



**KWAZULU-NATAL PROVINCE**

**PUBLIC WORKS**  
REPUBLIC OF SOUTH AFRICA

# STRATEGIC PLAN 2020-2025

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## EXECUTIVE AUTHORITY STATEMENT

Comprehensive planning is an essential preparatory step to the implementation of sound service delivery. Without careful attention to planning, the service delivery value chain is compromised.

It is against that background that the Department prepares this detailed plan.

We consistently seek alignment with the National Development Plan (NDP) and the Provincial Growth and Development Plan (PGDP), whilst careful consideration is the electoral mandate obtained from our people in the last general election which constitutes a social compact. This social compact is in turn informed by resolutions of the 54th conference of the governing party, the African National Congress.

The planning process is therefore an intricate one driven by administrative, political, social and economic considerations. The best-laid plans however are subject to the ebb and flow of the context in which we work.

For some time now, we have braced ourselves for the prospect of a contracting economy both domestically and globally. Initial projections were for a 0.9% growth rate.

The COVID-19 pandemic has forced growth projections downward into an almost certain global recession. We are in a most unpredictable situation as the trajectory of the coronavirus and its eventual human impact is a great unknown.

The challenge of the pandemic cannot however disable us as a government. Both the needs and expectations of our people in the implementation of service delivery are vast.

The core of this plan centres around the mandate of infrastructure development and property management. State-led infrastructure development has proven itself over the course of economic history to be an impetus for the revitalisation of the most depressed economies. We must therefore redouble our efforts to drive the infrastructure agenda with purpose, prudence and creativity.

The overarching ideological point of departure in all our work is radically socio-economic transformation. In unpacking this performance plan, we are obliged to give expression to the resolutions of recent summits involving youth, women and people with disabilities involved in the construction sector.

Additionally, the Honourable Premier in his 2020 State of the Province address extended the eight provincial priorities, which include inter alia, basic services, job, creation and growing the economy. In implementing this plan, we are compelled to show demonstrable outcomes under each of those priorities. Those outcomes must measure impact in changing our people's lives.

The Premier also tasked the Department of Public Works to improve its internal operations and strengthen systems to achieve full potential in becoming the Implementer of Choice for infrastructure projects in KwaZulu-Natal.

A further instruction reflected in the crafting of this plan is the reduced reliance on private consultants. Over the past year the Department has been recruiting key built environment skills to enhance internal capacity. The fruits of that process must become apparent in our service delivery outcomes.

Monitoring and evaluation will be crucial in the implementation of this plan. The necessary administrative processes are in place but we must be vigilant at every step.

As the political principal, I am assured by the Accounting Officer that the institutional mechanisms and human resources capacity to realise the targets set out herein are in place and therefore tender this plan for appropriate consideration.



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**Ms NP Nkonyeni, MPL**  
**Executing Authority - Department of Human Settlement and Public Works**  
**Provincial Government of KwaZulu-Natal**  
**20 March 2019**

## ACCOUNTING OFFICER STATEMENT

In preparing this Strategic Plan, the Department has a clear intention to ensure sound performance and is committed to expeditious and quality service delivery that yields fair value.

In various engagements with both the Honourable MEC for Human Settlements and Public Works and the MECs and Heads of client departments, it is apparent that our performance in infrastructure development and property management needs to be ramped up.

A key constraint has been in human resource capacity particularly key skills sets in the built environment professions. Since the latter half of 2019, Public Works has been on a concerted drive to recruit those sought-after skills in order that the Department might be able to better demonstrate its mandate as the implementer of choice in the Province.

In detailing this plan, we are confident that we are reflecting a renewed and revised capacity to implement state-led infrastructure development that contributes to the economy of our Province and simultaneously delivers on much needed services.

Measured against the last financial year, there has been a major shift in the internal capacity to design and package projects. We also have increased confidence that turnaround time in all aspects of our operations including the maintenance of state buildings will be timeous and efficient.

It is encouraging that in his State of the Province Address, the Honourable Premier announced that Public Works would serve as the Province's Infrastructure Nerve Centre to coordinate all government infrastructure projects. That is a tremendous expression of confidence and a responsibility, which we take very seriously.

Similarly, the establishment of the Strategic Infrastructure Development Agency (SIDA) is now at an advanced stage and will be brought into operation during the life of the performance plan.

SIDA's task as indicated by the Premier will be to restore the balance in the province's core infrastructure focus by coordinating, integrating and implementing programmes in areas of public transport, social and economic infrastructure.

The much-anticipated Provincial Precinct will be a showpiece infrastructure project housing most departmental head offices and the Legislature. This multi-year project is uppermost in our planning for the period under consideration.

The access and equity imperatives under the umbrella of radical socio-economic transformation will gather further momentum during the term of this plan. Given the enormous quantum of the infrastructure budget in the province, one cannot be satisfied with the relatively miniscule value of the awards to emerging contractors, particularly women, youth, people with disabilities and military veterans.

Going forward, the Eyesizwe Contractor Development Programme and related transformation interventions must necessarily have a larger share of the pie. The concomitant obligation of the contractors will be to deliver on time and within budget at the quality standards expected. There can be no compromise in that regard.

Another key responsibility of the Department is the Expanded Public Works Programme. Aside from the overall provincial coordination of the programme, the Department's responsibilities are likely to be extended further in the monitoring of implementation. Here again the skills that we have recruited will hold us in good stead.

This plan is focused entirely on implementation. Where implementation is less than optimal, consequence management will be a necessary recourse. There is sufficient reason however to believe that the renewed Public Works is suitably motivated and energised to deliver on every commitment made in this plan.



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**Dr GG Sharpley**  
**Accounting Officer**  
**Department of Public Works**  
**20 March 2020**

## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan

- Was developed by the management of the KwaZulu-Natal Department of Public Works under the guidance of the Executing Authority, Ms NP Nkonyeni.
- Takes into account all the relevant policies, legislation and other mandates for which the KwaZulu-Natal Department of Public Works is responsible.
- Accurately reflects impact, and outcomes which the Department of Public Works will endeavor to achieve over the period 2020/21-2024/25.

