



**public works**

Department:  
Public Works  
**REPUBLIC OF SOUTH AFRICA**

# DEPARTMENT OF PUBLIC WORKS 2017/18 ANNUAL PERFORMANCE PLAN

**PRESENTATION TO THE PUBLIC WORKS PORTFOLIO COMMITTEE**

**14 MARCH 2017**

**South  
Africa  
Works  
because of  
Public  
Works**

# TABLE OF CONTENTS

| No. | ITEM   | Slide |
|-----|--|-------|
| 1.  | Overview of the Annual Performance Plan              | 3-7   |
| 2.  | DPW: Summary of the Strategic Overview (Part A)      | 8-27  |
| 3.  | DPW: Programme Performance Indicators (Part B)       | 28-68 |
| 4.  | DPW: Links to Long Term Infrastructure Plan (Part C) | 69-73 |

# PROGRAMME BUDGET STRUCTURE

## DPW Programmes

- Administration
- Intergovernmental Coordination (incl. Professional Services)
- Expanded Public Works Programme
- Property and Construction Industry Policy and Research
- Prestige Policy

## Shared Services



- Finance & SCM
- Corporate Services
- Governance, Risk and Compliance
- Professional Services
- Internal Audit

## PMTE (incl.)Regions

- Administration
- Real Estate Investment Services
- Construction Project Management
- Real Estate Management Services
- Real Estate Information and Registry Services
- Facilities Management

# CONSTITUTIONAL AND LEGISLATIVE MANDATE

## **Constitutional mandate:**

The Constitutional mandate is provided for in Schedule 4, Part A, of the Constitution of the Republic of South Africa: Functional Areas of Concurrent National and Provincial Legislative Competence.

## **Legislative mandate**

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

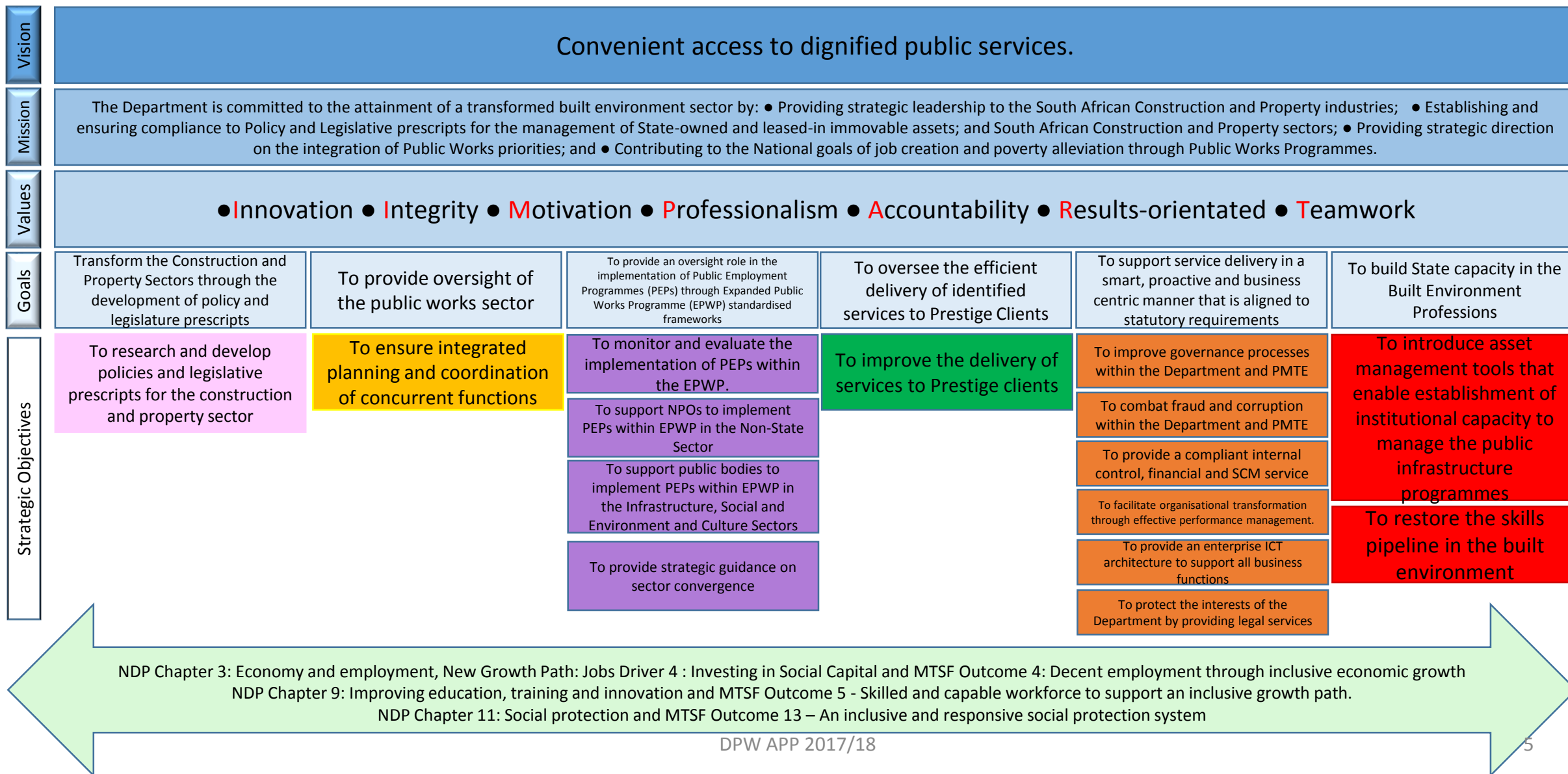
- i. Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007);
- ii. Construction Industry Development Board Act, 2000 (Act No. 38 of 2000);
- iii. Council for the Built Environment Act, 2000 (Act No. 43 of 2000);
- iv. Professional Council Acts that regulate the six Built Environment Professions (BEPs);
- v. Public Finance Management Act, 1999 (Act No. 1 of 1999).

*(Other Acts are listed in Annexure A of the Strategic Plan and Annual Performance Plan)*

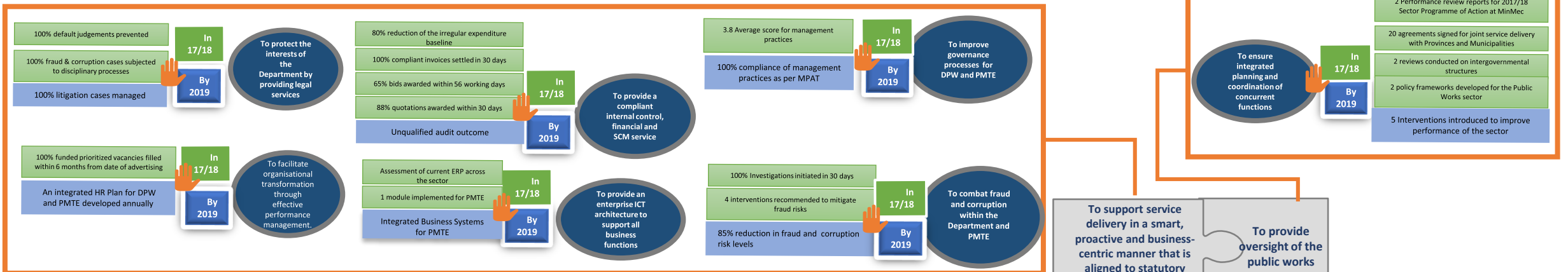
## **Policy mandates**

- i. DPW White Paper: Public Works, Towards the 21st Century, 1997
- ii. DPW White Paper: Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999
- iii. Construction Sector Transformation Charter, 2006
- iv. Property Sector Transformation Charter, 2007
- v. DPW Broad-based Black Economic Empowerment Strategy, 2006
- vi. Property Management Strategy on BBBEE, Job Creation and Poverty Alleviation, 2007
- vii. Green Building Framework, 2011

# SUMMARY OF THE 2017/18 APP FOR DPW



# Department of Public Works: Roadmap for 2017/2018



To support service delivery in a smart, proactive and business-centric manner that is aligned to statutory requirements.

To provide oversight of the public works sector

- 2 Performance review reports for 2017/18 Sector Programme of Action at MinMec
- 20 agreements signed for joint service delivery with Provinces and Municipalities
- 2 reviews conducted on intergovernmental structures
- 2 policy frameworks developed for the Public Works sector
- 5 Interventions introduced to improve performance of the sector

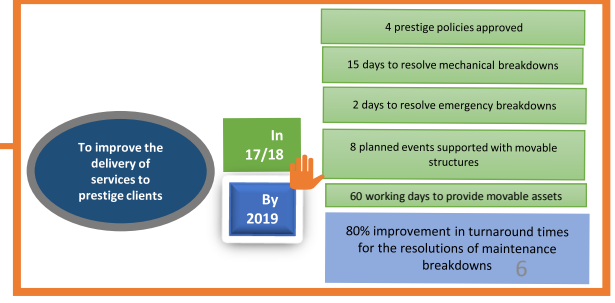
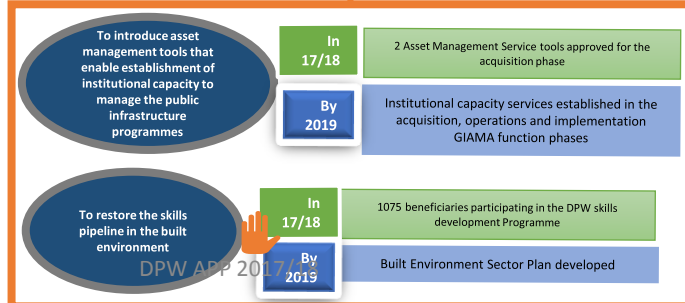
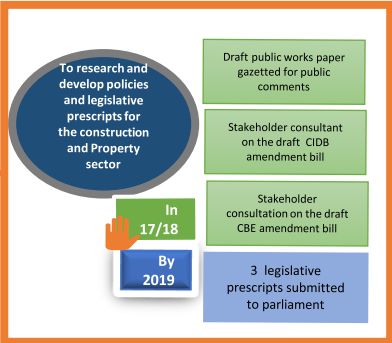
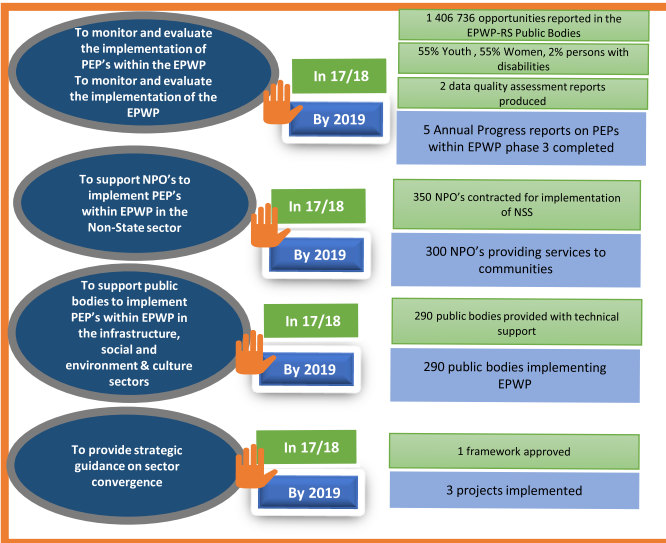
**Legend**

- Strategic Objective
- Performance Indicators
- SO 5 year target
- Goals
- Mission
- Vision



**Values**

Innovation  
Integrity  
Motivation  
Professionalism  
Accountability  
Result-Orientated  
Teamwork



# PLANNED POLICY INITIATIVES

**The Department will review and/or develop the following policies and legislation during 2017/18:**

1. The Expropriation Bill [B 4D-2015] that was passed by Parliament in 2016, has been returned by the President, citing a lack of proper consultation. The legislation will ultimately replace the Expropriation Act, 1975 which is inconsistent with the spirit and provisions of the Constitution, 1996.
2. the Department is processing the draft Public Works General Laws Amendment and Repeal Bill that has been developed to repeal or amend legislation or provisions in legislation assigned to the Department that are inconsistent with the Constitution or are redundant or obsolete.
3. Review of the Department's White Papers: *"Public Works towards the 21st Century, 1997"*; and *"Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry, 1999"* towards the development of a new Public Works White Paper and ultimately enabling legislation.
4. Review of the Construction Industry Development Board (cidb) and Council for the Built Environment (CBE) Acts.
5. Develop legislation to establish the Independent Development Trust (IDT) as a public entity that supports the State in the delivery of social infrastructure.



