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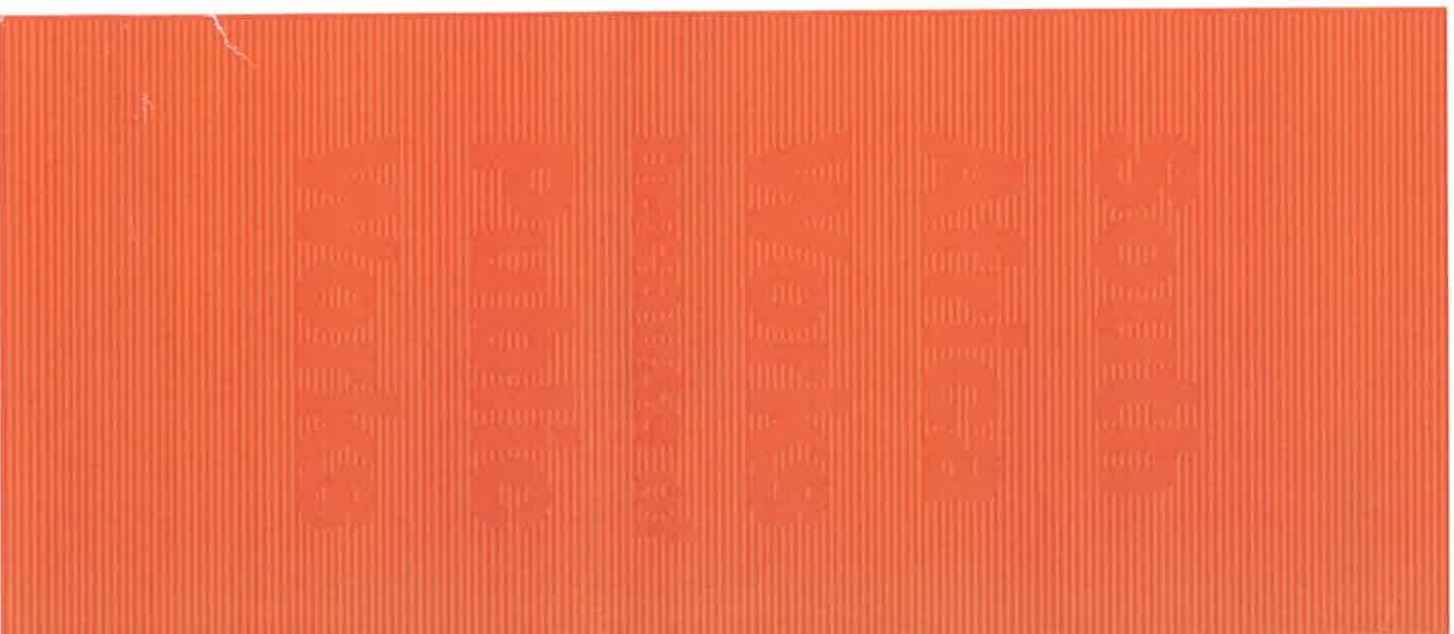
Department:
Public Works
REPUBLIC OF SOUTH AFRICA

Presentation to the Portfolio Committee on Public Works

27 FEBRUARY 2018



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PROGRESS UPDATE ON THE 1997 & 1999 PUBLIC WORKS WHITE PAPERS REVIEW TOWARDS THE PUBLIC WORKS ACT



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PURPOSE

The purpose of this presentation is for the PORTFOLIO COMMITTEE
to note:

1. The **progress** on the Public Works White Papers Review
2. The **challenges** that have hindered the effective delivery of the Project
3. **Remedial measures undertaken and results thereof**
4. **Critical success factors** that will ensure sustainability of achievements towards full implementation of the Project.

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A.

INTRODUCTION

1. BACKGROUND

- In the 1st five years of democracy, two Public Works White Papers developed –
 - *Public Works towards the 21st Century* (1997); and
 - *Creating an Enabling Environment for Reconstruction Growth and Development in the Construction Industry* (1999).
- The two Public Works White Papers have two different, yet interlinking focus:
 - The 1997 White Paper articulates **DPW's mandate in the context of the Reconstruction and Development Programme (RDP)**.
 - The 1999 White Paper reflects **Government's vision for the Construction Industry** still within the RDP context and the future.