Mr. P.W. Duma  
Programme Manager: Programme 1

Signature



Ms. A. Khan  
Programme Manager: Programme 2

Signature



Mr. S. Majola  
Programme Manager: Programme 3

Signature



Mr. J.P. Redfearn  
Chief Financial Officer

Signature



Ms BNJ Makhaye  
Head of Planning

Signature



Dr G.G. Sharpley  
Accounting Officer

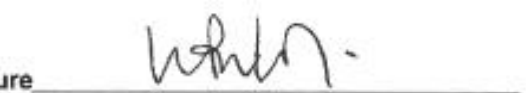
Signature



Approved by

Ms N.P. Nkonyeni  
Executive Authority

Signature



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## ABBREVIATIONS

No.	Acronym	Full Description
1.	APP	- Annual Performance Plan
2.	DoPW	- Department of Public Works
3.	DoT	- Department of Transport
4.	EPWP	- Expanded Public Works Programme
5.	GIAMA	- Government Immovable Asset Management Act.
6.	IAR	- Immovable Asset Register
7.	IDMS	- Infrastructure Delivery Management System
8.	KZN	- KwaZulu Natal
9.	MEC	- Member of Executive Council
10.	M&E	- Monitoring and Evaluation
11.	MPL	- Member of the Parliament
12.	MTEF	- Medium Term Expenditure Framework
13.	MTSF	- Medium Term Strategic Framework
14.	NDP	- National Development Plan
15.	OSS	- Operation Sukuma Sakhe
16.	PGDP	- Provincial Growth and Development Plan
17.	RSA	- Republic of South Africa
18.	SCM	- Supply Chain Management
19.	SLA	- Service Level Agreement
20.	SETA	- Sector Education and Training Authority
21.	SMS	- Senior Management Services
22.	SMME	- Small, Medium and Micro Enterprises
23.	PFMA	- Public Financial Management Act
24.	RSA	- Republic of South Africa
25.	U-AMP	- User Asset Management Plan



## **PART A: OUR MANDATE**

### **1. CONSTITUTIONAL MANDATE**

The Department of Public Works is the custodian of all provincial state-owned land and immovable assets within the KwaZulu-Natal Province.

### **2. LEGISLATIVE AND POLICY MANDATES**

Within the broad statutory mandates of government institutions, the following mandates currently guide the KZN Public Works department's core functions of infrastructure development and property management.

#### **Government Immovable Asset Management Act (No. 19 of 2007)**

This act provides for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department. It provides for ensuring the co-ordination of the use of an immovable asset with the service delivery objectives of the national or provincial department and for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department.

#### **KZN Land Administration and Immovable Asset Management Act, No. 2 of 2014**

Enables the Provincial Government to:

- ❖ administer the management of the Provincial state land, including the process of:
  - acquisition of property;
  - disposal of provincial state land;
  - expropriation of property;
  - management and maintenance of provincial state land,
- ❖ establish and maintain a current register for all Provincial State Property
- ❖ harmonise provincial land administration and management legislation with GIAMA.

The Act specifically stipulates that the MEC for KZN Public Works is responsible for the aforementioned functions. It also makes provision for user departments to submit user asset management plans to the Department, setting out how it uses or intends to use immovable assets in its possession, which user asset management plans will assist the Department in compiling its Custodian Asset Management Plan, relating to all immovable assets in its custody, thus ensuring alignment with GIAMA.

## POLICY MANDATES

- ❖ Public Works White Paper : Towards the 21st century (1997)
- ❖ Public Works White Paper: Creating an enabling environment for Reconstruction, Growth and Development in the Construction Industry (1999)
- ❖ On the 16th April 2014 the Cabinet approved the transfer of the EPWP Provincial Coordination to the Department of Public Works as recorded in **Cabinet Resolution 119 of April 2014**. As from the 1<sup>st</sup> of April 2015, the KZN Department of Public Works fully took over the EPWP Provincial Coordination in KZN.
- ❖ The main objective of the EPWP Provincial Coordination of the sub - programme is the management and co-ordination of expenditure on the Expanded Public Works Programme.

## 3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

The new MTSF 2019-2024 is a combination of a NDP Five Year Implementation Plan for the Priorities outlined in the Electoral Mandate and an Integrated Monitoring Framework. It outlines the following priorities derived from the Electoral Mandate and the 2019 SONA:

- Priority 1: A Capable, Ethical and Developmental State
- Priority 2: Economic Transformation and Job Creation
- Priority 3: Education, Skills and Health
- Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services
- Priority 5: Spatial Integration, Human Settlements and Local Government
- Priority 6: Social Cohesion and Safe Communities
- Priority 7: A better Africa and World

The department contributes mainly to Priority 1 (Economic Transformation) and Provincial Growth & Development Plan (PGDP) Goal 1, Objective 1.4, Improve efficiency, innovation and variety of government led job creation.