# Part A



## External Environment:

The Department has taken cognisance of the following external factors during its planning process:

- 1. Global overview:** Overall, growth in most advanced economies remained lacklustre while prospects remained disparate across emerging markets and developing economies, with some improvement for a few large emerging markets. Although recent years' events left the global market fragile and with uncertainties, global recovery is certainly gaining traction.
- 2. South African economic overview:** Although 2016 has been a challenging year, the outlook is expected to improve in 2017 and more so in 2018. The South African Reserve Bank forecasts GDP growth for 2017 to be 2.8%.
- 3. The Construction Sector:** Although the growth in the construction sector has been subdued, there are a number of initiatives which are expected to improve growth in the sector. The increase in social infrastructure spend by government, including investment in housing, schools and roads, creates an opportunity for growth in the sector.
- 4. Labour force:** The growth in employment was offset by an increase in unemployment of 239 000 resulting in a rise of 0,5 of a percentage point in the unemployment rate to 27,1% in the third quarter of 2016.

# SUMMARY OF THE 2017/18 APP FOR DPW (Part A)

## External Environment (response to external influences):

- 1. Alleviation of poverty, unemployment and inequality through Public Employment Programmes** - The EPWP, Phase III, is a nationwide government-led initiative with the objective “To provide work opportunities and income support to poor and unemployed people through the labour-intensive delivery of public and community assets and services, thereby contributing to development”. The goal of the EPWP Phase III is to create 6 million work opportunities equal to 2.5 million Full Time Equivalents (FTE’s) over the 2014/15 to 2018/19 financial years.
- 2. Development of entrepreneurial capacity through the EPWP** - The EPWP Enterprise Development Programme is intended to enhance the entrepreneurial capacity of participants to enable them to establish income earning initiatives such as cooperatives and small businesses. Enterprise development is one of many implementation models used by the EPWP, whereby small businesses, that are owned and created by the poor and unemployed, provide goods and services under the programme.
- 3. Providing training through the Skills Programmes, Learnerships and Artisan Development** - The EPWP aims to increase the potential of participants to earn a future income by providing work experience, training and information related to local work opportunities, further education and training, and small, medium and micro enterprise (SMME) development. Accredited training (which is quality assured by the Sector Education Training Authorities and other Education and Training Quality Assurance (ETQA’s) is provided to the EPWP participants
- 4. Skills development in the built environment professions** - The Skills Pipeline Programme is intended to produce competent, skilled and motivated built environment professionals through supported learning interventions and focused experiential learning processes. The intervention starts at an early stage in the built environment professional’s life and continues after professional registration.

### External Environment (response to external influences) continued....

5. **Transformation in the Construction and Property Sectors** - The Council for the Built Environment (CBE) has a number of partnerships and projects that are designed to contribute towards the transformation of the built environment. The six Built Environment Professional Councils (BEPCs) are also the integral in ensuring transformation in the built environment
6. **Ensuring value for money by eliminating fraud and corruption** - The Department's Anti-Fraud and Corruption Strategy is based on effective and efficient management of Fraud Risks. The Department is currently putting measures in place to ensure effective management of fraud risks in order to reduce opportunities for the occurrence of fraud and corruption.
7. **Cost containment and reduction in spending on non-essential services** – The PMTE must optimise the immovable asset portfolio, on behalf on the Department, to ensure improved and effective, but cost saving service delivery. The focus will be on letting out State-owned properties at market-related rental prices, marketing the State property portfolio, conducting regular assessments of the leased out properties, ensuring implementation of the debt collection and ensuring maintenance on the State-owned properties. Over the medium term, the Department will take several steps to strengthen budget controls in line with the National Treasury's cost containment instructions.

## Internal Environment: Strategic Priorities for the Department

- 1. Lead and coordinate Public Sector Wide EPWP toward the creation of six (6) million work opportunities** - The key approach for Phase III of the EPWP is to drive Public Employment Programmes through community participation to ensure that communities become actively involved in Government programmes. The Department will continue to assist public bodies to institutionalise the EPWP.
- 2. Strengthening of the Governance, Risk and Compliance function** - The Department will strengthen compliance and oversight, in terms of regulatory and policy framework, in relation to the governance of the Department, the Public Works sector, the Entities and the six Built Environment Professional Councils.
- 3. Re-launch of Operation Bring Back to reclaim misappropriate and unlawfully occupied State properties** - Over the medium-term, Phase 2 of the OBB Project will mainly focus on conducting investigations in respect of anomalies identified during the first phase and addressing identified properties that have been illegally occupied. This will be done through various means including: entering into lease agreements, disposals and evictions.
- 4. Managing integrity and promoting ethical conduct in the Department** - The Department has stepped up its anti-corruption activities, in line with the Public Sector Integrity Framework to become more systemic, placing greater emphasis on instituting appropriate measures to combat the scourge of fraud and corruption. The development and implementation of an Integrity Management Framework will ensure that the Department puts adequate and effective measures to deal with related issues of fraud and Ethics.
- 5. Strengthening the oversight of the Public Works sector in terms of the concurrent mandate** - The Department has put in place a policy framework for the oversight of the public works sector to guide proper coordination. Coordination within public works sector as part of Inter-Governmental Coordination will receive greater attention. As a result, there will be a need to reinforce inter-governmental structures to deliberate on policy and strategic issues of the sector.

### Internal Environment: Strategic Priorities for the Department continued ....

6. **Operationalisation of a dedicated Professional Services function-** The Department will prioritise the operationalisation of the Professional Services function to give effect to the mandate to create technical capacity for the State in the built environment. The mandate of Professional Services function is aligned to Chapter 9 of the NDP and Outcome 5 in the MTSF.
7. **Strengthening the Department's research and policy development capacity** – The Department has prioritised the following areas in collaboration with its Entities and other stakeholders: The review of the Construction Industry Development Board (CIDB) and Council for the Built Environment (CBE) Acts to align to current policy trajectories such as the National Development Plan and BBBEE Act, the development of a Property Management Empowerment Policy and a comprehensive policy review culminating in a new Public Works White Paper and Public Works Act
8. **Improving the delivery of services to Prestige clients** - The Department will, over the MTEF period, focus on the following areas to improve delivery of services to its prestige clients: implementation of facilities management contracts, implementation of a term contract to provide a turnkey solutions for provision of furniture and related services, development of policies to regulate prestige services in line with the Ministerial Handbook, improving the SCM Procurement in the events management environment.

# SUMMARY OF THE 2017/18 DRAFT APP FOR DPW (Part A)

## Internal Environment: Business improvement projects for the Department

- 1. Reduction in Fraud and Corruption** - The objective of this intervention is to ensure that the Department enhances the implementation of the holistic fraud prevention strategy with emphasis being on the application of pro-active measures in the fight against fraud and corruption to enhance operational efficiency. This approach, which is based on four (4) key pillars being: prevention, detection, investigation and resolution.
- 2. Service Delivery Improvement Programme** - The Department has commenced developing a macro business and governance model that addresses all macro-economic factors, key driving trends, industry and sectoral forces affecting the business operations of the Department. The main focus will be on the major external and uncontrollable factors that influence the Department's decision making and service delivery environment.
- 3. A robust Change Management Strategy and Change Management Plans** - The aim of the Change Management Programme is to facilitate readiness and to support stakeholders during the operationalization of the Department and the PMTE. All identified Turnaround Projects are change initiatives by nature. Change Management is a by-product of the Turnaround Programme and occurs in various areas in the Department.

## Internal Environment: Customised Performance Indicators for the Public Works Sector

- The national Department of Public Works held its annual planning workshop with the Provincial Departments of Public Works on 22 June 2016 to update the Customised Performance Indicators (CPIs) for the 2017/18 financial year.
- The CPIs form part of the Provincial Annual Performance Plans in line with the planning, budgeting, monitoring and reporting framework prescribed in the Framework for Strategic Plans and Annual Performance Plans.

## Performance Environment:

- 1. Enhancing the technical capacity of public bodies to implement the EPWP** - Additional support will be provided to public bodies to help implement projects labour-intensively and to report effectively. Municipal and Provincial Governments as well as Organs of State will continue to receive technical support on EPWP.
- 2. Improve reporting by public bodies as required by the EPWP Reporting System** - The national Department of Public Works will monitor the reporting of work opportunities and communicate to the relevant Accounting Officers on areas of non-compliance. Coordinating departments will be required to develop action plans to improve reporting and to ensure full compliance to reporting requirements.
- 3. Non-reporting of EPWP projects by implementing public bodies resulting in lower number of work opportunities being reported** – Provinces will be engaged to establish EPWP Monitoring and Evaluation functions to assist with complete and accurate reporting and monitoring of the programme, support will be provided to public bodies to capture data as required on the EPWP Reporting System, on-going training and support will be provided to the public bodies on the EPWP Reporting System, the core reasons for under-reporting by the public bodies will be investigate and recommends provided accordingly.
- 4. Ensure attainment of EPWP targets for Youth and Full Time Equivalent (FTE)** - The Department will continue engaging with public bodies to design and identify programmes to increase opportunities for the youth participation in EPWP as well to further engage the Property Management Trading Entity (PMTE) to create opportunities for the youth through the National Youth Service (NYS) Programme.

