



OFFICE OF THE
VALUER-GENERAL

Strategic plan
2018/19 – 2022/23

DATE OF TABLING:
2018/03/31

Foreword by the Minister of Rural Development and Land Reform

Resolving the land issue continues to be a key priority of Government as it seeks to redress the economic inequalities and injustices that remained after the abolishment of Apartheid 24 years ago. One of the measures that were implemented as government policy in order to facilitate the redistribution of land in a fair and transparent manner, was the establishment of the Office of the Valuer-General, in terms of the Property Valuation Act (Act no. 17 of 2014), which has the mandate of supporting the programme of Land Reform through providing independent and credible property valuation services. It is envisaged that, through the creation of this entity, land claim values will be settled with greater efficiency and decisiveness, thereby speeding up the process of Land Reform. Although the Office of the Valuer-General will work closely in co-operation with the other institutions in the Rural Development and Land Reform portfolio, it will do so with a significant degree of autonomy that will add further credibility to the Land Reform process for the benefit of all stakeholders.

The Land Reform programme has begun to benefit from the initial work being done by the OVG with the consideration of other constitutional factors beyond market value in the determination of just and equitable values for the acquisition of property.

It thus gives me great pleasure to endorse this, the first Strategic Plan of the Office of the Valuer-General, and I wish the Valuer-General and his team well in the execution of this important mandate.

Ms Maite Nkoana-Mashabane (MP)
Minister of Rural Development and Land Reform

Introduction by the Valuer-General

I am honoured to present the first Strategic Plan of the Office of the Valuer-General (OVG), following its establishment by the Property Valuation Act (Act no. 17 of 2014) and its subsequent listing as a National Public Entity listed in terms of Schedule 3A of the Public Finance Management Act.

Effective 1 April 2018, the OVG will be operating independently as a stand-alone entity, reporting directly to the Minister of Rural Development and Land Reform, and will implemented its own governance structures, systems and processes that will enable it to effectively execute on the critical mandate of ensuring high quality and impartial land valuations for the purposes of Land Reform.

This plan seeks to capture and articulate the strategic direction of the office not only with respect to the aforementioned immediate priority of supporting the process of Land Reform in South Africa, but also with respect to the broader mandate envisioned in the OVG's enabling legislation, of implementing a sustainable business model around a property valuation centre-of-excellence that will provide professional valuation services to government in general on an ongoing basis.

I would like to take this opportunity to thank the Director-General of the Department of Rural Development and Land Reform for the support provided during the establishment of my office.

Mr. Christopher Gavor
Valuer-General (SA)

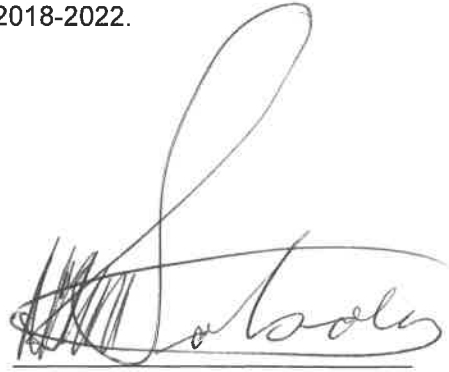
OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the Management of the OVG under the guidance of the Minister.
- Takes into account all the relevant policies, legislation and other mandates for which the OVG is responsible.
- Accurately reflects the strategic-outcome-orientated goals and objectives which the OVG will endeavour to achieve over the period of 2018-2022.

Signature:

Mr. Thapelo Motsoeneng
Executive Manager - Operations



Signature:

Mr. Christopher Gavor (Valuer-General)
Accounting Authority





Signature:

Ms Maite Nkoana-Mashabane (MP)
Minister of Rural Development and Land Reform

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PART A: STRATEGIC OVERVIEW

1. Vision

To be recognised in the market as the centre of excellence and innovation in respect of property valuations, and the professional authority on all land reform-related valuations in particular, thereby enhancing the credibility and efficiency of land reform in South Africa.

2. Mission

- Support land reform by providing impartial, efficient, just and equitable valuation services for all land-reform related matters in the country.
- Promote accurate professional valuations by informing, communicating and monitoring adherence to the criteria and guidelines applicable to land reform valuations; and
- Enhance efficiency and accuracy of valuations through the development of innovative tools and processes, including a database of property value data accessible to the valuation profession as a whole.
- Provide impartial, efficient, equitable and accurate general valuation services to / on behalf of government departments.

3. Values

- Integrity
- Objectivity
- Accountability
- Efficiency
- Transparency
- Impartiality
- Accessibility
- Inclusivity

4. Legislative and other mandates

4.1 Constitutional mandates

The constitutional mandate of the Office of the Valuer-General is derived from section 25 of the Constitution of the Republic of Africa, 1996 (the property clause), which provides for (a) the protection of property; (b) expropriation for a public purpose or in the public interest, subject to the payment of compensation; (c) the nation's commitment to land reform and the provision of equitable access to South Africa's natural resources, with specific reference also to the three land reform programmes (redistribution, tenure reform and restitution); and (d) the taking by the state of legislative and other measures to achieve land and other natural resources reform.

4.2 Legislative mandates

The Office of the Valuer-General discharges its legislative mandate by implementing its foundational act, the Property Valuation Act, 2014 (Act 17 of 2014), which determines that the Office of the Valuer-General must be impartial, exercise its powers and perform its functions, and is accountable to the Minister of Rural Development and Land Reform. The Act states that the Office of the Valuer-General must value all land to be acquired for land reform purposes in accordance with a prescribed set of criteria based on section 25(3) of the Constitution. In addition, the Office of the Valuer-General may, in its discretion, when requested to do so by a national or provincial government department, determine the market value of property to be acquired or disposed of by such government department. The Valuer-General may make recommendations to the Minister of Rural Development and Land

Reform relating to criteria, procedures and guidelines, and compliance monitoring. Such recommendations, and any other matters the Office of the Valuer-General is required or permitted to determine in terms of the Act, may be published as regulations by the Minister of Rural Development and Land Reform.