The following interventions and priorities will be implemented to achieve the above-mentioned priorities:

- ❖ Establish Public Works as Implementer of Choice for Infrastructure through the institutionalisation of IDMS

Enhancing offering by entrenching its strategic role of being a reliable and trusted custodian of provincial immovable assets, a nerve centre for infrastructure delivery and a driver of socio-economic development through:

- Repositioning the department to play its role in leading infrastructure delivery, procurement options and process that hinder effective and efficient delivery of services in the value chain must be reviewed.
  - Full implementation and institutionalisation of IDMS as a means to improve the way we plan, finance, execute, and monitor infrastructure projects in an effort to improve the turnaround and quality of infrastructure delivery; re-engineering and or optimisation of departmental processes and procedures in line with the requirements of IDMS and GIAMA;
- ❖ Restructure the Department to be service delivery focused through a new Service Delivery Model
- Development and implementation of a Service Delivery Model that display customer orientation and define how the department should operate to better serve its clients, its customer value proposition. This also includes clarification of roles between Head-Office and Regions in both centralised and decentralised delivery methods as well as gaps that need to be closed in relation to implementation functions in regions and districts.
- ❖ Reduce rentals through the construction of state owned facilities and maximum use of existing state facilities
- Construction of a Provincial Precinct in Pietermaritzburg
- ❖ Stabilising property rates
- Negotiation of standardised property rates for categories of assets to realise a reduction in property rates and alleviate financial constraints
- ❖ Contributing to ocean economy through development of the requisite skills and building a social compact with business/ labour / communities.
- Develop artisan skills and provide state owned facilities for activities in the oceans economy
- ❖ Building the provincial precinct in collaboration with other departments including OTP, legislature. Financing will be through the sale of identified assets to raise R3bn.
- ❖ Improve maintenance of state buildings
- ❖ Maintain positive Audit outcomes.
- ❖ Grow the spend EYESIZWE contractors to increase Radical Socio-Economic Transformation.
- ❖ Effective co-ordination of EPWP to improve government-led job creation

#### **4. RELEVANT COURT RULINGS**

None

## Part B: OUR STRATEGIC FOCUS

### 1. VISION

An inclusive economy through sustainable infrastructure development and property management.

### 2. MISSION

To improve the lives of the people in KwaZulu-Natal through sustainable infrastructure development and property management.

### 3. VALUES

	Core Value	Description
a)	<b>Transparency</b>	<ul style="list-style-type: none"><li>- We all share ideas and information freely and promote a culture of openness and transparency in all our work.</li><li>- We will facilitate access to information; always engage the communities and stakeholders in our decision-making.</li><li>- We will respect the views of others and seek to first understand and there is a better way to be monitored.</li><li>- We will respect the views of others, seek to understand their opinion/s and open ourselves to monitoring.</li></ul>
b)	<b>Excellence</b>	<ul style="list-style-type: none"><li>- We are dedicated to providing high quality, appropriate progression and timely responses for all our services</li><li>- We will seek and embrace effective leadership, innovative solutions, creativity and support, orientation to change and progressive thought.</li><li>- We will encourage effectiveness and reward efficiency and ingenuity.</li></ul>
c)	<b>Motivated Workforce</b>	<ul style="list-style-type: none"><li>- We will treat all people with dignity, respect and fairness.</li><li>- Our employees are our most valuable resource and we will invest in their growth.</li><li>- Each employee's contribution is essential to our collective success.</li></ul>
d)	<b>Sustainability</b>	<ul style="list-style-type: none"><li>- We will act with foresight to ensure the long-term health and wellbeing of the community we serve.</li><li>- We will seek a balanced approach to deliver on our mandate, programmes and services in an economically sound, environmentally sustainable and socially responsible way.</li></ul>
e)	<b>Integrity</b>	<ul style="list-style-type: none"><li>- We will seek public trust by being honest, competent and consistent in our actions.</li><li>- We will strive for the highest standards of moral and ethical conduct.</li></ul>
f)	<b>Team Work</b>	<ul style="list-style-type: none"><li>- We will work together to achieve common goals</li><li>- We will share information freely, and collaborate with our stakeholders and actively engage them in our decision-making and initiatives.</li></ul>
g)	<b>Accountability</b>	<ul style="list-style-type: none"><li>- We commit the Department staff and service providers to be accountable to the public and other stakeholders for services rendered and commitments made</li></ul>

### 4. SITUATIONAL ANALYSIS

Statistics South Africa (Stats SA) estimates the mid-year population at 58,78 million for 2019. Approximately 51,2% (approximately 30 million) of the population is female. Gauteng comprises the largest share of the South African population, with approximately 15,2 million people (25,8%) living in this province followed by KwaZulu-Natal with an estimated 11,3 million people (19,2%)

living in this province. With a population of approximately 1,26 million people (2,2%), Northern Cape remains the province with the smallest share of the South African population. About 28,8% of the population is aged younger than 15 years and approximately 9,0% (5,3 million) is 60 years or older. Of those younger than 15 years of age, the majority reside in Gauteng (21,5%) and KwaZulu-Natal (21,1%).

The National Development Plan 2030 visualises an inclusive society and economy, free from unequal opportunities through capacity building, redress and increased interaction. Given this context there is a need for programmes to develop women and youth if South Africa is to grow into a powerhouse in the global stage.

Gender equality in decision-making positions is vital to ensure that issues affecting women are considered during policy formulation, planning and project implementation. Women empowerment is a critical component of any interventions aimed at gender equality as they remain marginalized even in the post 1994 era. Ownership and control of assets should therefore remain at the forefront of socio-economic transformation. The department has therefore identified areas of intervention through procurement reforms to ensure empowerment of women, youth, military veterans and black African.