### Performance Environment continued ....

- 5. Implementation of EPWP Standard Recruitment Guidelines to ensure uniformity across all sectors in the process of recruiting EPWP Participants** - The Department has developed an EPWP Recruitment Guidelines in the 2016/17 financial year to ensure uniformity across all sectors in the recruitment of EPWP participants while ensuring that implementing bodies reach the intended target groups. The Recruitment Guidelines will apply to all National and Provincial Government Departments, Municipalities, Public Entities and Non-Profit Organizations implementing the EPWP.
- 6. Coordination of Expanded Public Works Programme through the PEP-IMC** – The Department will continue to support the Public Employment Programmes-Inter-Ministerial Committee (PEP-IMC), chaired by the Deputy President, to champion the importance of the public employment opportunities within Government and the wider society.
- 7. Managing intergovernmental relations in an effective and efficient manner** - As part of enhancing the IGR function, the Department is giving greater attention to the coordination of Technical MinMEC sub-committees such as GIAMA, Joint Teams and IDMS forums.
- 8. Improvements in Management Practices** - The Department will focus on the improving the current controls that will boost non-performing management standards. For the 2017/18 financial year, the Department will focus on all the areas that scored below 2.5 whilst maintaining the higher scores through the MPAT Low Score Improvement Plan.



### Performance Environment continued ....

- 9. Integration of Risk Management into planning processes** – The Department has adopted a comprehensive approach to the management of its risks through the Risk Management Policy, Risk Management Committee Charter Strategy and sound management of risk will enable the Department to anticipate and respond to changes in its service delivery environment as well as make informed decisions under conditions of uncertainty.
- 10. Continuous improvement to high-end legal services** - As part of its commitment to fighting fraud and corruption, the Department ensures that all reported fraud and corruption cases are timeously subjected to disciplinary processes. The Department will continue to give attention to the management of disciplinary hearings and speedy resolution of grievances.
- 11. Improving business efficiency through ICT enhancements** - The ICT Disaster recovery plan (DRP) has been recently updated to include business continuity. The DRP will be implemented by April 2017. The Department will be implementing the Strategy Management System (SAS) to automate its processes in the management, collection, collation, verification, storage and reporting on actual performance. The ICT Strategy and Policy will be updated and implemented in 2017/18.
- 12. Reduction of irregular expenditure** - All bids and quotations will continue to be reviewed across the Department to ensure compliance to relevant prescripts. Investigation of reported cases will commence within 30 days of reporting and will be completed within a period of 90 days after the commencement of the investigation.

### Performance Environment continued ....

- 13. Payments of suppliers within 30 days** - The 30 day payments reporting system has been developed to ensure accurate and reliable reporting on a monthly basis to replace the manual system. The system is able to track progress of each invoice, as well as able to provide the information related to the date on which the invoice was received, the date on which it was paid.
- 14. Improvements in Supply Chain Management** - Specialised Bid Adjudication Committees will be set up for procurement of specific services. This will enable the Department to ensure the right expertise is sourced whilst ensuring value for money. Through the SCM Reform Plan, the Department will fully automate the quotation process and optimise the use of the Intenda Solution Suite (ISS) system. Term contracts will be put in place to promote preferential procurement. The Department will utilise the G-Commerce platform to promote procurement from SMMEs and HDIs.

### Organisational Environment:

- 1. Key issues relating to the Organisational Structure** - The approved Organisational Structure will be implemented in a phased approach over the MTEF. The Department has developed a Migration Framework to manage the roll-out of the structure. The Framework outlines in detail the processes that the Department will follow to deal with issues of decommission of old and commission of the new structure, matters around matching and placement of personnel, as well as capacitation through training, re-skilling and recruitment in accordance with the new structure.
- 2. Factors within the organisational environment that have informed the Annual Performance Plan** - The Department is focussing its operating model to place greater emphasis on the transformation and regulation of the Construction and Property Sectors, coordination of the EPWP as well as the oversight of concurrent functions. Furthermore, the operating model takes into consideration the need to ensure that coordinated and integrated delivery of the concurrent functions are implemented with regard to determining Legislative and Regulatory Prescripts, Policy formulation, setting Norms and Standards, Monitoring and Evaluation and overseeing the implementation of these responsibilities. The Intergovernmental Coordination function will enable the Department to refine its role and give effect to improved oversight functions. Through the Professional Services function, the Department will oversee and manage the implementation of Professional Services Capacity Building Programmes, across all Government spheres

# **SUMMARY OF THE 2017/18 APP FOR DPW (Part A)**

## **Description of the Strategic Planning Process**

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**Recap of the policy statement by the Minister of Public Works**

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**Performance dialogue with National Treasury and Department of Planning, Monitoring and Evaluation (DPME)**

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**Integrated planning session with the Executive Committee**

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**Strategic management training for senior managers**

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**Submission of the 1st Draft Annual Performance Plan to National Treasury and the DPME**

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**Mid term review and planning session**

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**Submission of the 2nd Draft Annual Performance Plan to National Treasury and the DPME**

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**Review of the Annual Performance Plan based on mid term Cabinet Review, SoNA, Budget Vote Speech**

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**Review of the final Draft Annual Performance Plan (internal/external)**

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**Annual Performance Plan tabled in Parliament**

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**Development of business plans and performance agreements**

## BUDGET ALLOCATION PER PROGRAMME

| Programmes   | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|--|------------------------|----------------------------------|------------------|------------------|
|  | 2016/17                | 2017/18                          | 2018/19          | 2019/20          |
|  | (R'000)                | (R'000)                          | (R'000)          | (R'000)          |
| Administration   | 516 006                | 493 810                          | 512 348          | 540 463          |
| Intergovernmental Coordination                         | 28 639                 | 60 230                           | 65 040           | 69 263           |
| Expanded Public Works Programme                        | 2 319 500              | 2 414 583                        | 2 533 226        | 2 703 585        |
| Property and Construction Industry Policy and Research | 3 552 562              | 3 969 871                        | 4 287 734        | 4 516 174        |
| Prestige Policy  | 96 092                 | 99 636                           | 95 906           | 108 295          |
|  |                        |                                  |                  |                  |
| <b>Total</b>   | <b>6 512 799</b>       | <b>7 038 130</b>                 | <b>7 494 254</b> | <b>7 937 780</b> |

## BUDGET ALLOCATION PER ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b>               | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                  |                  |
|---|-------------------------------|---|------------------|------------------|
|   | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b>   | <b>2019/20</b>   |
|   | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b>   | <b>(R'000)</b>   |
| <b>Current payments</b>                             | <b>905 083</b>                | <b>960 366</b>                          | <b>982 241</b>   | <b>1 050 170</b> |
| Compensation of employees                           | 471 825                       | 486 413                                 | 518 347          | 557 826          |
| Goods and services                                  | 433 258                       | 473 953                                 | 463 894          | 492 344          |
|   |                               |   |                  |                  |
| <b>Transfers and subsidies</b>                      | <b>5 570 208</b>              | <b>6 055 742</b>                        | <b>6 488 539</b> | <b>6 862 845</b> |
| Provinces and municipalities                        | 1 425 668                     | 1 472 615                               | 1 553 335        | 1 663 269        |
| Departmental agencies and accounts                  | 3 507 375                     | 3 922 086                               | 4 235 897        | 4 461 110        |
| Foreign governments and international organisations | 28 234                        | 26 031                                  | 27 523           | 29 064           |
| Non-profit institutions                             | 600 427                       | 624 024                                 | 660 158          | 697 126          |
| Households  | 8 504                         | 10 986                                  | 11 626           | 12 276           |
|   |                               |   |                  |                  |
| <b>Payments for capital assets</b>                  | <b>37 508</b>                 | <b>22 022</b>                           | <b>23 474</b>    | <b>24 765</b>    |
| Machinery and equipment                             | 37 508                        | 22 022                                  | 23 474           | 24 765           |
|   |                               |   |                  |                  |
| <b>Total</b>  | <b>6 512 799</b>              | <b>7 038 130</b>                        | <b>7 494 254</b> | <b>7 937 780</b> |

## BUDGET ANALYSIS - SUMMARY

Over the medium term, the Department will continue to focus on creating jobs; building a capable and developmental state by strengthening its governance, risk and compliance functions; fighting corruption by strengthening oversight of the public works sector; and strengthening the department's research and policy development capacity. This supports the realisation of outcome 4 (decent employment through inclusive growth), outcome 6 (an efficient, competitive and responsive economic infrastructure network) and outcome 12 (an efficient, effective and development-orientated public service) of government's 2014-2019 medium-term strategic framework.

The average growth in the allocation to the Department over the MTEF period is 6.7%. The budget reduction in 2017/18 amounts to R183 million (2.5% of the baseline amount), R168 million in 2018/19 (reducing the baseline amount by 2.2%), and R163 million in 2019/20 (resulting in a 2% reduction). The bulk of the reductions over the MTEF period are against transfers and subsidies.

An average of 86.4% of the total budget over the medium term is allocated to transfers and subsidies for the operations of the Department's entities; this includes the Property Management Trading Entity, which performs the immovable asset management functions on behalf of the Department of Public Works; the Construction Industry Development Board, which provides strategic leadership to the construction industry; and the Council for the Built Environment, which promotes and protects the interests of the public in the built environment. The Department also makes transfer payments in the form of conditional grants to Provinces and Municipalities for the implementation of the EPWP.

## SALIENT ISSUES ON THE BUDGET: BASELINE REDUCTION

1. Budget for compensation of employees:
  - R5.4 million in 2017/18
  - R2.7 million in 2018/19
  - R6.2 million in 2019/20
  
2. Budget for goods and services (normal commitments):
  - R4.2 million in 2017/18
  - R52.5 million in 2018/19
  - R53 million in 2019/20
  
3. PMTE transfer budget has been decreased as follows:
  - R38.7 million in 2017/18
  - R41 million in 2018/19
  - R43.4 million in 2019/20
  
4. Conditional Grants (Integrated Grants)m transfer budget has been decreased as follows:
  - R53.2 million in 2017/18
  - R61 million in 2018/19
  - R41.4 million in 2019/20



## SALIENT ISSUES ON THE BUDGET: BASELINE REDUCTION

4. Payment for capital assets (Machinery and equipment):
  - R24 million in 2017/18
  - R25.5 million in 2018/19
  - R26.9 million in 2019/20

## **SALIENT ISSUES ON THE BUDGET: BASELINE INCREASE**

1. Operationalisation of Agrément South Africa Transfers and subsidies):
  - R15.9 million in 2017/18
  - R16.9 million in 2018/19
  - R17.8 million in 2019/20
  
2. Capacitation of Internal Audit (Compensation of employees):
  - R3.4 million in 2017/18
  - R3.6 million in 2018/19
  - R3.9 million in 2019/20
  
3. Creating technical capacity in the built environment (Goods and services):
  - R4.7 million in 2017/18
  - R4.9 million in 2018/19
  - R5.2 million in 2019/20