The Valuer-General, valuers appointed as staff members of the Office of the Valuer-General and external valuers contracted to perform valuations in accordance with the Property Valuation Act, 2014 (Act 17 of 2014) must comply with the following Acts to the extent that they provide for matters pertaining to valuation and valuers:

- Expropriation Act, 1975 (Act 63 of 1975)
- Property Valuers Profession Act, 2000 (Act 47 of 2000) (administered by the Department of Public Works)
- Council for the Built Environment Act, 2000 (Act 43 of 2000) (administered by the Department of Public Works)
- Local Government: Municipal Property Rights, 2004 (Act 6 of 2004) (administered by the Department of Cooperative Governance).

The Office of the Valuer-General must also comply with the provisions relating to land reform and the acquisition, management and disposal of land by national and provincial government departments, as contained in the following Acts:

- Abolition of Certain Title Conditions Act, 1999 (Act 43 of 1999)
- Communal Property Associations Act, 1996 (Act 28 of 1996)
- Conversion of Certain Rights into Leasehold Act, 1988 (Act 81 of 1988)
- Deeds Registries Act, 1937 (Act 47 of 1937)
- Distribution and Transfer of Certain State Land Act, 1993 (Act 119 of 1993)
- Extension of Security of Tenure Act, 1997 (Act 62 of 1997)
- Geomatics Profession Act, 2013 (Act 19 of 2013)
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- Interim Protection of Informal Land Rights Act, 1996 (Act 31 of 1996)
- Kimberley Leasehold Conversion to Freehold Act, 1961 (Act 40 of 1961)
- KwaZulu-Natal Ingonyama Trust Act, 1994 (Act 3 of 1994)
- Land Reform (Labour Tenants) Act, 1996 (Act 3 of 1996)
- Land Administration Act, 1995 (Act 2 of 1995)
- Land Survey Act, 1997 (Act 8 of 1997)
- Land Reform: Provision of Land and Assistance Act, 1993 (Act 126 of 1993)
- Land Titles Adjustment Act, 1993 (Act 111 of 1993)
- Planning Profession Act, 2002 (Act 36 of 2002)
- Provincial State Land Acquisition, Management and Disposal legislation
- Restitution of Land Rights Act, 1994 (Act 22 of 1994)
- Sectional Titles Act, 1986 (Act 95 of 1986)
- Spatial Data Infrastructure Act, 2003 (Act 54 of 2003)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
- State Land Disposal Act, 1961 (Act 48 of 1961)
- Town and Regional Planners Act, 1984 (Act 19 of 1984)
- Transformation of Certain Rural Areas Act, 1998 (Act 94 of 1998)
- Upgrading of Land Tenure Rights Act, 1991 (Act 112 of 1991)

The Office of the Valuer-General must also comply with all relevant provisions of key transversal national Acts such as the -

- Public Finance Management Act, 1999 (Act 1 of 1999)
- Public Service Act, 1994 (Proclamation 103 published in Government Gazette 15791 of 3 June 1994)

(Certain administrative legislation is included in this list as it is deemed to have strategic relevance during the start-up phase of the organisation)

4.3 Government Policy Mandate

The Office of the Valuer-General's policy mandates derive largely from the following key policies:

- National Development Plan (2011): Chapter 6 (an Integrated and Inclusive Rural Economy) provides, in respect of land reform, amongst others, for a model that will enable the more rapid transfer of agricultural land to black beneficiaries and the establishment of an institution that must monitor land markets against instances of corruption, speculation and undue opportunism.
- White Paper on South African Land Policy (1997): the land reform programme consists of three components: restitution, redistribution and tenure reform. A fourth component, land development, was subsequently added by Government.
- Green Paper on Land Reform (2011): In order to attain the long-term goal of development, defined as shared growth and prosperity, relative income equality, full employment and cultural progress, provision is made for the establishment and operationalisation of the statutory office of the Land Valuer-General that would be responsible for the determination of fair and consistent land values for land reform purposes.
- Policy Framework for Land Acquisition and Land Valuation in a Land Reform Context and for the Establishment of the Office of the Valuer-General (2012): The protection of the public interest in land acquisition and property transactions is the overarching rationale for the establishment of the Office of the Valuer-General, whose broad mandate includes both land reform valuations as well as valuation and property advisory services across the entire government system.
- The Office of the Valuer-General must comply with all national and provincial policies that provide in one way or another for matters that impact on the operationalisation of, and the exercise of powers, performance of functions and the execution of responsibilities, by the Office of the Valuer-General. These include, but are not limited to, policies that are administered by the Department of Rural Development and Land Reform and the Department of Public Works.

4.4 Relevant Court Rulings

There are no court cases that impact negatively on the operations, exercise of powers, performance of functions or execution of responsibilities by the Office of the Valuer-General.

4.5 Planned policy initiatives

No policy initiatives are envisaged for the period 2018 – 2020.

