthly reports – last published in January (November CPI)
13. South African Reserve Bank – monetary policy committee statements – including forecasts and assumptions documents
14. South African Reserve Bank historical rates
15. South African Reserve Bank statistical tables: public finance
16. South African Reserve Bank quarterly bulleting statistical tables: National income
17. South African Reserve Bank statistical tables: Key economic indicators
18. State of the Nation Address (2019)
19. National Treasury Estimates of National Expenditure tables
20. State Owned Enterprises (SOE) profit and loss: SOE's Annual Reports
21. South African Revenue Service 2016/2017 tax report
22. Statistics South Africa quarterly labour force surveys
23. Statistics South Africa employment data: obtained by special request (Construction sector)
24. Data obtained from councils' annual reports
25. South African Property Owners Association (SAPOA) office vacancy quarterly surveys
26. South African Real Estate Investment Trust (REIT) chartbooks
27. Rode reports (quarterly) last available 2018Q3
28. Property Sector Charter Council report on state of transformation
29. Statistics South Africa GDP publication and time series data
30. South African Reserve Bank quarterly bulleting statistical tables: National income
31. Statistics South Africa report: public sector capital expenditure
32. Statistics South Africa building statistics reported by large municipalities monthly reports
33. CIDB contractor and entity registration database





public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

PROPERTY MANAGEMENT TRADING ENTITY

The 2019/20 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.

Property Management Trading Entity (PMTE)

Head Office: Public Works

CGO Building

Cnr Bosman and Madiba Streets

Pretoria Central

Private Bag X65

Pretoria

0001

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

The 2019/20 Annual Performance Plan is also available on
www.publicworks.gov.za

ISBN: 978-1-920399-26-9