# MTEF ALLOCATION – EARMARKED FUNDS

| <b>Earmarked Budget Allocation</b>   | <b>Medium-term expenditure estimate</b> |                  |                  |
|--|---|------------------|------------------|
|  | <b>2017/18</b>                          | <b>2018/19</b>   | <b>2019/20</b>   |
|  | <b>(R'000)</b>                          | <b>(R'000)</b>   | <b>(R'000)</b>   |
| Expanded Public Works Programme non state sector   | 595 803                                 | 630 427          | 665 730          |
| Expanded Public Works provision for payments of non wage costs by the non state                          | 28 101                                  | 29 731           | 31 396           |
| Independent Development Trust ( Intermediary Programme management cost)                                  | 28 678                                  | 42 127           | 44 486           |
| Construction Industry Development Board  | 74 984                                  | 75 203           | 79 414           |
| Council for the Built Environment  | 48 568                                  | 51 385           | 54 263           |
| Parliamentary Villages Management Board  | 10 051                                  | 10 634           | 11 230           |
| Agrément South Africa  | 29 045                                  | 30 757           | 32 480           |
| <b>Property Management Trading Entity</b>  | <b>3 758 922</b>                        | <b>4 067 372</b> | <b>4 283 146</b> |
| Augmentation of the Property Management Trading Entity   | 670 360                                 | 788 030          | 820 160          |
| Funding for in-shifted functions <i>of which:</i>  | 3 088 562                               | 3 279 342        | 3 462 986        |
| Infrastructure (Public Works)  | 748 239                                 | 804 609          | 849 667          |
| Included in the Public Works Infrastructure is Border Control Operational Coordinating Committee (BCOCC) | 200 664                                 | 216 553          | 228 680          |
| Turnaround Programme   | 168 829                                 | 178 525          | 188 522          |
|  |   |                  |                  |
| <b>Conditional Grants to Local Government</b>  | <b>691 447</b>                          | <b>729 345</b>   | <b>780 965</b>   |
| Expanded Public Works Programme Integrated Grant For Municipalities                                      | 691 447                                 | 729 345          | 780 965          |
|  |   |                  |                  |
| <b>Conditional Grants to Provinces</b>   | <b>781 162</b>                          | <b>823 983</b>   | <b>882 297</b>   |
| Expanded Public Works Programme Integrated Grant For Provinces   | 395 579                                 | 416 036          | 451 505          |
| Social Sector Expanded Public Works Programme Incentive Grant for Provinces                              | 385 583                                 | 407 947          | 430 792          |
|  |   |                  |                  |
| <b>Compensation of employees ceiling</b>   | <b>486 413</b>                          | <b>518 347</b>   | <b>557 826</b>   |
| <b>Total</b>   | <b>6 533 174</b>                        | <b>7 009 311</b> | <b>7 423 233</b> |



# Part B

# PROGRAMME 1

## Administration

# 2017/18 ANNUAL PERFORMANCE PLAN (Management)

## STRATEGIC GOAL

- To support service delivery in a smart, proactive and business-centric manner that is aligned to statutory requirements

| Performance Indicator   | Audited/ Actual Performance   |   |   | Estimated Performance 2016/17   | Medium-Term Targets   |  |  |  |
|---|---|---|---|---|---|--|--|--|
|   | 2013/14   | 2014/15   | 2015/16   |   | 2017/18   | 2018/19  | 2019/20  |  |
| Strategic Objective: To improve governance processes within the Department and PMTE |   |   |   |   |   |  |  |  |
| 1   | Change in the index score for management practices  | 2 Average score for management practices                                      | 1.8 Average score for management practices  | 2.7 Average score for management practices  | 3.5 Average score for management practices  | 3.8 index score for management practices   | 4.0 index score for management practices   | 4.0 index score for management practices   |
| Strategic Objective: To combat fraud and corruption within the Department and PMTE  |   |   |   |   |   |  |  |  |
| 2   | Percentage of investigations initiated within 30 days in respect of validated allegations | 0 investigations initiated within 30 days in respect of validated allegations | 100% (35) investigations initiated within 30 days in respect of validated allegations | 100% (50) investigations initiated within 30 days in respect of validated allegations | 100% (24) investigations initiated within 30 days in respect of validated allegations | 100% investigations initiated within 30 days in respect of validated allegations | 100% investigations initiated within 30 days in respect of validated allegations | 100% investigations initiated within 30 days in respect of validated allegations |
| 3   | Number of interventions recommended resulting from fraud risk management                  | –   | –   | –   | 4 interventions recommended for mitigation of fraud risks within DPW and PMTE         | 4 interventions recommended for mitigation of fraud risks within DPW and PMTE    | 4 interventions recommended for mitigation of fraud risks within DPW and PMTE    | 4 interventions recommended for mitigation of fraud risks within DPW and PMTE    |

# 2017/18 ANNUAL PERFORMANCE PLAN (Finance and SCM)

| Performance Indicator  | Audited/ Actual Performance  |  |  | Estimated Performance 2016/17                                  | Medium-Term Targets   |   |   |   |
|--|--|--|--|--|---|---|---|---|
|  | 2013/14  | 2014/15  | 2015/16  |  | 2017/18   | 2018/19   | 2019/20   |   |
| To provide a compliant internal control, financial and supply chain management service |  |  |  |  |   |   |   |   |
| 4.   | Percentage change in the irregular expenditure baseline                              | R583 million (cumulative since 2009)                           | R400 million (cumulative since 2009)                           | 44% reduction of irregular expenditure baseline                | 40% reduction of the irregular expenditure baseline   | 80% reduction of the irregular expenditure baseline                           | 100% reduction of the irregular expenditure baseline                          | 100% reduction of the irregular expenditure baseline                          |
| 5.   | Percentage of compliant invoices settled within 30 days                              | 75% (80 384) compliant invoices settled within 21 days for DPW | 89% (60 522) compliant invoices settled within 30 days for DPW | 75% (20 209) compliant invoices settled within 30 days for DPW | 100% (22 700) 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                                |
| 6.   | Percentage of bids awarded within 56 working days of closure of tender advertisement | 89 bids awarded in 2012/13 for DPW                             | 119 bids awarded in 2013/14 for DPW                            | 78% (20 out of 25 bids) of bids awarded within 56 days for DPW | 31% (5 out of 16) of bids awarded within 56 working days of closure of tender advertisement | 65% of bids awarded within 56 working days of closure of tender advertisement | 70% of bids awarded within 56 working days of closure of tender advertisement | 75% of bids awarded within 56 working days of closure of tender advertisement |
| 7.   | Percentage of quotations awarded within 30 days from requisition date                | 741 Quotations awarded in 2013/14 for DPW                      | 873 Quotations awarded in 2014/15 for DPW                      | 58% (268 out of 455 quotations) awarded within 14 days for DPW | 79% (122 out of 155) of quotations awarded within 30 days from requisition date             | 88% of quotations awarded within 30 days from requisition date                | 90% of quotations awarded within 30 days from requisition date                | 92% of quotations awarded within 30 days from requisition date                |

# 2017/18 ANNUAL PERFORMANCE PLAN (Corporate Services)

| Performance Indicator   | Audited/ Actual Performance  |   |   | Estimated Performance 2016/17  | Medium-Term Targets   |   |   |   |
|---|--|---|---|--|---|---|---|---|
|   | 2013/14  | 2014/15   | 2015/16   |  | 2017/18   | 2018/19   | 2019/20   |   |
| Strategic Objective: To facilitate organisational transformation through effective performance management |  |   |   |  |   |   |   |   |
| 8   | Percentage of funded prioritised vacancies filled as per approved recruitment plan               | 565 positions filled                              | 1 626 positions filled                            | 100% funded prioritised vacancies filled (603 appointments made, 107 promotions)   | 52% (129 of 250) funded prioritised vacancies filled within 4 months from the date of advertisement | 100% funded prioritised vacancies filled within 6 months from the date of advertisement | 100% funded prioritised vacancies filled within 6 months from the date of advertisement | 100% funded prioritised vacancies filled within 6 months from the date of advertisement |
| Strategic Objective: To provide an enterprise ICT architecture to support all business functions          |  |   |   |  |   |   |   |   |
| 9   | Number of property management modules implemented  | –   | –   | Procurement of a Property Management System  | 2 modules implemented for PMTE (Asset Register and Lease)   | 1 module implemented for PMTE (Infrastructure Management)                               | –   | –   |
| 10  | ERP system developed for the public works sector   | –   | –   | –  | –   | Assessment of current ERP across the sector   | Specification of the new ERP system developed   | Phased implemented on the ERP system for the sector                                     |
| 11  | Percentage of reported fraud and corruption misconduct cases subjected to disciplinary processes | 1 fraud and corruption misconduct cases finalised | 3 fraud and corruption misconduct cases finalised | 100% (7) fraud and corruption misconduct cases subjected to disciplinary processes | 100% (7) reported fraud and corruption misconduct cases subjected to disciplinary processes         | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes |
| 12  | Percentage of default judgments against the Department prevented                                 | 86% (13) Default Judgements prevented             | 98% (2) Default Judgements prevented              | 99% (1) default judgements prevented   | 100% (0) default judgments against the Department prevented   | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 |



# 2017/18 ANNUAL PERFORMANCE PLAN (Management)

| Performance Indicator |  | Reporting period | Annual Target  | Q1   | Q2   | Q3   | Q4   |
|-----------------------|--|------------------|--|--|--|--|--|
| 1.                    | Change in the index score for management practices                                       | Quarterly        | 3.8 index score for management practices   | -  | -  | 3.8 index score for management practices   | -  |
| 2.                    | Percentage of investigation initiated within 30 days in respect of validated allegations | Quarterly        | 100% Investigations initiated within 30 days in respect of validated allegations | 100% Investigations initiated within 30 days in respect of validated allegations | 100% Investigations initiated within 30 days in respect of validated allegations | 100% Investigations initiated within 30 days in respect of validated allegations | 100% Investigations initiated within 30 days in respect of validated allegations |
| 3.                    | Number of interventions recommended resulting from fraud risk management                 | Bi-annually      | 4 interventions recommended for mitigation of fraud risk within DPW and PMTE     | -  | 2 interventions recommended for mitigation of fraud risk within DPW and PMTE     | -  | 2 interventions recommended for mitigation of fraud risk within DPW and PMTE     |

# 2017/18 ANNUAL PERFORMANCE PLAN (Finance and SCM)

| Performance Indicator |   | Reporting period | Annual Target   | Q1  | Q2  | Q3  | Q4  |
|-----------------------|---|------------------|---|---|---|---|---|
| 4.                    | Percentage change in the irregular expenditure baseline   | Quarterly        | 80% reduction of the irregular expenditure baseline                           | -   | -   | -   | 80% reduction of the irregular expenditure baseline                           |
| 5.                    | Percentage of compliant invoices paid within 30 days      | Quarterly        | 100% compliant invoices paid within 30 days                                   | 100% compliant invoices paid within 30 days                                   | 100% compliant invoices paid within 30 days                                   | 100% compliant invoices paid within 30 days                                   | 100% compliant invoices paid within 30 days                                   |
| 6.                    | Percentage of bids awarded within prescribed timeframes   | Quarterly        | 65% of bids awarded within 56 working days of closure of tender advertisement | 65% of bids awarded within 56 working days of closure of tender advertisement | 65% of bids awarded within 56 working days of closure of tender advertisement | 65% of bids awarded within 56 working days of closure of tender advertisement | 65% of bids awarded within 56 working days of closure of tender advertisement |
| 7.                    | Percentage of quotations awarded within agreed timeframes | Quarterly        | 88% of quotations awarded within 30 days from requisition date                | 88% of quotations awarded within 30 days from requisition date                | 88% of quotations awarded within 30 days from requisition date                | 88% of quotations awarded within 30 days from requisition date                | 88% of quotations awarded within 30 days from requisition date                |