5. Situational Analysis

5.1 Performance environment

Political environment	Technological environment
<ul style="list-style-type: none"> - Land reform is a politically charged and sensitive issue in South Africa, particularly given the slow pace and costs incurred by government to-date. - Land ownership patterns continue to be racially skewed, and a greater sense of urgency is building around the issue of land reform. - On the 27th of February 2018 a motion was adopted by the National Assembly to consider amending the Constitution with respect to expropriation of land without compensation. - Land ownership is a particularly emotive issue and there is a need to delicately balance the interests of the public at large and those of the country's economic stability. - Increased scrutiny of valuation processes and outcomes can be expected given this context, and it becomes critical to ensure valuation outcomes are beyond reproach and professionally defensible, particularly where there may be a higher litigation risk. - Legislation already provides certain key interpretations and definitions (for example the definition of "value" in the context of the PVA) that need to be factored into all valuations, some of which may be poorly understood by the general public. - The South African Council for the Property Valuers Profession (SACPVP) will continue to regulate the profession as a whole, but close co-operation with the OVG will be necessary. 	<ul style="list-style-type: none"> - There is currently a lack of a centralized nationwide comprehensive, reliable and collated hub of property data, and the OVG will be expected to address this need. Technology will need to support, for example, data management systems relevant to property valuations such as data mining functionality according to sales prices, land use per district. - Within Land Reform in particular, there may be an inadequate usage of available technology and innovation in arriving at the most accurate property values. For example, the more effective use of GIS systems, property data hubs and analytical tools need to be explored. - Professional valuers involved in Land Reform may not have the specialist skills (technical and technological skills and experience) needed to prepare the required reports in line with international best practice. - Availability of appropriate technology platform for data administration, storage, back up, disaster recovery for future use needs to be considered as this will be critical to creating an enabling and supportive business environment for the OVG. - The availability, relevance, adaptability and cost of a valuations system / software will be a factor in the establishment of the OVG.

Economic environment	Transformational, governance and legislative environment
<ul style="list-style-type: none"> - OVG will necessarily be reliant on appropriations from NRF for funding of operations (administration) and the execution of its mandatory valuations (this is a direct consequence of the PVA provisions). - Slower SA economic growth has resulted in pressure on the fiscus, which is the source of the funds to be appropriated to the OVG. Therefore, the OVG will be sensitive to the levels of funding available from government, ultimately impacting on the extent to which the OVG mandate is achievable. - The property market is volatile and this may increase the risk that the OVG will be called upon to defend a valuation in the context of fluctuating and unpredictable economic circumstances 	<ul style="list-style-type: none"> - As an entity established and funded by government, the OVG will be subject to the provisions of the Public Finance Management Act (PFMA). The PFMA legal framework can be considered complex, with a high compliance requirement. There will also be a high degree of public scrutiny of audit outcomes. The Auditor-General will conduct the annual regulatory audit of the OVG, and a high state of readiness to undergo an audit is required in the first year of operation and beyond. - Legal interpretation of the PVA may result in different views / opinions with respect to the specific role and mandate of the OVG, potentially leading to exposure to court challenges. - No regulations/guidelines envisaged by the PVA have been published by the Minister as yet. - Although the OVG is only in its start-up phase, recruitment practices need to take into account transformation imperatives of the country while balancing these with the need to bring the best experience into the organisation to ensure success. Historically, the demographics of the profession have been skewed.
Social environment	Environmental factors
<ul style="list-style-type: none"> - In line with the political issues already mentioned above, the issue of land ownership is a social problem in that it affects citizens' perceived social status and rights. Although the OVG is not the main driver of land reform (this is the domain of the Department of Rural Development and Land Reform), it is worthwhile considering the social context in which the OVG will need to operate and how this might impact the strategy. - Land reform typically targets rural land and, if well-executed, has the potential to create many new jobs and improve the lives of communities previously excluded from land ownership. However, agricultural land reform, if 	<ul style="list-style-type: none"> - Marginal land, where it forms part of Land Reform, may come under increased pressure. Valuation of agricultural land will need to take into account the complexities of accelerating climate change and water scarcity.