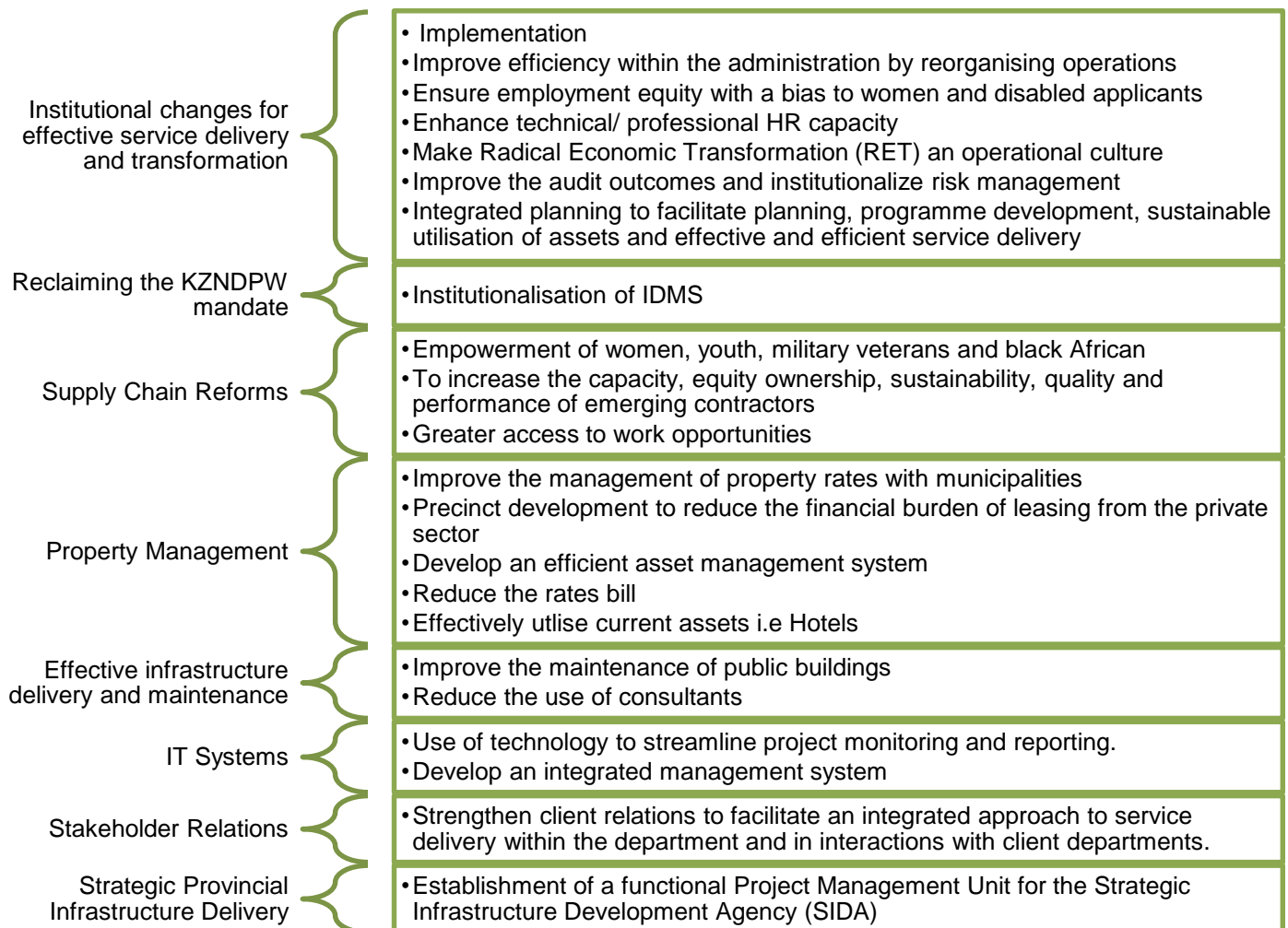
A large portion of the lease portfolio has benefitted mainly Indian and White landlords therefore specific interventions will also be introduced to increase the equity ownership of black landlords. There will also be a streamlined approach towards the development of emerging contractors through increased spend on Eyesizwe Contractor Development Programme as well as capacity building in order to improve sustainability, quality and performance of emerging contractors. The new approach will also see a greater number of contractors benefitting as the department limits the number of awards per contract.

Inroads into Radical Economic Transformation have been introduced and will be intensified in the 2020-2025 period through revised Delegations to Regions and District Offices, Promotion of African Black Entrepreneurs by the utilisation of Section 2 (1)f of the BBBEE Act on leases 900m<sup>2</sup> below, utilisation of Section 2(1)f to promote contract participation goals and locality, advertisement for a database of Professionals per Discipline to realise efficiency in procurement processes, Limitation of multiple awards - greater spread of contractors and consultants, aggregation of procurement plan to apportion pre-qualification criteria and direct and indirect sub-contracting above R30 million.

The department leads Action Work Group 3 tasked with monitoring implementation of the PGDP strategic objective 1.4 “to improve the efficiency, innovation and variety of government-led job creation programmes. The AWG monitors and evaluates the effectiveness, effect and impact of EPWP in the Province. The role strengthens the department’s role of provincial coordination and ensures an integrated approach to the creation of job opportunities in the province. A challenge remains with inadequate reporting of job opportunities created at municipal level due to limited capacity and inefficiencies in data collection resulting in rejection of reported jobs on validation on data. Innovative thinking is required to implement EPWP as it offers extensive opportunities to combat unemployment.

The client satisfaction survey conducted confirms issues raised during the strategic planning exercise as matters that should be prioritised, namely delays in finalising projects, quality of workmanship by contractors appointed, exorbitant construction costs, excessive use of consultants and cumbersome internal processes affect project timelines

The diagram below outlines further focus areas that will be addressed in the 2020-2025 period.



## 5. EXTERNAL ENVIRONMENTAL ANALYSIS

In the South African context of high level of poverty, inequality and unemployment (non-inclusive economic growth) coupled with a widely recognised skills shortfall.

The NDP outlines two key objectives for EPWP namely:

- Contribute to reducing unemployment by creating temporary employment by being responsive to the number of unemployed and
- contribute to social protection for the unemployed by providing them with income support.

The high rate of unemployment in South Africa and KwaZulu-Natal presents an opportunity to introduce meaningful interventions to realise the KwaZulu-Natal's PGDP goal of inclusive economic growth through improving the efficiency, innovation and variety of government-led job creation.

The 2019Q2 CIDB SME Business Conditions Index shows that the South African building and construction industry continues to struggle amid tough economic conditions (CIDB). The poor economic growth has resulted in less investment in infrastructure.