# 2017/18 ANNUAL PERFORMANCE PLAN (Corporate Services)

| Performance Indicator |  | Reporting period         | Annual Target   | Q1  | Q2  | Q3  | Q4  |
|-----------------------|--|--------------------------|---|---|---|---|---|
| 8.                    | Percentage of funded prioritised vacancies filled as per recruitment plan                        | Quarterly                | 100% funded prioritised vacancies filled within 6 months from the date of advertisement | -   | 100% funded prioritised vacancies filled within 6 months from the date of advertisement | 100% funded prioritised vacancies filled within 6 months from the date of advertisement | 100% funded prioritised vacancies filled within 6 months from the date of advertisement |
| 9.                    | Number of property management modules implemented  | Quarterly                | 1 module implemented for PMTE (Capital Budget and Project Management)                   | 1 module implemented at HO  | 1 module implemented at 4 Regional Offices  | 1 module implemented at 3 Regional Offices  | 1 module implemented at 4 Regional Offices  |
| 10.                   | ERP system developed for the public works sector   | Quarterly (cumulatively) | Assessment of current ERP across the sector   | Assessment of current ERPs in 3 provinces   | Assessment of current ERPs in 6 provinces   | Assessment of current ERPs in 9 provinces   | Consolidated sector report on the ERP for all 9 provinces                               |
| 11.                   | Percentage of reported fraud and corruption misconduct cases subjected to disciplinary processes | Quarterly                | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes | 100% reported fraud and corruption misconduct cases subjected to disciplinary processes |
| 12.                   | Percentage of default judgments against the Department prevented                                 | Quarterly                | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 | 100% default judgments against the Department prevented                                 |

## BUDGET ALLOCATION FOR PROGRAMME 1

| Programme 1: Administration         | Adjusted appropriation | Medium-term expenditure estimate |                |                |
|-------------------------------------|------------------------|----------------------------------|----------------|----------------|
|                                     | 2016/17                | 2017/18                          | 2018/19        | 2019/20        |
|                                     | (R'000)                | (R'000)                          | (R'000)        | (R'000)        |
| Ministry                            | 31 155                 | 37 181                           | 39 719         | 42 282         |
| Management                          | 90 472                 | 102 551                          | 106 457        | 113 900        |
| Corporate Services                  | 275 715                | 238 348                          | 247 463        | 258 026        |
| Finance and Supply Chain Management | 69 264                 | 62 582                           | 64 217         | 68 987         |
| Office Accommodation                | 49 400                 | 53 148                           | 54 492         | 57 268         |
|                                     |                        |                                  |                |                |
| <b>Total</b>                        | <b>516 006</b>         | <b>493 810</b>                   | <b>512 348</b> | <b>540 463</b> |

## BUDGET ALLOCATION FOR PROGRAMME 1: ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b> | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                |                |
|---------------------------------------|-------------------------------|---|----------------|----------------|
|                                       | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b> | <b>2019/20</b> |
|                                       | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b> | <b>(R'000)</b> |
| <b>Current payments</b>               | <b>486 029</b>                | <b>480 161</b>                          | <b>494 881</b> | <b>526 658</b> |
| Compensation of employees             | 254 247                       | 250 032                                 | 269 759        | 290 316        |
| Goods and services                    | 231 782                       | 230 129                                 | 225 122        | 236 342        |
|                                       |                               |   |                |                |
| <b>Transfers and subsidies</b>        | <b>7 650</b>                  | <b>5 264</b>                            | <b>5 882</b>   | <b>6 230</b>   |
| Provinces and municipalities          | 6                             | 6                                       | 6              | 6              |
| Households                            | 7 644                         | 5 258                                   | 5 876          | 6 224          |
|                                       |                               |   |                |                |
| <b>Payments for capital assets</b>    | <b>22 327</b>                 | <b>8 385</b>                            | <b>11 585</b>  | <b>7 575</b>   |
| Machinery and equipment               | 22 327                        | 8 385                                   | 11 585         | 7 575          |
|                                       |                               |   |                |                |
| <b>Total</b>                          | <b>516 006</b>                | <b>493 810</b>                          | <b>512 348</b> | <b>540 463</b> |

# BUDGET ANALYSIS – PROGRAMME 1

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

Over the medium term, the expenditure on transfers and subsidies is projected to increase at an average rate of 1.5 per cent, and this is due to decreased budget for compensation of employees, goods and services, payments for capital assets as well as reprioritisation of funds to Programme 2 for the operationalization of the Professional Services function.

# PROGRAMME 2

## Intergovernmental Coordination

# 2017/18 ANNUAL PERFORMANCE PLAN (IGC)

## STRATEGIC GOAL

- To provide oversight of the Public Works Sector

## STRATEGIC OBJECTIVE

- To ensure integrated planning and coordination of concurrent functions

| Performance Indicator  | Audited/ Actual Performance |         |  | Estimated Performance 2016/17   | Medium-Term Targets   |   |   |
|--|-----------------------------|---------|--|---|---|---|---|
|  | 2013/14                     | 2014/15 | 2015/16  |   | 2017/18   | 2018/19   | 2019/20   |
| 1<br>Number of performance review reports for the Sector Programme of Action presented to MinMec | –                           | –       | –  | –   | 2 performance review reports for the 2017/18 Sector Programme of Action presented to MinMec | 4 performance review reports for the 2018/19 Sector Programme of Action presented to MinMec | 4 performance review reports for the 2019/20 Sector Programme of Action presented to MinMec |
| 2<br>Number of agreements signed for joint service delivery with Provinces and Municipalities    | –                           | –       | 2 agreements signed for joint service delivery with Provinces and Municipalities | 10 agreements signed for joint service delivery with Provinces and Municipalities | 20 agreements signed for joint service delivery with Provinces and Municipalities           | 25 agreements signed for joint service delivery with Provinces and Municipalities           | 30 agreements signed for joint service delivery with Provinces and Municipalities           |



# 2017/18 ANNUAL PERFORMANCE PLAN (IGC)

| Performance Indicator | Audited/ Actual Performance  |         |         | Estimated Performance 2016/17                  | Medium-Term Targets  |  |  |   |
|-----------------------|--|---------|---------|--|--|--|--|---|
|                       | 2013/14  | 2014/15 | 2015/16 |  | 2017/18  | 2018/19  | 2019/20  |   |
| 3                     | Number of reviews conducted on the intergovernmental governance structures | -       | -       | Intergovernmental Coordination Policy approved | 2 reviews conducted on the intergovernmental governance structures | 2 reviews conducted on the intergovernmental governance structures | 2 reviews conducted on the intergovernmental governance structures | 1 review conducted on the intergovernmental governance structures |
| 4                     | Number of Policy Frameworks developed for the Public Works Sector          | -       | -       | -  | 2 Policy Frameworks developed for the Public Works Sector          | 1 Policy Frameworks developed for the Public Works Sector          | 1 Policy Frameworks developed for the Public Works Sector          | 1 Policy Frameworks developed for the Public Works Sector         |

# 2017/18 ANNUAL PERFORMANCE PLAN (Professional Services)

## STRATEGIC GOAL

- To build State capacity in the Built Environment Professions

## STRATEGIC OBJECTIVE

- To restore the skills pipeline in the built environment

| Performance Indicator   | Audited/ Actual Performance  |  |   | Estimated Performance 2016/17   | Medium-Term Targets   |   |  |
|---|--|--|---|---|---|---|--|
|   | 2013/14  | 2014/15  | 2015/16   |   | 2017/18   | 2018/19   | 2019/20  |
| 5. Number of beneficiaries participating in the DPW/PMTE skills development programme | 1 027 beneficiaries participating in the DPW skills improvement <ul style="list-style-type: none"> <li>• 198 Young professionals</li> <li>• 539 interns</li> <li>• 261 Learnerships</li> <li>• 29 Management Trainees</li> </ul> | 1 114 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• 189 Young professionals</li> <li>• 582 interns</li> <li>• 249 Learnerships</li> <li>• 55 Management Trainees</li> </ul> | 1 294 Beneficiaries participating in the DPW Skills Development <ul style="list-style-type: none"> <li>• 90 Young Professionals</li> <li>• 700 Interns</li> <li>• 319 Learnerships</li> <li>• 52 Management Trainees</li> <li>• 133 Programme Artisans</li> </ul> DPW APP 2017/18 | 1 067 beneficiaries participating in the DPW skills development programme | 1 075 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• Young Professionals: 104</li> <li>• Interns: 199</li> <li>• Learnerships: 396</li> <li>• Management Trainees: 43</li> <li>• Programme Artisans: 100</li> <li>• Bursary Programme: 233</li> </ul> | 520 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• Young Professionals: 104</li> <li>• Interns: 50</li> <li>• Learnerships: 120</li> <li>• Management Trainees: 0</li> <li>• Programme Artisans: 100</li> <li>• Bursary Programme: 146</li> </ul> | 350 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• Young Professionals: 54</li> <li>• Interns: 50</li> <li>• Learnerships: 0</li> <li>• Management Trainees: 0</li> <li>• Programme Artisans: 100</li> <li>• Bursary Programme: 146</li> </ul> |

# 2017/18 ANNUAL PERFORMANCE PLAN (Professional Services)

## STRATEGIC GOAL

- To build State capacity in the Built Environment Professions

## STRATEGIC OBJECTIVE

- To introduce Asset Management Tools that enable establishment of institutional capacity to manage the public infrastructure programme(s)

| Performance Indicator  | Audited/ Actual Performance |         |         | Estimated Performance 2016/17 | Medium-Term Targets   |  |  |
|--|-----------------------------|---------|---------|-------------------------------|---|--|--|
|  | 2013/14                     | 2014/15 | 2015/16 |                               | 2017/18   | 2018/19  | 2019/20  |
| 6. Number of Asset Management Service tools approved (within the different GIAMA phases) | -                           | -       | -       | -                             | 2 Asset Management Service tools approved for the acquisition phase | 2 Asset Management Service tools approved for the operations phase | 1 Asset Management Service tools approved for the construction phase |