2. POLICY INTERVENTIONS TIMELINE

1994	Reconstruction and Development Programme
1997	Public Works towards the 21st Century
1999	Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry
2000	CIDB, CBE & BEPC Acts
2003	Growth & Development Summit
2004	Expanded Public Works Programme, Phase 1
2007	Government Immovable Asset Management Act
2008	Built Environment Policy*
2009	Expanded Public Works Programme, Phase 2
2010	National Development Plan: a Vision for 2030
2012	<i>Presidential Infrastructure Coordinating Commission & National Infrastructure Plan</i>
2014	Expanded Public Works Programme, Phase 3
2015	Property Management Trading Entity (PMTE) Agrément South Africa Act, 2015 Review of 1997 & 1999 Public Works White Papers (and subordinate instruments) and drafting of a Public Works Act initiated
2016	Immovable Asset Register (IAR) Expropriation Bill
2017	Property Management Empowerment Policy

3. NEED FOR PUBLIC WORKS ACT

- ❑ In the Minister of Public Works' **Five year Policy Statement and Vision for 2014-2019**, he stated as follows –

“... we have to embark on a thorough policy review. We have to go through the White Paper process culminating in a Public Works Act by the end of this Administration ... to refresh and clarify our mandate and to establish a platform for sustainable development.”

- ❑ In its **2014-2019 Strategic Plan**, the Department stated its intent to review the White Papers over the MTEF period –

“In reviewing and revising the current White Papers, the Department will inter-alia, explore strengthening the regulatory role of the Department in the ... (Construction and Property Sectors), while furthering transformation and paving the way for the development of the Public Works Act during the current MTEF period.”

4. PROBLEM STATEMENT

1. The Department of Public Works has two existing white papers developed in 1997 and 1999. The development of both these Papers was premised on the then overarching “Reconstruction and Development” policy. Changes in the social, political, and economic landscapes, nationally and internationally necessitate the revision of the 2 White Papers.
2. Furthermore, the Department of Public Works does not have a comprehensive Act that defines its mandate, but rather relies on various pieces of Legislation, Cabinet instructions, and historical practices.
3. Policy-practice gaps and inhibitors - Concerns about the impact and sustainability of public works as an instrument for meeting socio-economic development agenda;

4. PROBLEM STATEMENT

4. Weak/poor regulation of the construction and property industries leading to stifled growth and competition within the cited industries;
5. Unacceptable slow pace of transformation within the construction and property industries;
6. Lack of effective mechanisms to address conflict in the construction industry.

5. PROJECT PURPOSE

DPW's 2015-20 Strategic Plan prioritizes the review of the

Department's White Papers:

1. to define the Department's role in a developmental State
(through promulgation of a Public Works Act)
2. to reinforce DPW's role in driving transformation in the construction and property sectors.
3. to review and update policy goals and approaches to address current events within the context of the local and global construction and property sectors.

B.

**TARGETS, PROGRESS TO DATE &
CHALLENGES**



6. TARGETS IN TERMS OF THE 2014-19 PLAN

Time Horizon	Deliverables
Year 5 (2018/19)	Public Works Act promulgated
Year 4 (2017/18)	Public Works Bill
Year 3 (2016/17)	Draft Public Works Bill submitted to Cabinet for approval to publish for public Comment
Year 2 (2015/16)	Draft Public Works White Paper gazetted for public comments
Year 1 (2014/15)	Draft Public Work Paper developed
Related targets	<ul style="list-style-type: none"><input type="checkbox"/> Draft amendments to CIDB, CBE Act and 6 BEPCs Acts<input type="checkbox"/> Agre'ment SA Bill<input type="checkbox"/> Draft IDT Bill<input type="checkbox"/> Revised construction and property sector codes submitted to DTI for approval

7. PERFORMANCE: 2014/15 – Q3 2017/18

2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Draft Public Works White Paper developed (Not Achieved)	Draft Public Works White Paper gazetted for public comments (Not Achieved)	Draft Public Works White Paper gazetted for public comments (Not Achieved)	Draft Public Works White Paper gazetted for public comments (Not going to be Achieved)	Draft Public Works Bill gazetted for public comments	Public Works Act promulgated
Project Conceptualization (Actual Deliverable)	Efforts to procure external expertise (Actual Deliverable)	Efforts to procure external expertise (Actual Deliverable)	Project institutionalization including in-housing expertise. Internal Discussion document produced and circulating (Actual Deliverables)		