Some of the pressures facing Public Works stem from client departments failing to provide adequate project scopes, delays in project readiness from client departments, use of other implementing agents and use of in-house built capacity by client departments, cancellation of projects mid-implementation. It is acknowledged that the department needs to improve its approach to project management to deliver quality infrastructure on time and at reasonable cost. The loss of trust in the department's capabilities poses a serious threat to the department's delivery on its mandate, reputational damage for the department and conflict with contractors.

Increase in leased office space on account of non-availability of suitable buildings or funding or refurbish buildings to bring the in line needs from user departments. There is a dire need for maintenance of government buildings to house government departments and the use of Public Private Partnerships and development leases is being explored to mitigate against limited maintenance budget.

Some opportunities to be explored include generation of innovative and creative ideas to address changes in socio-economic conditions through partnerships with tertiary institutions, enhanced implementation of green building principles and taking the lead in creation of sustainable infrastructure.

Lack of responsiveness to changing sector, economic and environmental conditions has been cited as a threat to the continued effectiveness of the department, hence the need to revisit the service delivery model.

### **Political environment**

There is stability in the political environment and the department is on track in addressing key areas prioritised for the 6<sup>th</sup> administration, with specific reference to some that relate directly to the mandate of the department, namely, job creation to reduce the high unemployment rate and contribute to poverty alleviation, training and exposure to skills development interventions for the youth, 30% government's procurement spend should go to small business and cooperatives, replace unsafe school buildings and improve sanitation, release state land housing purposes, identify interventions needed for the NEET group, that is, Youth Not in Employment, Education or Training, remove exclusionary procurement processes

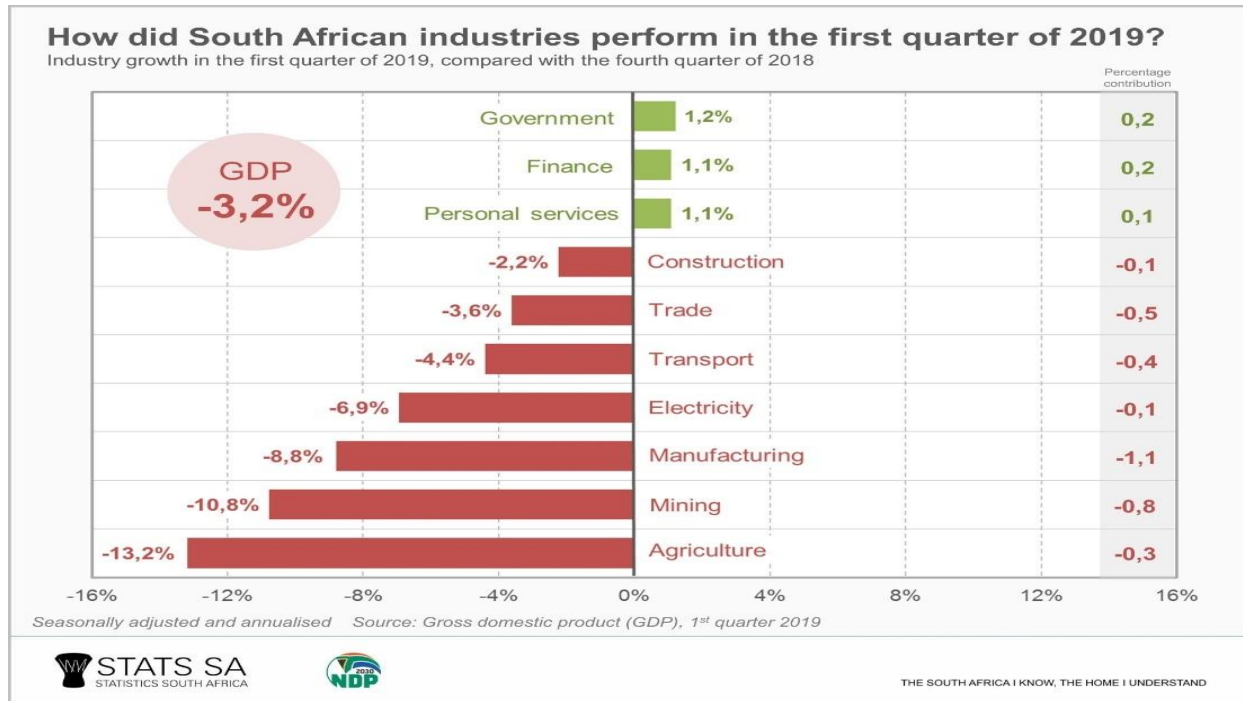
### **Economic environment**

South Africa is the 34<sup>th</sup> largest economy in the world in terms of nominal GDP (Statistics times, 2018). KZN is the second largest contributor to the economy of the country, generating a percentage share of national GDP of 16 per cent after Gauteng with a percentage share of GDP of 35.2 per cent. This clearly shows that the province plays a significant role in South Africa's economy. KZN has a diverse economic and social culture; as a result, its economy depends on various activities that boost its economic performance. It performs in all economic spheres, most notably in agriculture, tourism, manufacturing, mining, trade, construction, finance and community services.

The South African economy slumped sharply in the first three months of 2019, contracting by 3.2%. Seven of the ten industries took a knock, with manufacturing, mining and trade the biggest contributors to the fall. Construction, mining and trade are in recession. The 3.2% decline is the biggest quarterly fall in economic activity since the first quarter of 2009, when the economy, under strain from the global financial crisis, plummeted by 6.1%. The manufacturing industry was the biggest drag on growth in the first quarter of 2019, falling by 8.8%. This was driven mostly by declines in petroleum, transport and wood and paper.



Construction entered its third consecutive quarter of negative growth, slipping by 2.2%. Decreases were reported for activities related to residential and non-residential buildings, as well as construction works. The construction industry has seen only one quarter of growth over the last two years. The construction industry shed 142 000 jobs in the first quarter of 2019 compared with the fourth quarter of 2018, contributing over half of the 237 000 jobs lost across the entire economy. Government activity expanded by 1.2%, mostly as a result of increased civil service employment contracts related to the run-up to the general election.