# 2017/18 ANNUAL PERFORMANCE PLAN (IGC)

| Performance Indicator |   | Reporting period | Annual Target   | Q1   | Q2  | Q3   | Q4  |
|-----------------------|---|------------------|---|--|---|--|---|
| 1.                    | Number of performance review reports for the Sector Programme of Action presented to MinMec | Bi annual        | 2 performance review reports for the 2017/18 Sector Programme of Action presented to MinMec   | -  | 1 performance review reports for the 2017/18 Sector Programme of Action presented to MinMec | -  | 1 performance review reports for the 2017/18 Sector Programme of Action presented to MinMec |
| 2.                    | Number of agreements signed for joint service delivery with Provinces and Municipalities    | Quarterly        | 20 agreements signed for joint service delivery with Provinces and Municipalities   | 5 agreements signed for joint service delivery with Provinces and Municipalities | 5 agreements signed for joint service delivery with Provinces and Municipalities            | 5 agreements signed for joint service delivery with Provinces and Municipalities | 5 agreements signed for joint service delivery with Provinces and Municipalities            |
| 3.                    | Number of reviews conducted on the intergovernmental governance structures                  | Annual           | 2 reviews conducted on the intergovernmental governance structures  | -  | -   | -  | 2 reviews conducted on the intergovernmental governance structures                          |
| 4.                    | Number of Policy Frameworks developed for the Public Works Sector                           | Annual           | 2 Sector Policy Frameworks developed for the Public Works Sector<br><ul style="list-style-type: none"> <li>- Maintenance Framework</li> <li>- Institutional Frameworks on Small Harbours</li> </ul> | -  | -   | -  | 2 Sector Policy Frameworks developed for the Public Works Sector                            |

## 2017/18 ANNUAL PERFORMANCE PLAN (Professional Services)

| Performance Indicator |   | Reporting period | Annual Target   | Q1 | Q2 | Q3  | Q4  |
|-----------------------|---|------------------|---|----|----|---|---|
| 5.                    | Number of beneficiaries participating in DPW skills development programme             | Annual           | 1 075 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• Young Professionals: 104</li> <li>• Interns: 199</li> <li>• Learnerships: 396</li> <li>• Management Trainees: 43</li> <li>• Programme Artisans: 100</li> <li>• Bursary Programme: 233</li> </ul> | -  | -  | -   | 1 075 beneficiaries participating in the DPW skills development programme <ul style="list-style-type: none"> <li>• Young Professionals: 104</li> <li>• Interns: 199</li> <li>• Learnerships: 396</li> <li>• Management Trainees: 43</li> <li>• Programme Artisans: 100</li> <li>• Bursary Programme: 233</li> </ul> |
| 6.                    | Number of Asset Management Service tools approved (within the different GIAMA phases) | Quarterly        | 2 Asset Management Service tools approved for the acquisition phase   | -  | -  | 1 Asset Management Service tool for construction approved | 1 Asset Management Service tool for property management approved.   |

## BUDGET ALLOCATION FOR PROGRAMME 2

| Programme 2: Intergovernmental Coordination  | Adjusted appropriation | Medium-term expenditure estimate |               |               |
|--|------------------------|----------------------------------|---------------|---------------|
|  | 2016/17                | 2017/18                          | 2018/19       | 2019/20       |
|  | (R'000)                | (R'000)                          | (R'000)       | (R'000)       |
| Monitoring, Evaluation and Reporting         | 14 903                 | 14 026                           | 15 000        | 16 055        |
| Intergovernmental Relations and Coordination | 13 736                 | 46 204                           | 50 040        | 53 208        |
| <b>Total</b>                                 | <b>28 639</b>          | <b>60 230</b>                    | <b>65 040</b> | <b>69 263</b> |

## BUDGET ALLOCATION FOR PROGRAMME 2: ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b> | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                |                |
|---------------------------------------|-------------------------------|---|----------------|----------------|
|                                       | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b> | <b>2019/20</b> |
|                                       | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b> | <b>(R'000)</b> |
| <b>Current payments</b>               | <b>26 339</b>                 | <b>54 355</b>                           | <b>59 165</b>  | <b>63 108</b>  |
| Compensation of employees             | 20 281                        | 39 273                                  | 43 015         | 46 066         |
| Goods and services                    | 6 058                         | 15 082                                  | 16 150         | 17 042         |
|                                       |                               |   |                |                |
| <b>Transfers and subsidies</b>        | <b>300</b>                    | <b>5 150</b>                            | <b>5 150</b>   | <b>5 430</b>   |
| Households                            | 300                           | 5 150                                   | 5 150          | 5 430          |
|                                       |                               |   |                |                |
| <b>Payments for capital assets</b>    | <b>2 000</b>                  | <b>725</b>                              | <b>725</b>     | <b>725</b>     |
| Machinery and equipment               | 2 000                         | 725                                     | 725            | 725            |
|                                       |                               |   |                |                |
| <b>Total</b>                          | <b>28 639</b>                 | <b>60 230</b>                           | <b>65 040</b>  | <b>69 263</b>  |

## BUDGET ANALYSIS – PROGRAMME 2

The spending focus over the medium-term will be on improving cooperative governance across the three spheres of Government in partnership with relevant State Entities and ensuring integrated planning and implementation of identified public works sector priorities.

The average growth in the allocation to the programme over the medium term period is 30.1 per cent, and the increase is mainly due to the operationalisation of a dedicated Professional Services function in the Department. The bulk of the expenditure in this programme is spent towards compensation of employees as well as goods and services. The increase is being financed through the reprioritisation of funds from Programme 1. The Department has prioritised the operationalisation of the Professional Services function to give effect to the mandate to create technical capacity for the State in the built environment. The mandate of Professional Services is aligned to Chapter 9 of the National Development Plan and Outcome 5 in the Medium Term Strategic Framework.



# PROGRAMME 3

EXPANDED PUBLIC WORKS PROGRAMME

# 2017/18 ANNUAL PERFORMANCE PLAN

## STRATEGIC GOAL

- To provide an oversight role in the implementation of Public Employment Programmes (PEPs) through Expanded Public Works Programme (EPWP) standardised frameworks

| Performance Indicator  | Audited/ Actual Performance   |   |   | Estimated Performance 2016/17  | Medium-Term Targets   |  |  |  |
|--|---|---|---|--|---|--|--|--|
|  | 2013/14   | 2014/15   | 2015/16   |  | 2017/18   | 2018/19  | 2019/20  |  |
| Strategic Objective: To monitor and evaluate the implementation of PEPs within the EPWP.   |   |   |   |  |   |  |  |  |
| 1.   | Number of work opportunities reported in the EPWP-RS by public bodies   | 1 012 664 validated work opportunities reported.                                      | 1 103 983 validated work opportunities reported.                                      | 741 540 validated work opportunities reported.   | 1 343 154 work opportunities reported in the EPWP-RS by public bodies.              | 1 406 736 work opportunities reported in the EPWP-RS by public bodies. | 1 455 840 work opportunities reported in the EPWP-RS by public bodies. | 1 455 000 work opportunities reported in the EPWP-RS by public bodies. |
| 2.   | Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies | 49% Youth (496 205)<br>61% Women (617 725)<br>0.98% persons with disabilities (9 924) | 51% Youth (563 031)<br>63% Women (695 509)<br>0.71% persons with disabilities (7 838) | 45.94% Youth (340 663)<br>68.52% Women (508 103)<br>1.68% persons with disabilities (12 457) | 55% Youth (738 735)<br>55% Women (738 735)<br>2% persons with disabilities (26 863) | 55% Youth<br>55% Women<br>2% persons with disabilities                 | 55% Youth<br>55% Women<br>2% persons with disabilities                 | 55% Youth<br>55% Women<br>2% persons with disabilities                 |
| 3.   | Number of data quality assessment reports produced.   | –   | –   | –  | 2 data quality assessment reports produced.   | 2 data quality assessment reports produced.                            | 2 data quality assessment reports produced.                            | 2 data quality assessment reports produced.                            |
| Strategic Objective: To support NPOs to implement PEPs within EPWP in the Non-State Sector |   |   |   |  |   |  |  |  |
| 4.   | Number of contracted Non Profit Organisations (NPOs) to implement the Non-State Sector (NSS): Non Profit Organisations Programme supported. | 329 NPOs contracted.  | 300 NPOs contracted.  | 396 NPOs contracted.<br>DPW APP 2017/18  | 300 NPOs contracted.  | 350 contracted NPOs supported.   | 400 contracted NPOs supported.   | 400 contracted NPOs supported.<br>50                                   |

# 2017/18 ANNUAL PERFORMANCE PLAN

| Performance Indicator   | Audited/ Actual Performance                              |   |   | Estimated Performance 2016/17                       | Medium-Term Targets   |  |  |  |
|---|--|---|---|---|---|--|--|--|
|   | 2013/14  | 2014/15   | 2015/16   |   | 2017/18   | 2018/19  | 2019/20  |  |
| Strategic Objective: To support public bodies to implement PEPs within EPWP in the Infrastructure, Social and Environment and Culture Sectors |  |   |   |   |   |  |  |  |
| 5.  | Number of public bodies provided with technical support. | 271 municipalities provided with technical support. | 274 municipalities provided with technical support. | 278 municipalities provided with technical support. | 290 public bodies provided with technical support.                  | 290 public bodies provided with technical support. | 290 public bodies provided with technical support. | 290 public bodies provided with technical support. |
| Strategic Objective: To provide strategic guidance on sector convergence through the development of implementation framework                  |  |   |   |   |   |  |  |  |
| 6.  | Number of frameworks on sector convergence approved.     | -   | -   | -   | 1 Framework approved (Recruitment guidelines on EPWP Participants). | 1 Framework approved (Audit guidelines).           | 1 Framework approved.                              | 1 Framework approved.                              |

# 2017/18 ANNUAL PERFORMANCE PLAN

| Performance Indicator |   | Reporting period          | Annual Target  | Q1   | Q2   | Q3   | Q4   |
|-----------------------|---|---------------------------|--|--|--|--|--|
| 1.                    | Number of work opportunities reported in the EPWP-RS by public bodies   | Quarterly<br>(Cumulative) | 1 406 736 work opportunities reported in the EPWP-RS by public bodies. | 250 000 work opportunities reported in the EPWP-RS by public bodies. | 650 000 work opportunities reported in the EPWP-RS by public bodies. | 950 000 work opportunities reported in the EPWP-RS by public bodies. | 1 406 736 work opportunities reported in the EPWP-RS by public bodies. |
| 2.                    | Percentage EPWP participation among designated groups (women, youth and persons with disabilities) reported on the EPWP RS by public bodies | Quarterly<br>(Cumulative) | 55% Youth<br><br>55% Women)<br><br>2% persons with disabilities        | 55% Youth<br><br>55% Women)<br><br>2% persons with disabilities      | 55% Youth<br><br>55% Women)<br><br>2% persons with disabilities      | 55% Youth<br><br>55% Women)<br><br>2% persons with disabilities      | 55% Youth<br><br>55% Women)<br><br>2% persons with disabilities        |
| 3.                    | Number of data quality assessment reports produced.   | Bi-annual<br>(Cumulative) | 2 data quality assessment reports produced.                            | -  | 1 data quality assessment report produced.                           | -  | 2 data quality assessment report produced.                             |
| 4.                    | Number of contracted Non Profit Organisations (NPOs) to implement the Non-State Sector (NSS): NPO Programme supported.                      | Quarterly<br>(Cumulative) | 350 contracted NPOs supported.   | -  | 350 contracted NPOs supported.                                       | 350 contracted NPOs supported.                                       | 350 contracted NPOs supported.   |
| 5.                    | Number of public bodies provided with technical support.  | Bi-annual<br>(Cumulative) | 290 public bodies provided with technical support.                     | -  | 200 public bodies provided with technical support                    | -  | 290 public bodies provided with technical support                      |
| 6.                    | Number of frameworks on sector convergence approved   | Bi-annual<br>(Cumulative) | 1 Framework approved (Audit guidelines). DPW APP 2017/18               | -  | Draft framework developed for consultation                           | -  | 1 Framework approved. 52   |