<p>executed poorly, can create new social problems such as food scarcity and increased food prices. Farming enterprises may undergo economic pressures, with a resulting knock-on social effect of job losses in the country.</p> <ul style="list-style-type: none">- The OVG's role in this context will need to constantly be carefully managed and considered in order to protect the organisation and demonstrate a positive impact on society as a whole.	
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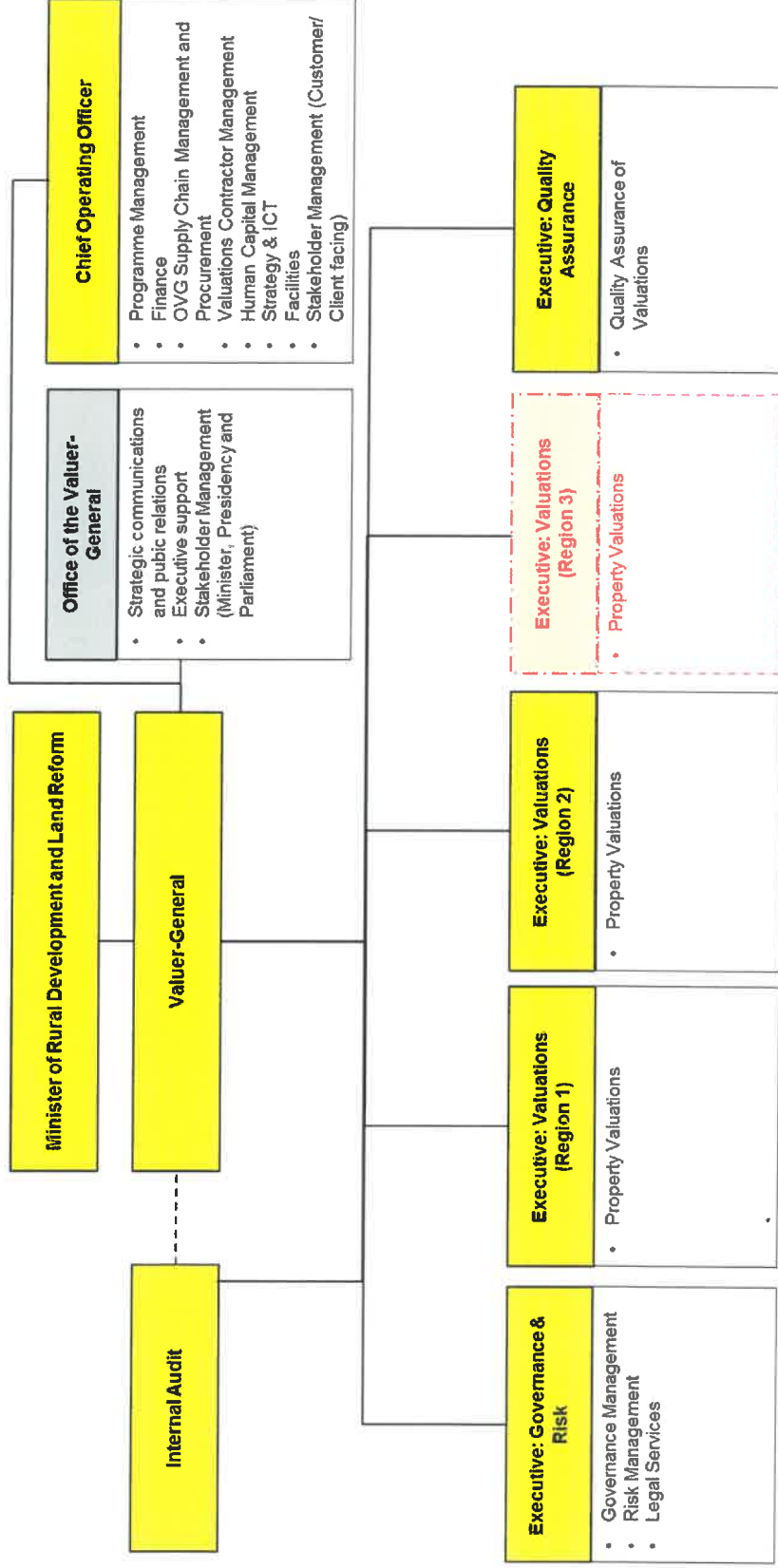
5.2 Organisational environment

This section discusses Organisational environment. The following is discussed:

- A: The organisational structure
- B: The SWOT analysis

A: Current High Level Organisational Structure (see overleaf)

Proposed Macro Structure



B: SWOT analysis

Strengths	Weakness
<ul style="list-style-type: none"> - Importance of mandate is indisputable and will provide great momentum. - Existing market: <ul style="list-style-type: none"> • Mandatory valuations provide a guaranteed revenue stream - Financial stability guaranteed by the State: <ul style="list-style-type: none"> • Established initial funding source; • Budget allocation / appropriation from NRF. - Existing relationships & access to information: <ul style="list-style-type: none"> • DRDLR would facilitate co-operation with Surveyor General Office and Deeds Office. - Professional nature of services will support autonomy / impartiality: <ul style="list-style-type: none"> • Operational Efficiency; • No Government Influence in professional valuation outcomes; • Accountability 	<ul style="list-style-type: none"> - Valuation Staff Capacity to meet demand - Financial <ul style="list-style-type: none"> • HR and support functions capacity needs to be developed - No approved organisational structure as yet - Development of new operational policies and procedures to be finalised and implemented with urgency - New systems to be implemented, ensure adequate internal control in the meantime. - Governance structures need to be appointed / determined (audit committee, risk committee, remuneration committee, etc.). - Relationship with Auditor-General to be established in preparation for first audit
Opportunities	Threats
<ul style="list-style-type: none"> - Potential to grow market <ul style="list-style-type: none"> • Discretionary valuations, e.g. market OVG services to rest of the state (currently limited to departments by the PVA) - Opportunity to inform national and international policy & standards for valuations - Newly developed policies and organisational structure can be tailored to best fit the new institution without the baggage of legacy systems and processes. - Opportunity to profile the OVG as an enabler of equitable land reform – currently an unknown entity with a “clean slate”. 	<ul style="list-style-type: none"> - New institution: <ul style="list-style-type: none"> • Unknown, needs to build reputation and standing with customers, suppliers, parliament and general public - Policy and Standards: <ul style="list-style-type: none"> • Will require cooperation from Government and SACPVP - National Database: <ul style="list-style-type: none"> • Co-operation with Surveyor General Office and Deeds Office to obtain and provide access to data - Capacity constraints could hamper progress and achievement of objectives - Reliance on government funding could impact perceptions about the OVG's impartiality.

- Land Reform process could be severely compromised if valuation bottleneck arises, which would damage the reputation of the OVG
- Financial
 - PVA is not clear on aspects of the business model to be developed and requires legal interpretation. In particular, revenue in respect of mandatory s12(a) valuations can only be recovered through appropriations from the NRF, which appears to contradict the vision for a self-sustainable and autonomous entity.