As outlined by both the President in the State of the Nation address and the Minister of Finance while tabling the 2019 Budget, the government needs to prioritize spending on infrastructure. Therefore the government's commitment to contribute more than R100 billion into the Infrastructure Fund over a ten year period and its use of the same to leverage financing from the private sector and development finance institutions will prove essential in combatting the current sluggish economic performance. These infrastructure investments will also help grow the economy and create employment in construction and other sectors.

Poor maintenance of government infrastructure due to budget allocations not informed by U-AMPS (User Asset Management Plans) and C-AMP (Custodian Asset Management Plans). The top slicing of user departments' budget for maintenance would allow Public Works to fund ongoing maintenance of facilities.

Insufficient budget allocation for property rates payments. The baseline has to be reviewed and adjusted to accommodate the above-CPI increases. Furthermore the department is pursuing a strategy of negotiating a flat rate with Municipalities coupled with an improved billing system.

Insufficient budget allocation for property rates payments. The baseline has to be reviewed and adjusted to accommodate the above-CPI increases. Furthermore the department is pursuing a strategy of negotiating a flat rate with Municipalities coupled with an improved billing system.

## **Social environment**

The mid-year population is estimated at 58.8 million. The black African population is in the majority (47.4 million) and constitutes approximately 81% of the total South African population. The white population is



estimated at 4.7 million, the coloured population at 5.2 million and the Indian/Asian population at 1,5 million. Just over fifty-one per cent (30 million) of the population is female.

The NDP envisaged an unemployment rate of 14 percent by 2020 and a reduction to 6 percent by 2030. The level of poverty and the dire conditions that many people face in the country clearly show that this target is not likely to be reached anytime soon unless drastic action is taken by both the private and the public sector. The results of Stats SA's Quarterly Labour Force Survey (QLFS) for the second quarter of 2019 indicate that the official unemployment rate increased by 1.4 percentage points to 29,0% compared to the first quarter of 2019. The number of unemployed persons increased by 455 000 to 6.7 million in Q2: 2019 compared to Q1: 2019, resulting in an increase of 476 000 in the labour force. The South African working-age population increased by 150 000 in Q2:2019 compared to Q1:2019.

The percentage of young persons aged 15–24 years who were not in employment, education or training (NEET) decreased by 0,9 of a percentage point to 32,3% (3,3 million) in Q2:2019 compared to Q1:2019. Social mobility and economic growth are often halted by poor and inadequate infrastructure. South Africa remains a divided society with growing tensions between immigrants from other parts of Africa and the local communities. Additionally, unemployment rates are much higher among the young population and the black majority of South Africans, further increasing the inequalities in a country considered one of the most unequal in the world, where a smaller part of the population still lives on one Euro per day.

The official unemployment rate increased in seven of the nine provinces, with the largest increase recorded in North West (up by 6,6 percentage points), Northern Cape (up by 3,4 percentage points), Gauteng (up by 2,2 percentage points) and Limpopo (up by 1,8 percentage points). Eastern Cape and Free State were the only provinces that recorded decreases in the unemployment rate (2,0 percentage points and 0,5 of a percentage point, respectively). Year-on-year, the official unemployment rate increased by 1,8 percentage points.

People in general in South Africa desire better education for their children, rewarding employment opportunities and faster economic growth that offer great opportunities for both local and international organisations. The biggest investment in anti-poverty programmes in South Africa is in the form of comprehensive and non-contributory grants which continue to benefit many needy people and households in the province. With these programmes established and delivering services as required to target people and households, there is a need for initiatives in the Province that go beyond cushioning people against adverse effects of poverty, to encouraging them to become economically independent. Macro plans for expansion of the provincial economy and programmes for job-creation are a good progress in this direction.

However, government continues to enforce initiatives aimed to tackle the challenge of high unemployment, particularly among the youth population. In the 2018 State of the Province Address (SOPA), the premier of KZN announced the establishment of KZN Youth Fund (KZNYF) as a means to promote youth owned businesses within the province. The fund is aimed at assisting qualifying youth owned businesses with necessary financial support and other capital or equipment required for proper operational structures of their businesses. This initiative emanated from a realization that SMMEs have a potential to generate much needed employment and thus contribute towards GDP growth in the province. Further, it has been noted that most small businesses collapse at an early stage of operation due to lack of financial support, entrepreneurial and business management skills, information regarding entering the export market, and high competition within industries in which they operate, among others. Therefore, the Fund will address these challenges to create a conducive environment for SMMEs to thrive.

The Department is responding to these challenges which require appropriate interventions through a range of initiatives aimed at alleviating unemployment through provision of short-term paid work opportunities coupled with skills training and promote the use as well as the development of artisans. The department's Izandla Ziyagezana programme is a poverty alleviation initiative on vacant site clearance aimed at youth and women that targets the poorest of the poor.

The department is keen to improve existing job creation programmes and ensure effective oversight its role of coordinating EPWP in the Province. In realising Radical Socio-Economic Transformation, the Department will grow spend on Eyesizwe Contractor Development Programme (ECDP). The programme aims to increase and promote capacity, equity ownership, skills improvement, maintenance of capital works, sustainability and performance of registered and emerging contractors, with preference given to Youth, Women and Persons with Disabilities (PWDs) and Military Veterans registered on the National Military Veterans database. Vision 2030 advocates for government to broaden EPWP to cover 2 million fulltime equivalent jobs by 2020. All indications show that this is imminent however financial constraints limit the extent of expansion.

The high rate of unemployment and poverty continue to affect delivery of infrastructure as there are ongoing site disruptions by business groups demanding contracts for built works. The perceived corruption through multiple awards to the same contractors threatens progress and positive engagements with role-players in the sector.