9. HISTORICAL CHALLENGES

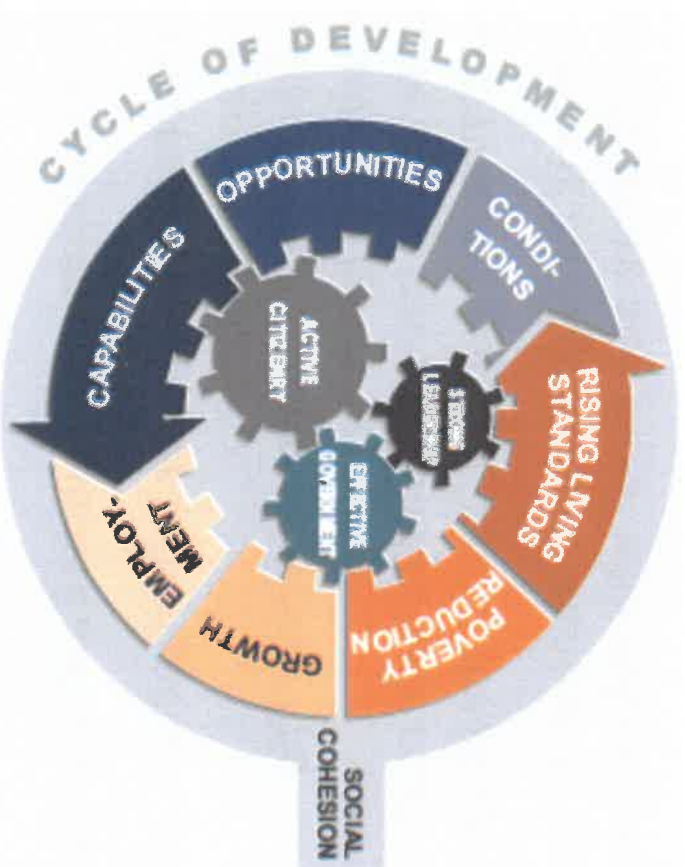
1. Original project concept - Focus was to outsource delivery
2. Inadequate in-house expertise in research, policy analysis and evaluation, and policy project management
3. Challenges in sourcing of requisite expertise.

C.

REMEDIAL MEASURES AND RESULTS

10. REMEDIAL MEASURES (Definition of Policy Drivers)

- ❑ Democratic Government's policy focus remains the same: Build an equal society by (1) creating and sustaining conducive conditions (2) building capacity, and (3) providing opportunities.



Source: Vision 2030
(NPC, 2011)