## BUDGET ALLOCATION FOR PROGRAMME 3

| Programme 3: Expanded Public Works Programme   | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|--|------------------------|----------------------------------|------------------|------------------|
|  | 2016/17                | 2017/18                          | 2018/19          | 2019/20          |
|  | (R'000)                | (R'000)                          | (R'000)          | (R'000)          |
| EPWP Monitoring and Evaluation                 | 81 085                 | 70 135                           | 65 107           | 70 827           |
| EPWP Infrastructure                            | 1 166 222              | 1 191 281                        | 1 242 795        | 1 337 669        |
| EPWP Operations                                | 1 008 379              | 1 077 092                        | 1 148 675        | 1 213 434        |
| EPWP Partnership Support                       | 56 504                 | 68 539                           | 69 155           | 73 620           |
| EPWP Public Employment Coordinating Commission | 7 310                  | 7 536                            | 7 494            | 8 035            |
| <b>Total</b>                                   | <b>2 319 500</b>       | <b>2 414 583</b>                 | <b>2 533 226</b> | <b>2 703 585</b> |

## BUDGET ALLOCATION FOR PROGRAMME 3: ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b> | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                  |                  |
|---------------------------------------|-------------------------------|---|------------------|------------------|
|                                       | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b>   | <b>2019/20</b>   |
|                                       | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b>   | <b>(R'000)</b>   |
| <b>Current payments</b>               | <b>290 933</b>                | <b>315 290</b>                          | <b>316 797</b>   | <b>340 245</b>   |
| Compensation of employees             | 154 748                       | 156 379                                 | 163 207          | 175 631          |
| Goods and services                    | 136 185                       | 158 911                                 | 153 590          | 164 614          |
|                                       |                               |   |                  |                  |
| <b>Transfers and subsidies</b>        | <b>2 026 079</b>              | <b>2 096 681</b>                        | <b>2 213 665</b> | <b>2 360 577</b> |
| Provinces and municipalities          | 1 425 662                     | 1 472 609                               | 1 553 329        | 1 663 263        |
| Non-profit institutions               | 600 257                       | 623 904                                 | 660 158          | 697 126          |
| Households                            | 160                           | 168                                     | 178              | 188              |
|                                       |                               |   |                  |                  |
| <b>Payments for capital assets</b>    | <b>2 488</b>                  | <b>2 612</b>                            | <b>2 764</b>     | <b>2 763</b>     |
| Machinery and equipment               | 2 488                         | 2 612                                   | 2 764            | 2 763            |
|                                       |                               |   |                  |                  |
| <b>Total</b>                          | <b>2 319 500</b>              | <b>2 414 583</b>                        | <b>2 533 226</b> | <b>2 703 585</b> |

## BUDGET ANALYSIS – PROGRAMME 3

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

The average increase of 5.3 per cent in spending between 2013/14 and 2015/16 was due to the allocation of additional funding in the form of performance incentives to eligible public bodies for the creation effort in support of the Phase III. Over the medium-term, the budget for the Expanded Public Works Programme will increase at an average of 5 per cent with the bulk of the of the expenditure going towards the transfers to Provinces, Municipalities and Non-Profit Organisations for the creation of job opportunities.

# PROGRAMME 4

PROPERTY AND CONSTRUCTION  
INDUSTRY POLICY AND RESEARCH



# 2017/18 ANNUAL PERFORMANCE PLAN

## STRATEGIC GOAL

- Transform the Construction and Property Sectors through the development of policy and legislative prescripts

## STRATEGIC OBJECTIVE

- To research and develop policies and legislative prescripts for the construction and property sectors

| Performance Indicator   | Audited/ Actual Performance |                                |                             | Estimated Performance 2016/17   | Medium-Term Targets  |  |  |
|---|-----------------------------|--------------------------------|-----------------------------|---|--|--|--|
|   | 2013/14                     | 2014/15                        | 2015/16                     |   | 2017/18  | 2018/19  | 2019/20                                    |
| 1. Public Works Bill submitted to Parliament                  | –                           | –                              | –                           | Situational analysis and recommended research themes submitted to Minister for approval | Draft Public Works White Paper gazetted for public comment | Public Works White Paper submitted to Cabinet for approval<br>Draft Public Works Bill developed for consultation | Public Works Bill submitted to Parliament  |
| 2. Amended Construction Industry Development Board (cidb) Act | cidb 5 Year Review          | –                              | Prompt regulations gazetted | Draft cidb Amendment Bill developed for consultation                                    | Stakeholder consultation on the draft cidb Amendment Bill  | cidb Amendment Bill submitted to Parliament  | Participation in the Parliamentary process |
| 3. Amended Council for the Built Environment (CBE) Act        | BEP Policy developed        | Consultation on the BEP Policy | –                           | Revised Built Environment Professions (BEP) Policy submitted to Minister for approval   | Stakeholder consultation on the draft CBE Amendment Bill   | CBE Amendment Bill submitted to Parliament   | Participation in the Parliamentary process |

# 2017/18 ANNUAL PERFORMANCE PLAN

| Performance Indicator |  | Reporting period | Annual Target  | Q1   | Q2   | Q3  | Q4   |
|-----------------------|--|------------------|--|--|--|---|--|
| 1.                    | Public Works White Paper developed                         | Quarterly        | Draft Public Works White Paper gazetted for public comment | Draft 1 of Public Works White Paper circulated to stakeholders for comment | Draft 2 of Public Works White Paper circulated to stakeholders for comment | Draft 3 of Public Works White Paper submitted to Minister for approval to gazette for public comment. | Draft Public Works White Paper gazetted for public comment                   |
| 2.                    | Amended Construction Industry Development Board (cidb) Act | Quarterly        | Stakeholder consultation on the draft cidb Amendment Bill  | -  | -  | Construction industry stakeholders consulted on the Draft cidb Amendment Bill                         | Draft cidb Amendment Bill approved by Minister to gazette for public comment |
| 3.                    | Amended Council for the Built Environment (CBE) Act        | Quarterly        | Stakeholder consultation on the draft CBE Amendment Bill   | -  | -  | Built Environment and Property Sector Stakeholders consulted on the Draft CBE Amendment Bill          | Draft CBE Amendment Bill approved by Minister to gazette for public comment  |

## BUDGET ALLOCATION FOR PROGRAMME 4

| Programme 4: Property and Construction Industry Policy and Research    | Adjusted appropriation | Medium-term expenditure estimate |                  |                  |
|--|------------------------|----------------------------------|------------------|------------------|
|  | 2016/17                | 2017/18                          | 2018/19          | 2019/20          |
|  | (R'000)                | (R'000)                          | (R'000)          | (R'000)          |
| Construction Policy Development Programme                              | 26 243                 | 45 896                           | 49 211           | 52 135           |
| Property Policy Development Programme                                  | 12 665                 | 14 954                           | 16 494           | 17 575           |
| Construction Industry Development Board                                | 52 059                 | 74 984                           | 75 203           | 79 414           |
| Council for the Built Environment                                      | 43 413                 | 48 568                           | 51 385           | 54 263           |
| Construction Education and Training Authority                          | 500                    | 516                              | 546              | 577              |
| Property Management Trading Entity                                     | 3 389 448              | 3 758 922                        | 4 067 372        | 4 283 146        |
| Assistance to Organisations for the Preservation of National Memorials | 28 234                 | 26 031                           | 27 523           | 29 064           |
|  |                        |                                  |                  |                  |
| <b>Total</b>   | <b>3 552 562</b>       | <b>3 969 871</b>                 | <b>4 287 734</b> | <b>4 516 174</b> |

## BUDGET ALLOCATION FOR PROGRAMME 4: ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b>               | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                  |                  |
|---|-------------------------------|---|------------------|------------------|
|   | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b>   | <b>2019/20</b>   |
|   | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b>   | <b>(R'000)</b>   |
| <b>Current payments</b>                             | <b>26 036</b>                 | <b>31 175</b>                           | <b>34 426</b>    | <b>36 696</b>    |
| Compensation of employees                           | 16 284                        | 15 546                                  | 17 021           | 18 316           |
| Goods and services                                  | 9 752                         | 15 629                                  | 17 405           | 18 380           |
|   |                               |   |                  |                  |
| <b>Transfers and subsidies</b>                      | <b>3 526 407</b>              | <b>3 938 396</b>                        | <b>4 253 008</b> | <b>4 479 178</b> |
| Departmental agencies and accounts                  | 3 497 803                     | 3 912 035                               | 4 225 263        | 4 449 880        |
| Foreign governments and international organisations | 28 234                        | 26 031                                  | 27 523           | 29 064           |
| Non-profit institutions (SACLAP)                    | 170                           | 120                                     | -                | -                |
| Households  | 200                           | 210                                     | 222              | 234              |
|   |                               |   |                  |                  |
| <b>Payments for capital assets</b>                  | <b>119</b>                    | <b>300</b>                              | <b>300</b>       | <b>300</b>       |
| Machinery and equipment                             | 119                           | 300                                     | 300              | 300              |
|   |                               |   |                  |                  |
| <b>Total</b>  | <b>3 552 562</b>              | <b>3 969 871</b>                        | <b>4 287 734</b> | <b>4 516 174</b> |

## BUDGET ANALYSIS – PROGRAMME 4

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

The average growth in the allocation to the programme over the medium term period is 8.2 per cent. Expenditure increased in the Programme from R4.9 billion to R3.8 billion in 2015/16 at an average rate negative 8.3 per cent.

Over the medium term, the expenditure on transfers and subsidies is projected to increase at an average rate of 8.3 per cent. An average percentage of 95 per cent of the total budget for the programme is allocated to the Property Management Trading Entity over the MTEF period. Compensation of employees is projected to increase at an average of 4 per cent over the medium term.