5.3 Description of the strategic planning process

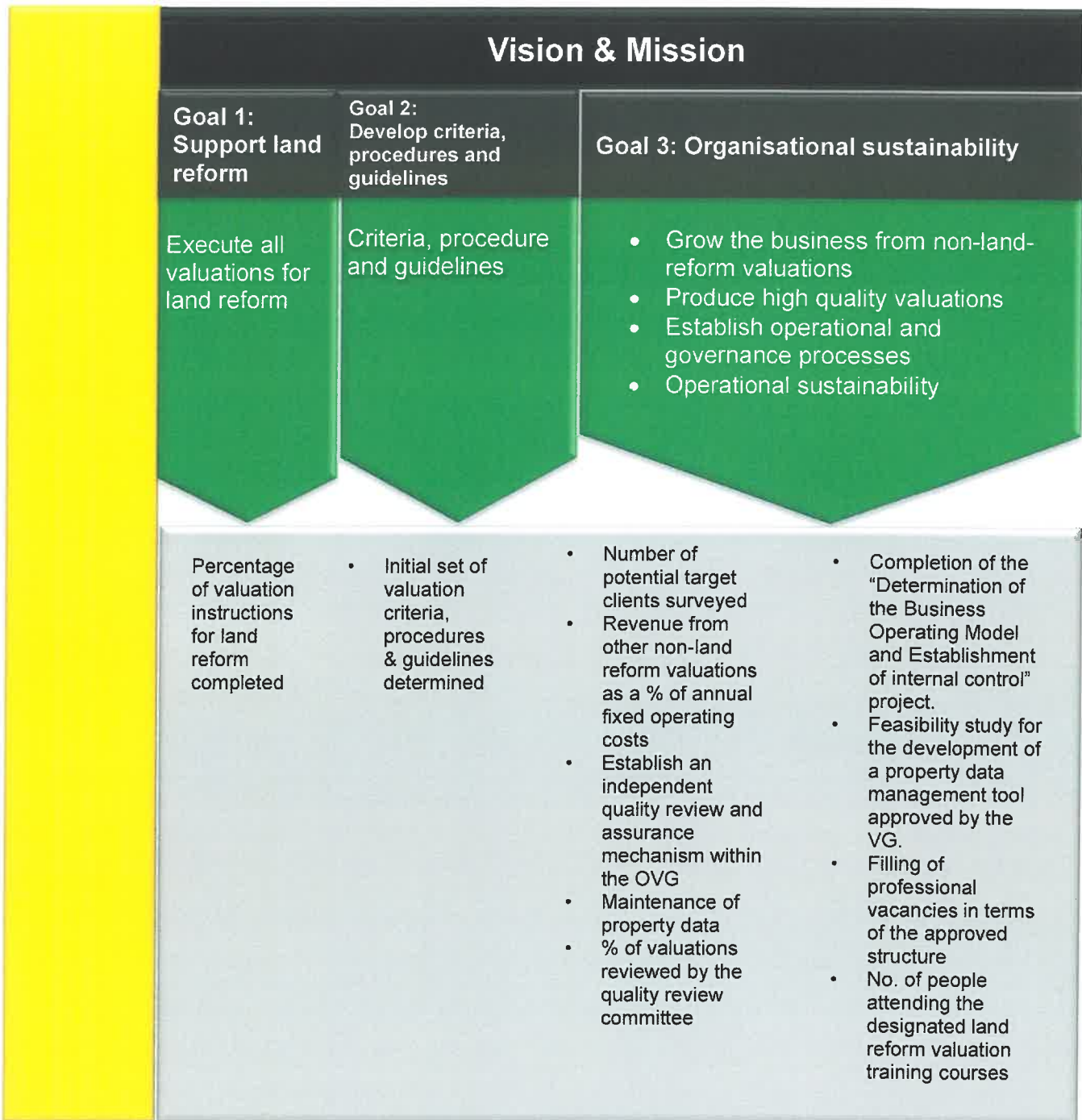
- ▶ In compiling this Strategic Plan, a consultative workshop was held, and was attended by the Valuer-General, the current staff of the OVG, and key representatives from the SACPVP, the Department of Rural Development and Land Reform, the Department of Public Works, COGTA, and other members of the valuation community. The workshop was facilitated by an external service provider. In addition, the following sources of guidance and legislation were considered:
 - ▶ The Framework for Strategic Plans and Annual Performance Plans, issued by the National Treasury, was used in determining the structure and content of the strategic plan, along with the Framework for Managing Programme Performance Information. The OVG will eventually be audited against these frameworks in respect of the reporting of its performance against predetermined objectives, therefore adherence to these frameworks is essential.
 - ▶ The Constitution of the Republic of South Africa 1996 was consulted as the pre-eminent legislation of the country, as the mandate of the OVG is essentially derived from the property rights enshrined in the Bill of Rights, read in the context of equitable Land Reform and the need for redress.
 - ▶ The Property Valuation Act (Act no. 17 of 2014) establishes the mandate and functions of the OVG and provides for the establishment of the Office, with the appointment of the Valuer-General (the Accounting Authority of the OVG) and the Chief Operating Officer (COO) by the Minister. Critical to the development of the OVG's strategic plan, is the understanding that the PVA implies a dual mandate for the OVG consisting of:
 - mandatory property valuer for all Land Reform related valuations,
 - discretionary valuation service provider for government departments in respect of other non-Land Reform related matters.

The second part of the mandate is expected to last into perpetuity, and therefore drives the sustainability of the OVG's business model.

- ▶ An understanding of the Land Reform programmes and policies of Government are key to the development of the OVG strategy, as these drive the primary mandate of the OVG as the only authorised valuer for properties earmarked for Land Reform. The following legislation, inter-alia, has been considered in developing this Strategic Plan:
 - Land Affairs Act 101 of 1987
 - Provision of Land and Assistance Amendment Act (Act 26), amended in 1998
 - Provision of Land and Assistance Amendment Act (Act 58), amended in 2008
 - Restitution of Land Rights Act, 1994 (Act 22 of 1994)
 - Extension of Security of Tenure Act, 1997 (Act 62 of 1997) (ESTA)

The Expropriation Act, 63 of 1975 (and consideration of the Expropriation Bill, 2015), are relevant in that they will be a likely source of valuation requests by government, and hence inform the strategy of the OVG with respect to discretionary valuation services.