10. REMEDIAL MEASURES (Definition of Policy Drivers)

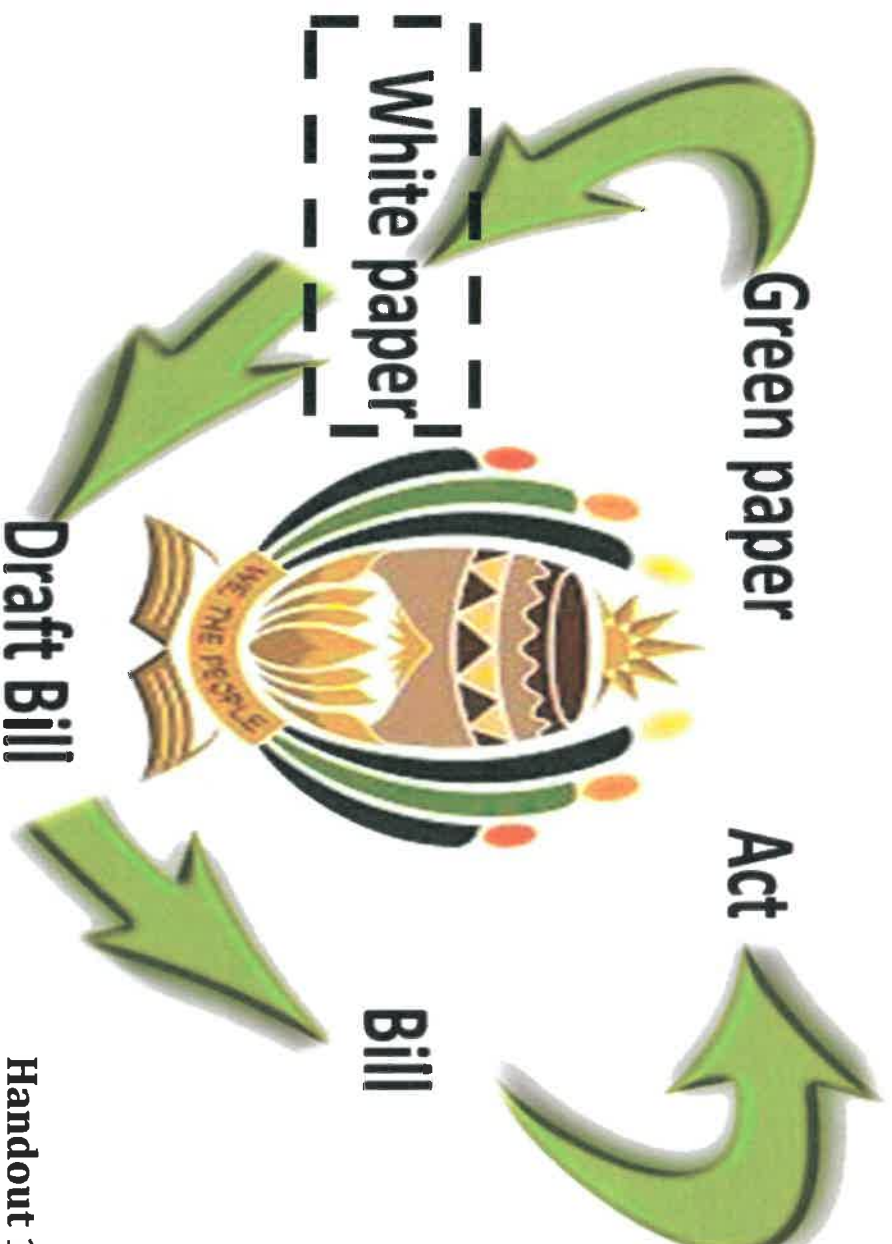
Public Works policy related imperatives remain unchanged, namely:

1. Properly define and locate the mandate and oversight role of DPW.
2. Public Works sector that provides infrastructure which –
 - has a fitness of purpose;*
 - provides value for money over its service life;*
 - is safe, reliable and efficient;*
 - is affordable taking into account life cycle costs; and*
 - is as far as is possible delivered within the budget.*
3. Ensure that there is an alignment of interest between those who design and construct infrastructure and those who subsequently occupy, use or manage it;
4. Provide infrastructure in the right quantity and quality, in the right places, at the right time, and in accordance with legislative mandates, strategic priorities, accepted norms and standards (planning guidelines) and which is affordable;

10. REMEDIAL MEASURES (Definition of Policy Drivers)

5. Efficiently managing the asset life-cycle of immovable assets under the Department's custodianship:
 - Ensure that optimal utilisation is made of existing infrastructure as demand patterns shift over time;*
 - Enable immovable assets to be maintained so that they remain fit for purpose in use;*
6. Provide expert advice to all three spheres of Government and parastatals on immovable assets;
7. Contribute to the national goals, in particular:
 - Job creation;*
 - Skills development;*
 - Poverty alleviation;*
 - Transformation; and*
8. Provide strategic leadership to the Construction and Property Industries.