### **Technological environment**

South Africa is one of the most technologically advanced countries in Africa. It has made an enormous progress in mobile software, security software and electronic banking services (The International Trade Administration, 2017). A number of international tech and social networking companies already operate in South Africa often through subsidiaries. Amazon, IBM, Microsoft, Facebook, LinkedIn, Intel, Dell, Novell, and Apple are some of the companies that can be considered in this regard. Online shopping is on the rise in South Africa. Consequently, there are great opportunities for online retailers. Likewise, due to a number of high profile cyber-attacks and other online vulnerabilities, demand for IT security products and software is high as well.

Technology remains one of the biggest disruptors for the construction industry. A Goldman Sachs report from 2016 predicted that the largest use for commercial drones in the immediate future would be in construction; Gauteng has already started using these to monitor projects. Africa has a fast-growing young population, providing the opportunity to build, upskill and retain fresh innovative talent, which can infuse fresh thinking into this sector. The future construction workforce needs to be trained now to fill the jobs created by advanced technology and operate seamlessly in the fourth industrial revolution. The department has started using drone technology to complement project management capacity.

Technology is playing a pivotal role in shaping the industries of today by augmenting processes, streamlining activities, and integrating innovations to propel the functioning of companies and organisations across a multitude of industries and help them achieve new heights. The built environment sector is no exception as it is benefiting rapidly due to the integration of the latest technology. Smart Building Management, Drone-based Surveying and 3D Printing are some of the technological innovations to be explored further.

## **Environmental factors**

South Africa is one of the most popular tourism destinations in the world. Abundant wildlife, scenic beauty, impressive coastlines, brilliant penguin-filled beaches and vivacious coral reefs have all contributed to the development of South Africa as a tourist destination. However, the country faces some environmental challenges such as water pollution, air pollution, land degradation, solid waste pollution, and deforestation. As indicated by the World Bank (2019), the increased frequency in inclement weather events raises the possibility of large swings in food prices, which could further deepen poverty. The effect of these weather patterns has a severe effect on infrastructure and damage to the tune of approximately R1 billion resulted from severe storms in 2018. Social infrastructure such as hospitals, clinics and schools was affected, reversing gains made by government in improving government facilities. Supply chain reforms will also address measures to effect emergency procurement in such instances.

As the 'Implementing Agent of Choice', it is vital that the Department of Public Works acts as a leader towards positive change in the realm of infrastructure and built environment projects. As a result the department's headquarters at Oliver Tambo building in Pietermaritzburg, generates part of its own electricity via 52 solar panels on the roof. This has resulted in a reduction in electricity consumption in the building by 547500kWh. Active monitoring of water consumption has also seen a reduction in consumption of 11 478 kilolitres.

Built professionals have been exposed to various capacity building forums with green building professionals from all over the country such as the National Green Building Technical Committee to share best practice and report on the progress of green infrastructure projects. The aim was to around the country and the progress on green building implementation targets. There is acknowledgement that there are high initial costs in implementing green projects and developing a business case for these remains a challenge in the face of financial constraints facing government entities which have resulted in the decrease in new construction works, however the long-term benefits have to be strongly motivated to realize sustainable development. The department started working on a programme for monitoring and evaluation of new projects and retro-fitting of some existing buildings in the Department of Public Works Portfolio to comply with the green building policy.

## **Legal environment**

GIAMA and the KZN Land Administration Asset Management Act gives the department sufficient muscle to exercise its powers as custodian of provincial government assets however there are hindrances to the exercise of this mandate since the budget remains with user departments. This is a gap that requires attention and possible review of legislation to enforce commitment of funding towards assets identified in the U-AMP by user departments for inclusion in the C-AMP.

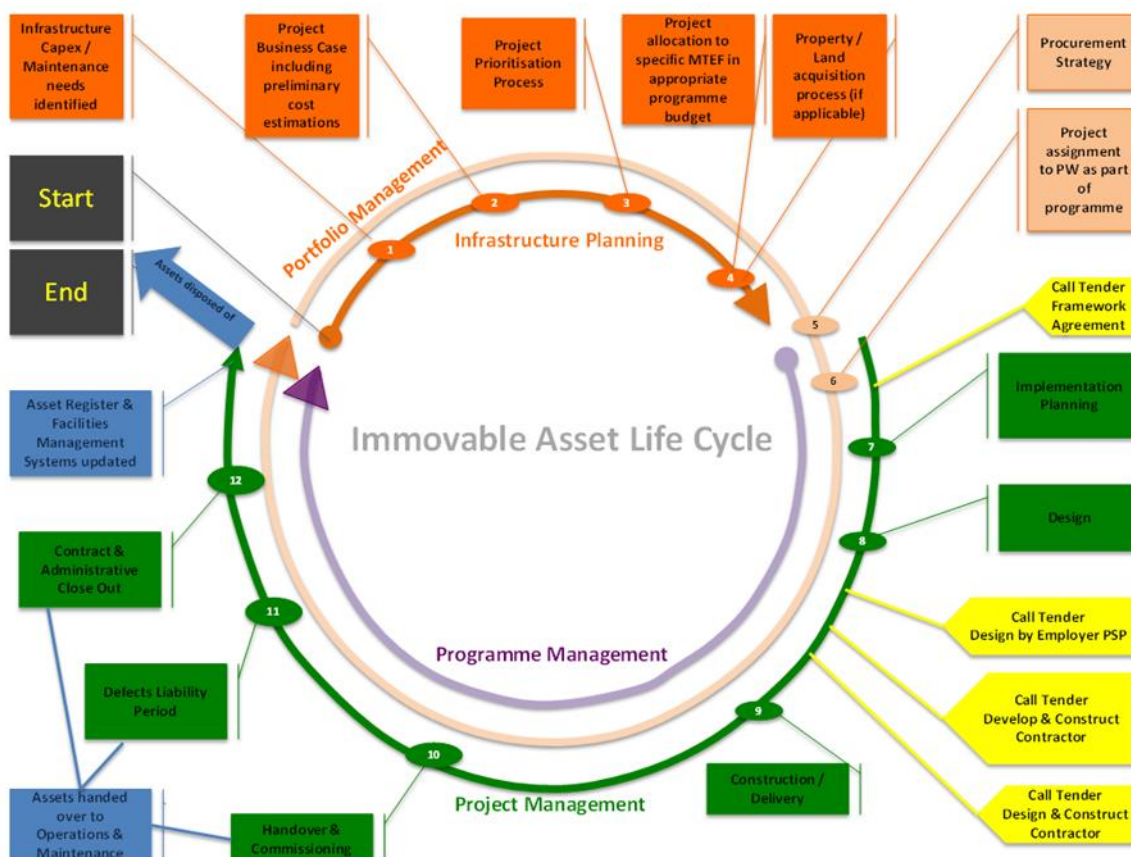
## **6. INTERNAL ENVIRONMENTAL ANALYSIS**