6. Strategic outcome-oriented goals



The Office of the Valuer-General has identified three strategic goals it seeks to achieve in the five year period of this plan:

Strategic Outcome Oriented Goal 1	Support land reform
Goal statement	Just and equitable values determined for properties earmarked for land reform

Strategic Outcome Oriented Goal 2	Develop criteria, procedures and guidelines
Goal statement	Standardised valuation practices for land reform valuations

Strategic Outcome Oriented Goal 3	Organisational sustainability
Goal statement	An autonomous, efficient service delivery organisation

PART B: STRATEGIC OBJECTIVES

7. Goal 1: Support Land Reform

7.1. Strategic Objectives

Strategic objective 1	Execute all valuations for land reform
Objective statement	Professional independent valuations performed in respect of all valuation instructions received in accordance with the annual plan agreed with the DRDLR.
Baseline	N/A - no prior year performance
Measure 1	<i>Number of completed valuations, expressed as a percentage of total number of valuations for land reform referred by the DRDLR to the OVG for the period per the agreed annual plan.</i>
Target 1 – 5 year	<i>100% of valuation referrals completed in accordance with the agreed SLA / workplan between OVG and the Commission on the Restitution of Land Rights, for the 5 year period.</i>
Target 1 – 1 year	<i>100% of valuation referrals completed, in accordance with the agreed SLA / work plan between OVG and the DRDLR, for the year.</i>

8. Goal 2: Develop criteria, procedures and guidelines

8.1. Strategic Objectives

Strategic objective 2	Criteria, procedure and guidelines determined in accordance with plan approved by VG
Objective statement	Criteria, procedures & guidelines determined to standardise valuation practices for land reform valuations
Baseline	N/A - no prior year performance
Measure 1	Criteria, procedures & guidelines determined to standardise valuation practices for land reform valuations, cumulative progress per plan to be approved by VG
Target 1 – 5 year	<i>Complete set of valuation criteria, procedures & guidelines submitted to the Minister</i>
Target 1 – 1 year	Initial Valuation criteria, procedures & guidelines development plan formally approved by VG

9. Goal 3: Organisational Stability

9.1. Strategic Objectives

Strategic objective 3	Grow the business from non-land-reform valuations
Objective statement	Development of non-land-reform customer base
Baseline	N/A - no prior year performance
Measure 1	Number of potential target clients surveyed
Target 1 – 5 year	<i>(36) number of national and provincial departments surveyed</i>
Target 1 – 1 year	<i>(8) number of national and provincial departments surveyed</i>
Measure 2	Revenue from other non-land reform valuations as a percentage of annual fixed operating costs
Target 1 – 5 year	5%
Target 1 – 1 year	0.25%

Strategic objective 4	Produce high quality valuations
Objective statement	Establish and maintain a reputation for quality
Baseline	N/A - no prior year performance
Measure 1	Establish an independent quality review and assurance mechanism within the OVG
Target 1 – 5 year	<i>12 Monthly quality review committee meetings held per annum</i>
Target 1 – 1 year	<i>An independent quality review committee established and operational</i>
Measure 2	Percentage of valuations reviewed by the quality review committee
Target 1 – 5 year	<i>5% of all valuations conducted</i>
Target 1 – 1 year	<i>3% of all valuations conducted</i>

Strategic objective 5	Establish operational and governance processes
Objective statement	Operational and governance processes defined and implemented
Baseline	N/A - no prior year performance
Measure 1	Completion of the “Determination of the Business Operating Model and Establishment of Internal Controls” project
Target 1 – 5 year	<i>100%</i>
Target 1 – 1 year	<i>100%</i>
Measure 2	Maintenance of property data
Target 1 – 5 year	<i>Implement a property data management tool in accordance with project plan approved by the VG</i>
Target 1 – 1 year	<i>A feasibility study for the development of a property data management tool approved by the VG</i>

Strategic objective 6	Achieve Operational sustainability
Objective statement	To ensure access to qualified valuers to conduct valuations in accordance with Section 12 of the PVA.
Baseline	N/A - no prior year performance
Measure 1	Filling of professional vacancies and retention thereof in terms of the approved structure
Target 1 – 5 year	<i>100%</i>
Target 1 – 1 year	<i>50%</i>
Measure 2	Number of people attending the designated land reform valuation training courses
Target 1 – 5 year	<i>50</i>
Target 1 – 1 year	<i>10</i>

10. Resource Considerations

Prior to 2018/19, the OVG received support from the Deeds Trading Account (summarised information provided in a note under Table 1 below). Expenditure trends during this historical period may not be representative of the actual resource requirements of the OVG looking at 2018/19 and beyond, since the overhead costs of the office will be substantially different. In particular, by 1 April 2018 the OVG will occupy its own office space outside of the DRDLR,

and this will result in a new overhead structure consisting of accommodation (rental) charges, IT equipment and services, cleaning, security and related administrative costs.

In addition, the approved organisational structure as set out in this Strategic Plan, will need to be implemented.

It is important to note that the key constraint limiting the number of valuations that can be completed within a given period is the availability of funding to procure the requisite professional valuation services. Consequently, performance targets in respect of land reform valuations are limited to those agreed up-front with the DRDLR on an annual basis, taking into account the aforementioned budgetary considerations.