10. REMEDIAL MEASURES (High Level Project Conceptualisation)

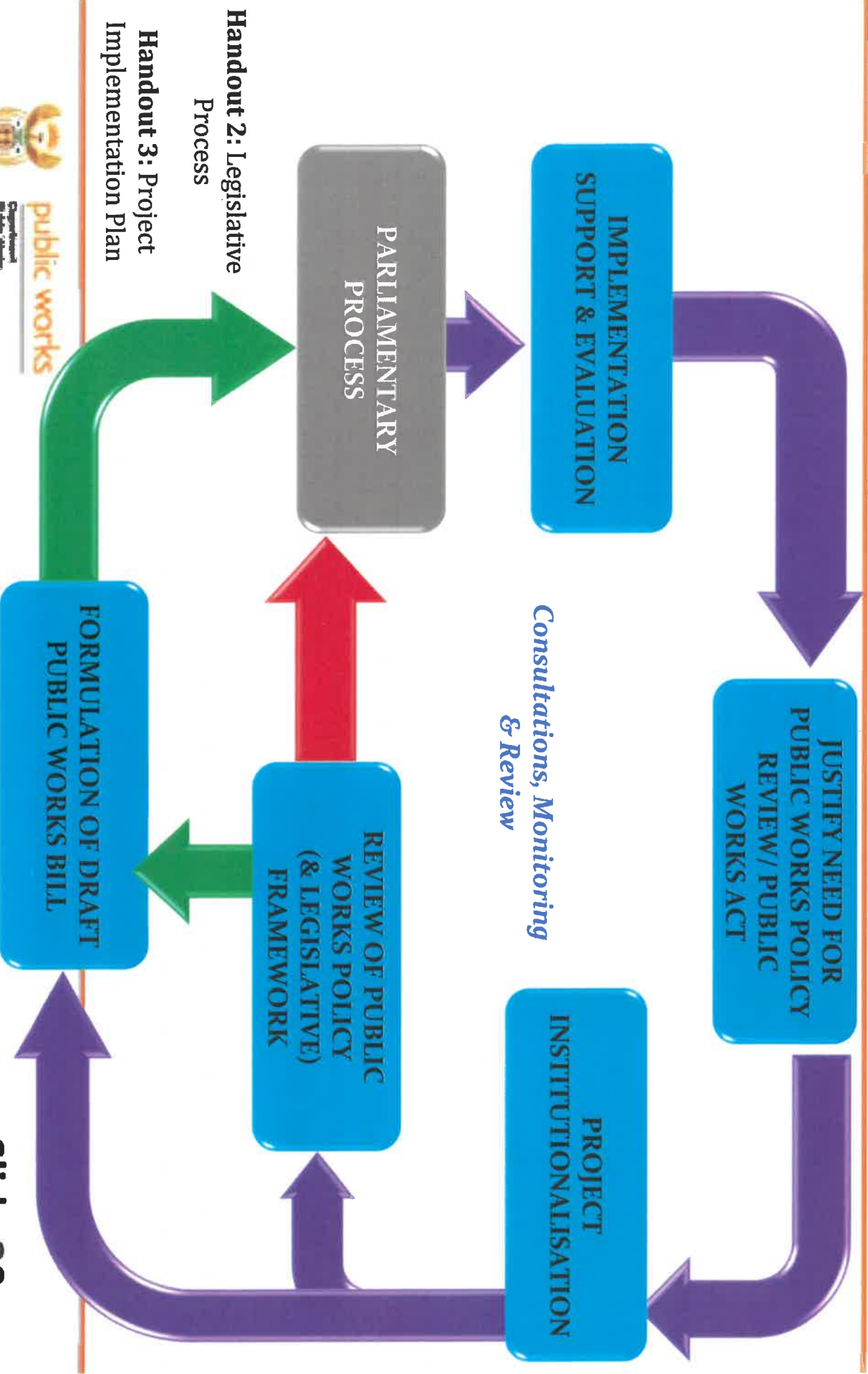


Handout 1: Project Concept

Source: <https://www.parliament.gov.za>



10. REMEDIAL MEASURES (High Level Project Map)



10. REMEDIAL MEASURES (Mapped Resources/Expertise)

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No. Expertise	Status	Key Deliverables
1. Senior Construction Policy Specialist	In-house	Policy analysis and drafting
2. Senior Property Policy Specialist	In-house	1. Discussion paper inputs 2. Subject area analysis (i.e. analysis of interventions with area of expertise) 3. Formulation of policy proposals
3. Facilities Management	In-house	
4. Labour-based Methods	In-house	
5. Enterprise and Supplier Development	In-house	
6. Human Resources Development & Transformation	In-house	
7. Public Sector Procurement & Contracts Management	In-house	
8. Safety, Health, Environment & Quality Management	In-house	
10 Public Sector Institutional Development/Design	In-house	