# PROGRAMME 5

## PRESTIGE POLICY

# 2017/18 ANNUAL PERFORMANCE PLAN

## STRATEGIC GOAL

- To oversee the efficient delivery of identified services to Prestige Clients

## STRATEGIC OBJECTIVE

- To improve the delivery of services to Prestige clients

| Performance Indicator                  | Audited/ Actual Performance |   |   | Estimated Performance 2016/17 | Medium-Term Targets          |                              |         |
|--|-----------------------------|---|---|-------------------------------|------------------------------|------------------------------|---------|
|  | 2013/14                     | 2014/15   | 2015/16   |                               | 2017/18                      | 2018/19                      | 2019/20 |
| 1 Number of Prestige policies approved | –                           | Norms and standards for provision of accommodation for President, Deputy President and Members of the Executive developed | Policy guidelines on installation, management and maintenance of security infrastructure at National Key Points developed | 4 Prestige policies approved  | 4 Prestige policies approved | 3 Prestige policies approved | -       |

# 2017/18 ANNUAL PERFORMANCE PLAN

| Performance Indicator   | Audited/ Actual Performance                               |   |   | Estimated Performance 2016/17   | Medium-Term Targets   |   |   |
|---|---|---|---|---|---|---|---|
|   | 2013/14   | 2014/15   | 2015/16   |   | 2017/18   | 2018/19   | 2019/20   |
| 2. Average number of working days taken to resolve mechanical breakdowns after logging of complaint | 30 working days taken to resolve mechanical breakdowns    | 30 working days taken to resolve mechanical breakdowns    | 30 working days taken to resolve mechanical breakdowns    | 20 working days taken to resolve mechanical breakdowns after logging of complaint by Prestige clients           | 15 working days taken to resolve mechanical breakdowns after logging of complaint by Prestige clients           | 10 working days taken to resolve mechanical breakdowns after logging of complaint by Prestige clients           | 5 working days taken to resolve mechanical breakdowns after logging of complaint by Prestige clients            |
| 3. Average number of working days taken to resolve emergency breakdowns after logging of complaint  | 5 days taken to resolve emergency breakdowns              | 5 days taken to resolve emergency breakdowns              | 5 days taken to resolve emergency breakdowns              | 4 days taken to resolve emergency breakdowns after logging of complaint by Prestige clients                     | 2 days taken to resolve emergency breakdowns after logging of complaint by Prestige clients                     | 1 day taken to resolve emergency breakdowns after logging of complaint by Prestige clients                      | 1 day taken to resolve emergency breakdowns after logging of complaint by Prestige clients                      |
| 4. Number of planned State events supported with movable structures                                 | 12 planned State events supported with movable structures | 13 planned State events supported with movable structures | 15 planned State events supported with movable structures | 8 planned State events supported with movable structures  | 8 planned State events supported with movable structures  | 8 planned State events supported with movable structures  | 12 planned State events supported with movable structures   |
| 5. Average number of working days taken to provide Movable Assets to Prestige clients               | -   | -   | -   | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. |



# 2017/18 ANNUAL PERFORMANCE PLAN

| Performance Indicator |  | Reporting period | Annual Target   | Q1  | Q2  | Q3  | Q4  |
|-----------------------|--|------------------|---|---|---|---|---|
| 1.                    | Number of Prestige policies approved   | Quarterly        | 4 Prestige policies approved  | 1 Prestige policy approved  | 1 Prestige policy approved  | 1 Prestige policy approved  | 1 Prestige policy approved  |
| 2.                    | Average number of working days taken to resolve mechanical breakdowns after logging of complaint | Quarterly        | 15 working days to resolve mechanical breakdowns after logging of complaint by Prestige clients                 | 15 working days to resolve mechanical breakdowns after logging of complaint by Prestige clients                 | 15 working days to resolve mechanical breakdowns after logging of complaint by Prestige clients                 | 15 working days to resolve mechanical breakdowns after logging of complaint by Prestige clients                 | 15 working days to resolve mechanical breakdowns after logging of complaint by Prestige clients                 |
| 3.                    | Average number of working days taken to resolve emergency breakdowns after logging of complaint  | Quarterly        | 2 working days to resolve emergency breakdowns after logging of complaint by Prestige client                    | 2 working days to resolve emergency breakdowns after logging of complaint by Prestige client                    | 2 working days to resolve emergency breakdowns after logging of complaint by Prestige client                    | 2 working days to resolve emergency breakdowns after logging of complaint by Prestige client                    | 2 working days to resolve emergency breakdowns after logging of complaint by Prestige client                    |
| 4.                    | Number of planned State events supported with movable structures                                 | Quarterly        | 8 Planned State events supported with movable structures  | 2 Planned State events supported with movable structures  | 2 Planned State events supported with movable structures  | 2 Planned State events supported with movable structures  | 2 Planned State events supported with movable structures  |
| 5.                    | Average number of working days taken to provide furniture to Prestige clients                    | Quarterly        | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. | 60 working days to provide Movable assets (office and residential) to Prestige Clients from receipt of request. |

## BUDGET ALLOCATION FOR PROGRAMME 5

| Programme 5: Prestige Policy               | Adjusted appropriation | Medium-term expenditure estimate |               |                |
|--|------------------------|----------------------------------|---------------|----------------|
|  | 2016/17                | 2017/18                          | 2018/19       | 2019/20        |
|  | (R'000)                | (R'000)                          | (R'000)       | (R'000)        |
|  |                        |                                  |               |                |
| Prestige Accommodation and State Functions | 86 520                 | 89 585                           | 85 272        | 97 065         |
| Parliamentary Villages Management Board    | 9 572                  | 10 051                           | 10 634        | 11 230         |
|  |                        |                                  |               |                |
| <b>Total</b>                               | <b>96 092</b>          | <b>99 636</b>                    | <b>95 906</b> | <b>108 295</b> |

## BUDGET ALLOCATION FOR PROGRAMME 5: ECONOMIC CLASSIFICATION

| <b><u>Economic classification</u></b> | <b>Adjusted appropriation</b> | <b>Medium-term expenditure estimate</b> |                |                |
|---------------------------------------|-------------------------------|---|----------------|----------------|
|                                       | <b>2016/17</b>                | <b>2017/18</b>                          | <b>2018/19</b> | <b>2019/20</b> |
|                                       | <b>(R'000)</b>                | <b>(R'000)</b>                          | <b>(R'000)</b> | <b>(R'000)</b> |
| <b>Current payments</b>               | <b>75 746</b>                 | <b>79 385</b>                           | <b>76 972</b>  | <b>83 463</b>  |
| Compensation of employees             | 26 265                        | 25 183                                  | 25 345         | 27 497         |
| Goods and services                    | 49 481                        | 54 202                                  | 51 627         | 55 966         |
|                                       |                               |   |                |                |
| <b>Transfers and subsidies</b>        | <b>9 772</b>                  | <b>10 251</b>                           | <b>10 834</b>  | <b>11 430</b>  |
| Departmental agencies and accounts    | 9 572                         | 10 051                                  | 10 634         | 11 230         |
| Households                            | 200                           | 200                                     | 200            | 200            |
|                                       |                               |   |                |                |
| <b>Payments for capital assets</b>    | <b>10 574</b>                 | <b>10 000</b>                           | <b>8 100</b>   | <b>13 402</b>  |
| Machinery and equipment               | 10 574                        | 10 000                                  | 8 100          | 13 402         |
|                                       |                               |   |                |                |
| <b>Total</b>                          | <b>96 092</b>                 | <b>99 636</b>                           | <b>95 906</b>  | <b>108 295</b> |

## BUDGET ANALYSIS – PROGRAMME 5

The spending focus over the medium term will be on developing and reviewing policies for the prestige accommodation portfolio in line with the Ministerial Handbook, improving the delivery of services to Prestige clients with regard to the provision of both movable and immovable assets as well as meeting the protocol responsibilities for State functions. Compensation of employees is projected to increase at an average of 3 per cent over the medium term.

The bulk of the expenditure in this programme is spent towards compensation of employees as well as goods and services. The main expenditure item within the goods and services relate to State functions.



# Part C

## SERVICE DELIVERY AREAS TARGETED FOR IMPROVEMENT

| Programme       | Service Delivery Areas  | Improvement Activities  |
|-----------------|---|---|
| EPWP            | <ul style="list-style-type: none"> <li>Improved recruitment procedures in the EPWP</li> </ul>   | <ul style="list-style-type: none"> <li>Undertake awareness campaigns</li> </ul>   |
| Prestige Policy | <ul style="list-style-type: none"> <li>Active Management of client Relations</li> <li>Effective management of lease related payments by Prestige Clients</li> <li>Prestige accommodation enhancement</li> </ul> | <ul style="list-style-type: none"> <li>Develop prestige Client target ratio</li> <li>Develop and implement CRM and Complaints management system</li> <li>Measure Prestige client index (SLA &amp; Batho Pele standards)</li> <li>Implement an optimised lease payment process in line with the lease agreement</li> <li>Conduct condition assessments for Prestige portfolio</li> </ul> |
| Policy          | <ul style="list-style-type: none"> <li>Property Policy Research &amp; Development</li> </ul>  | <ul style="list-style-type: none"> <li>Research, develop and monitor the property management empowerment policy.</li> </ul>   |
| SCM             | <ul style="list-style-type: none"> <li>Infrastructure procurement</li> <li>Tender negotiations prior awarding.</li> </ul>   | <ul style="list-style-type: none"> <li>Establish and institutionalise a dedicated National Bid Adjudication Committee (NBAC) for Infrastructure procurement</li> <li>Develop and implement SOP to facilitate negotiations of tenders prior awarding.</li> </ul>   |

## Strategic Risks

1. Loss of State Resources through Fraud and Corruption
2. Breach of key legislation prescripts, acts, regulations and policies (e.g. PFMA and Treasury Regulations, Safety and Health, GIAMA etc.)
3. Failure to provide quality accommodation within time and cost (i.e. building new, maintaining or refurbishing existing properties)
4. Failure to influence the sector with regards to transformation (Skill development, BBBEE, job creation) in the Construction and Property sector
5. Failure by DPW and PMTE to achieve its EPWP, BBBEE and skills development targets
6. Lack of cooperation that enables seamless service delivery within the sector
7. Failure to integrate business information for cross-cutting functions that informs proper planning

Conditional  
Grants

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EPWP Integrated Grant to Provinces

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EPWP Integrated Grant to Municipalities

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Social Sector EPWP Grant to Provinces

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Non-State Sector Wage Subsidy.



# PUBLIC ENTITIES REPORTING TO THE DEPARTMENT

## Public Entities

- Construction Industry Development Board (cidb)
- Council for the Built Environment (CBE)
- Independent Development Trust (IDT)
- Agrément South Africa (ASA)

## Built Environment Professional Councils

- South African Council for the Property Valuers Profession (SACPVP)
- Engineering Council of South Africa (ECSA)
- The South African Council for the Architectural Profession (SACAP)
- The South African Council for the Quantity Surveying Profession (SACQSP)
- South African Landscape Architectural Professions (SACLAP)
- South African Council for Project and Construction Management Profession (SACPCMP)

**END**



**National Department of Public Works (NDPW)**

**Head Office: Public Works**

**CGO Building**

**Cnr Bosman and Madiba**

**Pretoria Central**

**Private Bag**

**X65**

**Pretoria**

**0001**

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