The OVG has, in projecting its resource requirements for the foreseeable future, allocated the following resources over the next three years:

Table 1. Budget							
R' thousand		Audited Outcomes			Medium-term Expenditure Estimate		
		<i>Not applicable - first year of stand-alone operation</i>			2018/19 R'000	2019/20 R'000	2020/21 R'000
Budget Line items							
Total Revenue					141 100	142 100	147 500
Appropriation					141 100	142 100	147 500
Own Revenue					Not budgeted		
Total Expenditure							
Compensation of Employees*					70 729	75 680	80 978
Goods and Services**					70 371	66 420	66 522
Surplus / Deficit					0	0	0

Note: Total funds allocated historically to OVG via the Deeds Trading Entity amounted to R5.5m (2015/16), R14.3m (2016/17) and R64.8m (2017/18). This expenditure is accounted for in the financial statements of the Deeds Trading Entity and audited by the Auditor General.

11. Risk Management

The following key risks may have an impact on the realisation of a number of the strategic objectives stated in this strategic plan:

RISK	RESPONSE/MITIGATION OF RISK
Institutional capacity	Recruitment strategy & outsourcing strategy
Lack of clear governance and business processes	Internal control framework
Support / buy-in required from client departments	Stakeholder management & communication strategy, branding
Land reform process could be compromised if bottleneck forms	Agile business model supported by key stakeholders
Lack of uniformity in regard to valuation methodology	Consultation and criteria setting strategy

PART C: LINKS TO OTHER PLANS

The OVG is considering the viability of establishing regional offices in each province. This would require the development of plans in respect of IT networks and office accommodation. Such plans will be linked appropriately to the Strategic Plan as and when they are finalised.

PART D: ANNEXURES

Annexure A: Acronyms

OVG	Office of the Valuer-General
VG	Valuer-General
PVA	Property Valuation Act
NRF	National Revenue Fund
SACPVP	South African Council for the Property Valuers Profession
PFMA	Public Finance Management Act
SWOT	Strengths, weaknesses, opportunities and threats
SCM	Supply chain management
IT	Information Technology
HR	Human Resource
DRDLR	Department of Rural Development and Land Reform
COO	Chief Operating Officer
COGTA	Cooperative Governance and Traditional Affairs
N/A	Not Applicable
GIS	Geographical information system
Etc.	et cetera

Annexure B: Technical indicator descriptions

4.1 Strategic objective: Execute all valuations for land reform

Indicator title/objective	<i>Number of completed valuations, expressed as a percentage of total number of valuations for land reform referred by the DRDLR to the OVG for the period.</i>
Short definition	To measure the number of valuations performed in relation to valuation referrals received from the Department of Rural Development and Land Reform, subject to the annual SLA / work plan agreed between the OVG and the DRDLR
Purpose/importance	To track the number of valuation referrals received for land reform that have been executed and finalised
Source/collection of data	<ul style="list-style-type: none"> The land claims requiring valuation published in the Government Gazette, and referred accordingly to the OVG The OVG's records, information and technology system to identify the number of Land Reform valuations performed
Method of calculation	Percentage: Number of Land Reform valuations performed / Total valuation referrals received in accordance with the agreed SLA / work plan between OVG and the DRDLR (where a single valuation = an individual land parcel to be valued)
Data limitations	Accuracy of data pulled from OVG's information and technology system, reliance on manual records where systems are not yet in place
Type of indicator	Outcome
Calculation type	Cumulative quarter on quarter resetting annually
Reporting cycle	Annual
New indicator	Yes – This is the OVG's first Strategic Plan
Desired performance	Valuations completed (as evidenced by valuation reports approved by the VG or his delegate) for 100% of land reform valuation referrals received and accepted in accordance with the SLA / work plan agreed with the DRDLR.

Indicator responsibility	Valuer-General
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4.2 Strategic objective: Criteria, procedure and guidelines determined

Indicator title/objective	Initial set of valuation criteria, procedures & guidelines determined
Short definition	To ensure the setting of valuation criteria, procedure & guidelines, as required by the Property Valuation Act, in accordance with the approved criteria, procedures & guidelines development plan of the OVG.
Purpose/importance	The performance indicator will be used to track the progress of the OVG in setting valuation criteria, procedures & guidelines per the Property Valuation Act.
Source/collection of data	Criteria, procedures and guidelines submitted to the Minister of Department of Rural Development and Land Reform for approval.
Method of calculation	This would be the final draft document submitted by the Office of the OVG to the Minister.
Data limitations	No specific limitations
Type of indicator	Output
Calculation type	Non -Cumulative
Reporting cycle	Annual
New indicator	Yes – This is the OVG's first Strategic Plan

Desired performance	The document containing the approved initial set of valuation criteria, procedures & guidelines is submitted to the Minister
Indicator responsibility	Valuer-General

4.3 Strategic objective: Grow the business from non-land-reform valuations

Indicator title / objective	<ul style="list-style-type: none"> • Number of potential target clients surveyed • Revenue from other non-land reform valuations as a percentage of annual fixed overhead costs
Short definition	<ul style="list-style-type: none"> • This is the number of potential client departments surveyed by the OVG to determine if they would be interested in using the OVG's services. • This indicator measures the market activity of the OVG in developing its non-land-reform business.
Purpose/importance	<ul style="list-style-type: none"> • Benchmark enables the OVG to track its progress in growing its non-Land Reform Revenue stream. Growth of non-land reform valuations will ensure organisational sustainability of the OVG, OVG will be less dependent on the appropriation from the National Revenue Fund.
Source/collection of data	<ul style="list-style-type: none"> • OVG's records (minutes) of formal meetings with potential client departments to determine how many clients have been surveyed. • OVG's information and Technology system to determine revenue from non-land reform valuations and the fixed operating costs for the period.
Method of calculation	<ul style="list-style-type: none"> • Simple count – survey performed • Percentage: Non Land reform revenue/ Fixed operating costs per annum
Data limitations	Accuracy of information received from the OVG's information and technology system.
Type of indicator	Output