10. REMEDIAL MEASURES (Mapped Resources/Expertise)

No.	Expertise	Status	
11.	Legal	In-house	<ol style="list-style-type: none"> 1. Constitutional law interpretation 2. Legislative Drafting
12.	Construction Policy Specialist	In-house	<ol style="list-style-type: none"> 1. Construction and Property Industry analysis 2. Benchmarking 3. Workstreams secretariat
13.	Property Policy Specialist	In-house	
14.	Project Manager	In-house (DDG Policy)	Project management and delivery
15.	Project Secretariat (1)	In progress	Project administration
16.	Project Workstreams Secretariat (x2)	In progress	Project Workstreams administration

10. REMEDIAL MEASURES (Project Workstreams)

Technical work undertaken through 2 core work streams.

Construction Work-stream

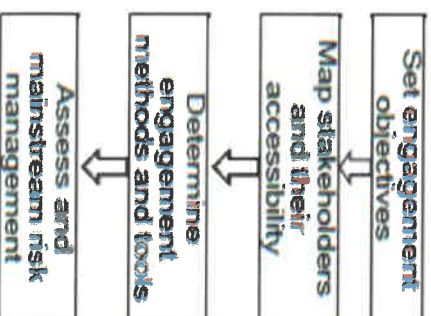
1. Construction Policy Unit
2. Construction Policy Specialist: CD
3. Construction Policy Specialist:
Director
4. Construction Projects
Management
5. Professional Services
6. Supply Chain Management
7. CIDB
8. CBE
9. IDT
10. ASA
11. CSCC

Property Work-stream

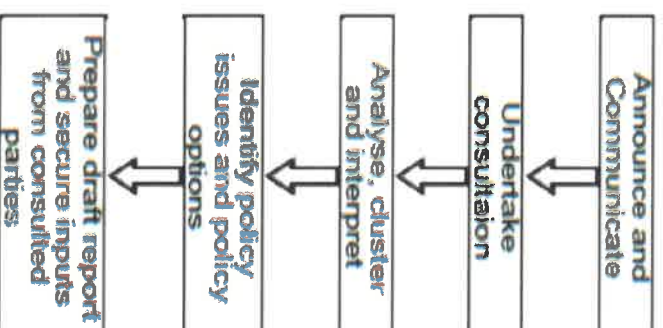
1. Property Policy Unit
2. Property Policy Specialist: CD
3. Property Policy Specialist:
Director
4. Real Estate Management Services
5. Real Estate Investment Services
6. Real Estate Asset Registry
Services
7. Facilities Management
8. CBE
9. PSCC

10. REMEDIAL MEASURES (Stakeholder Consultation Strategy)

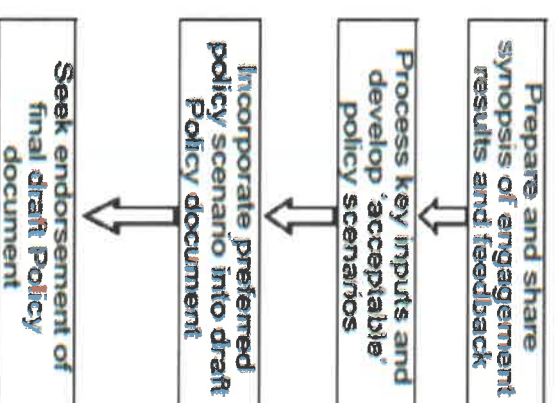
Phase 1: Establish Context and Methodology