Calculation type	<ul style="list-style-type: none"> • Clients surveyed: count • Percentage: Revenue (non-land reform) / Annual fixed operating cost
Reporting cycle	Annual
New indicator	Yes – This is the OVG's first Strategic Plan
Desired performance	<ul style="list-style-type: none"> • 36 national and provincial departments surveyed as evidenced by the number of survey documents / minutes of meetings completed by the OVG. • After a five (5) year period the annual revenue generated from non-land reform valuations should equal 5% of the annual fixed operating costs.
Indicator responsibility	Chief Operating Officer

Strategic objective 4.4: Produce high quality valuations

Indicator title / objective	<ul style="list-style-type: none"> • Establish an independent quality review and assurance mechanism within the OVG • Percentage of valuations reviewed by the quality review committee
Short definition	<ul style="list-style-type: none"> • Creating an independent quality review and assurance committee which reviews valuations to assess whether valuations were performed in accordance with relevant criteria, procedures and guidelines. • This performance measure indicates the percentage of total valuations reviewed by review committee compared to total valuations performed by the OVG.
Purpose/importance	<ul style="list-style-type: none"> • To ensure quality in the process followed in performing valuations. To establish a committee that reviews valuations performed, so as to ensure that they were performed in accordance with the prescribed criteria, procedures and guidelines.
Source/collection of data	<ul style="list-style-type: none"> • Office of the Valuer-General's information system to determine the number of valuations performed through the period. • Committee records to determine the number of valuations reviewed by the Quality Review Committee
Method of calculation	<ul style="list-style-type: none"> • Simple count
Data limitations	<ul style="list-style-type: none"> • Depends on the accuracy of information provided by the OVG's information and technology system and the records kept by the Quality Review Committee
Type of indicator	<ul style="list-style-type: none"> • Output
Calculation type	<ul style="list-style-type: none"> • Cumulative
Reporting cycle	<ul style="list-style-type: none"> • Annual

New indicator	<ul style="list-style-type: none"> • Yes – This is the OVG's first Strategic Plan
Desired performance	<ul style="list-style-type: none"> • A quality review committee must be established (i.e. members appointed, chairperson appointed and terms of reference for the committee approved) • The committee should review 5% of all valuations conducted, as evidenced by the approved quality review records of the committee.
Indicator responsibility	Valuer-General

4.5 Strategic objective: Establish operational and governance processes

Indicator title/objective	<ul style="list-style-type: none"> • Completion of the "Determination of the Business Operating Model and Establishment of Internal Controls" project • Maintenance of property data
Short definition	<ul style="list-style-type: none"> • The completion of the "Determination of the Business Operating Model and Establishment of Internal Controls" project, this project has been designed to establish the Office of the Valuer-General. • The implementation of a property data management tool in accordance with a project plan approved by the Valuer-General.
Purpose/importance	<ul style="list-style-type: none"> • The completion of the "Determination of the Business Operating Model and Establishment of Internal Controls" is used as an indicator that all major operational and governance processes have been established. • To ensure that there is a project plan approved by the Valuer-general to assist in the creation of a data management tool.
Source/collection of data	<ul style="list-style-type: none"> • Progress recorded in respective project plans
Method of calculation	<ul style="list-style-type: none"> • Inspection of Project plans to ensure that they have been approved by the Valuer-General

Data limitations	<ul style="list-style-type: none"> No specific limitations
Type of indicator	<ul style="list-style-type: none"> Outcome
Calculation type	<ul style="list-style-type: none"> Non-cumulative
Reporting cycle	<ul style="list-style-type: none"> Annual
New indicator	<ul style="list-style-type: none"> Yes – This is the OVG's first Strategic Plan
Desired performance	<ul style="list-style-type: none"> Operational and governance processes developed for the OVG as evidenced by policies and procedures approved by the Valuer-General. Approved policies and procedures implemented as evidenced by reports from internal audit on the verification and auditing of the policies and procedures. A project plan for the development and implementation of a property data management tool / database adopted as evidenced by a project plan approved by the Valuer-General. Implementation of the project plan for the development and implementation of a property data management tool as evidenced by progress reports approved by the COO / VG.
Indicator responsibility	Chief Operating Officer

4.6 Strategic objective: Operational sustainability

Indicator title/objective	<ul style="list-style-type: none"> Filling of professional vacancies in terms of the approved structure Number of people attending the designated land reform valuation training courses
Short definition	<ul style="list-style-type: none"> The indicator is used to ensure that all professional vacancies are filled.

	<ul style="list-style-type: none"> The second measure is there to ensure that we have a large enough pool of valuers from the private sector to assist in valuations, that we also have the names and contact details of said valuers. To ensure access to qualified valuers to conduct valuations, this will ensure that the OVG will be able to perform its duties. Human Resources records showing the current vacant positions as at year-end in terms of the approved structure, and training registers showing the number of professional valuers who have attended designated land reform valuation training.
Purpose/importance	
Source/collection of data	<ul style="list-style-type: none"> Count
Method of calculation	<ul style="list-style-type: none"> Correctness of the information provided by Human Resources and maintenance of proper training registers
Data limitations	
Type of indicator	<ul style="list-style-type: none"> Input
Calculation type	<ul style="list-style-type: none"> Non-cumulative
Reporting cycle	<ul style="list-style-type: none"> Annual
New indicator	Yes – This is the OVG's first Strategic Plan
Desired performance	<ul style="list-style-type: none"> 100% of positions, as per the approved organisational structure, filled as evidenced by signed employment agreements. 50 valuers trained over a two year period as evidenced by the register of course attendees
Indicator responsibility	Valuer-General