Phase 2: Conduct Engagement

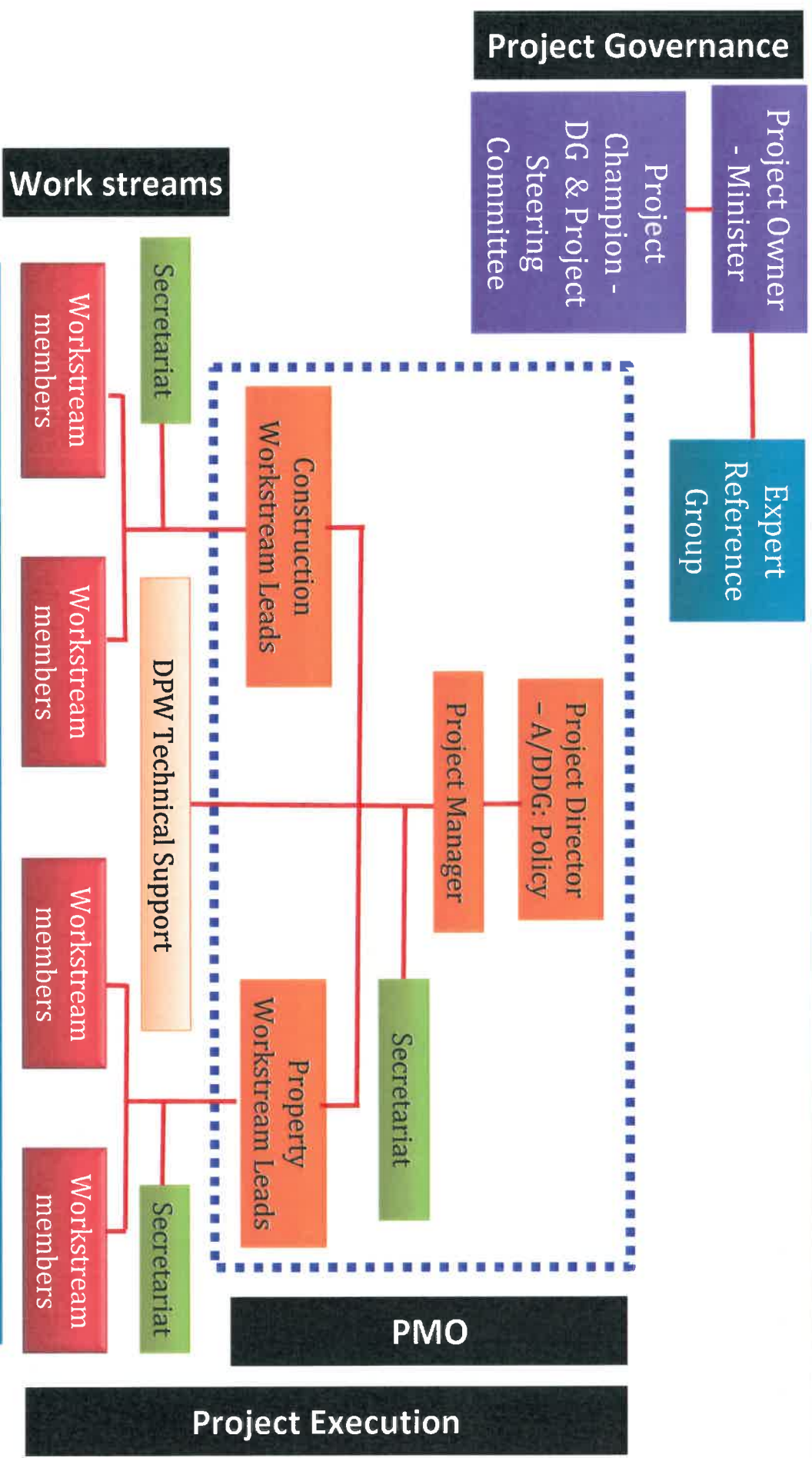


Phase 3: Inform Policy



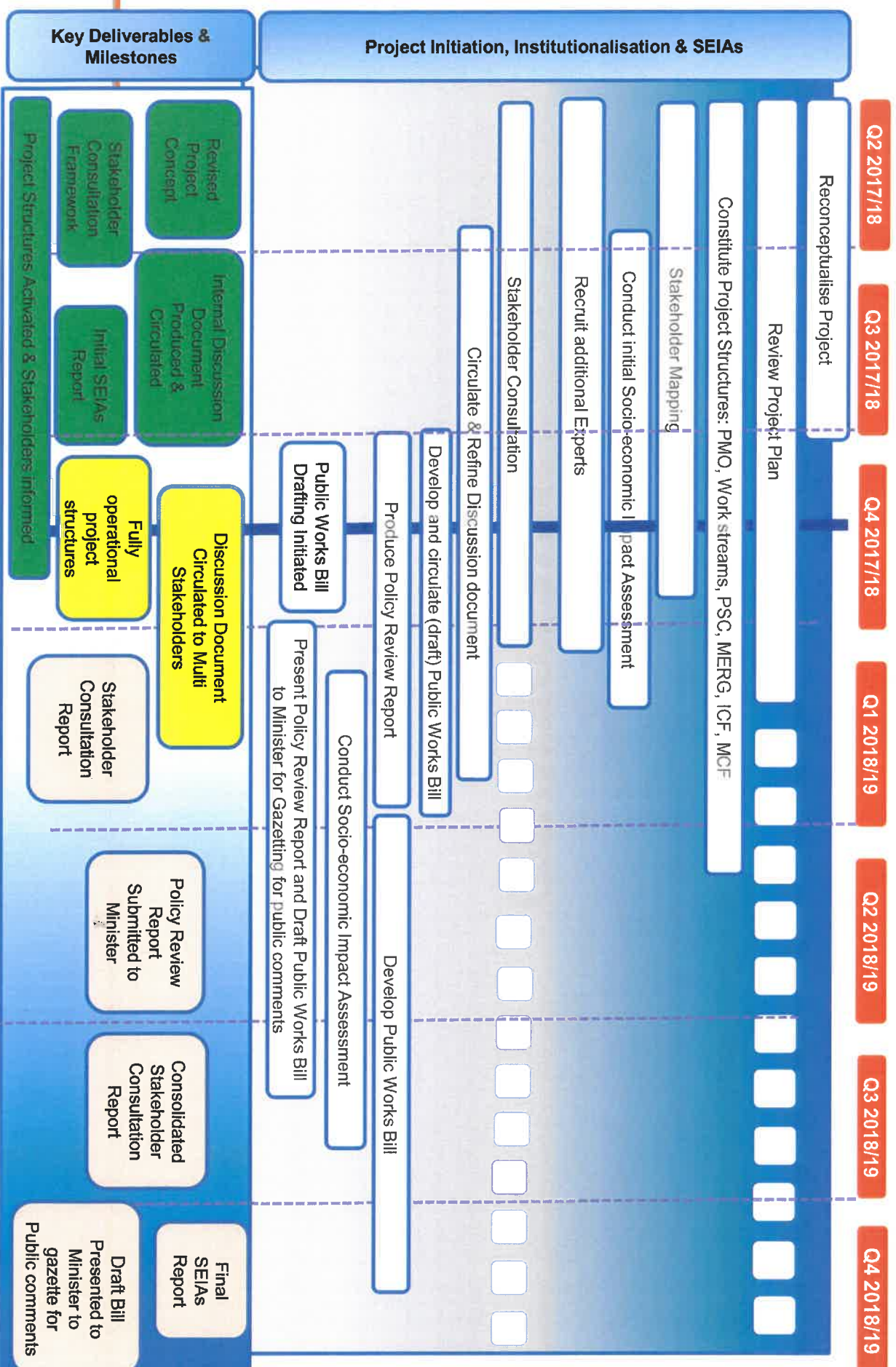
10. REMEDIAL MEASURES (Project Institutionalisation)

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11. PROJECT STATUS (As of 23 February 2018)

Slide 26



D.

WAY FORWARD

13. WAY FORWARD

1. Ongoing strategic leadership and support
2. Insourcing required skills & capacity
3. Dedicated Project Management Office (PMO)
4. Co-operation by all parties in the public works sector
5. Active operation of key referral and/or advisory groups:
 - i. Expert Reference Group
 - ii. Intergovernmental Advisory Group
 - iii. Multi-Stakeholder Consultative Forum
6. Adequate funding
7. Diligence and timely feedback by all parties
8. Results-based Project Management

14. RECOMMENDATIONS

It is therefore submitted and recommended that the PORTFOLIO COMMITTEE notes:

1. The **progress** on the Public Works White Papers Review;
2. The **challenges** that have hindered the effective delivery of the Project;
3. **Remedial measures undertaken and results thereof**; and
4. **Critical success factors** that will ensure sustainability of achievements towards full implementation of the Project.

THANK YOU ALL



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