One of the critical success factors to achieve the departmental mandate include full implementation of back-to-basics strategy, which includes good governance; capacity building; putting client needs first, sound financial management and institutionalized long-range human resource planning.

Our geographic spread across all district municipalities in KwaZulu-Natal facilitates ease of access for clients and proximity to facilities being serviced for maintenance and construction works.

The Infrastructure Delivery Management System (IDMS) comprises three core systems, namely, a planning and budgeting, a supply chain management and an asset management system, all of which have forward and backward linkages. All of these have resource implications, both financial and human capacity. The diagram below shows the inter-linkages and processes in the lifecycle of immovable assets which are critical in the delivery of the department's mandate.

### **LIFE-CYCLE OF IMMOVABLE ASSETS**



### **Human Resource Capacity**

The review of the organogram to align to IDMS and the new service delivery model remain key to achieve meaningful service delivery to client departments and other stakeholders. These are some of the key focus areas for the period 2020-2025. Delays in finalising the organisational structure to get the right fit between the departmental strategy, service delivery requirements and the shrinking budget have had a negative effect in operations. The slightly above the norm rate of additional to establishment is a direct result of this situation although the increase in the intake of in-service trainees has also contributed.

#### Employment and vacancies by programme

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
1 Administration	916	859	6.20%	40
2 Real Estate	127	120	5.50%	9
3 Provide building Structure & Equipment	718	667	7.10%	46
Total	1,761	1,646	10.7%	95

The vacancy rate in the core functions of the department remained at 5.5% and 7.10% respectively at the end of 2018-19 financial year. Major efforts have been made to source required built skills to improve infrastructure delivery and these include partnerships formed with built statutory councils to support recent graduates reach professional status in the shortest time possible. Structured mentorship and coaching have yielded positive results in this area.

The stability and retention of staff at the executive level has ensured capacitation of staff and clarity in the Department's strategic direction. A significant number of SMS progressed within the institution, which has enriched organisational memory and knowledge management practices. Transformation of the workforce through meeting equity targets of 50% women at SMS and 2% of people with disabilities in the workforce remains an area of focus for the Department hence the continued inclusion of these aspects. The NDP expressly states that South Africa's organisations should ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.

The workforce profile shows poor representation of Coloured and White people in the department across all categories and a significant representation of African males in the unskilled personnel. .

#### Workforce profile

Occupational Bands	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top Management	2	1	0	1	1	0	0	0	5
Senior Management	8	0	5	0	8	0	2	1	24
Professionally qualified and experienced specialists and mid-management	97	3	12	11	76	0	12	4	215
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	222	1	20	9	259	10	27	24	572
Semi-skilled and discretionary decision making	443	1	14	0	273	3	8	5	747
Unskilled and defined decision making	6	0	0	0	15	0	0	0	4
Contract	41	1	3	0	58	0	4	0	107
Total	819	7	54	21	690	13	53	34	1646
Employees with disabilities (included in above categories)	19	0	0	2	7	0	2	0	30

Attraction and retention of built professionals remains a challenge and undermines efforts to increase capacity through the bursary and internship programmes. Capacity in the built sector remains a challenge and competition for skilled personnel remains fierce both within the public sector and with the private sector.

As depicted in the table below, the department has a significant number of interns in the quantity surveying discipline, followed by Architecture and Construction Project Management. Significant efforts have been made to bring in engineering capacity as this was shown as a gap in the human resource plan due to the retirement of engineers.

The department started efforts to employ in-house property valuers a few years ago by funding students in this discipline and this has borne fruit with the appointment of the former bursary holders.

**Table: Built interns**

Professional Discipline	Males	Females	Indian	Black	White	Coloured	Disabled	Total
<b>CPM (Construction Project Management)</b>	3	3	0	6	0	0	0	6
<b>Quantity Surveying</b>	5	6	0	11	0	0	0	11
<b>Architecture</b>	5	2	0	7	0	0	0	7
<b>Mechanical Engineering</b>	1	1	1	1	0	0	0	2
<b>Civil Engineering</b>	2	2	1	3	0	0	0	4
<b>Electrical Engineering</b>	4	0	2	2	0	0	0	4
<b>Property Valuation</b>	0	1	0	1	0	0	0	1
<b>TOTALS</b>	20	15	4	31	0	0	0	35

A number of areas require improvement to fully realise the goal of being the implementing agent of choice in KwaZulu-Natal. These include improved use of artisans for maintenance work to minimize delays with the procurement of suppliers and service providers. This will also create sustainable work opportunities. Infrastructure planning remains another key area that requires urgent attention as it affects both core functions, namely, immovable asset management and infrastructure delivery.

The department has demonstrated its commitment to job creation through significant initiatives implemented through the EPWP programme. The departmental has repeatedly spent its full allocation for rates payments and has demonstrated sound financial management as evidenced by positive audit outcomes. These also attest to an organisation that has effective governance systems and staff well versed in their disciplines.

## **INFORMATION, COMMUNICATION AND TECHNOLOGY**

The existing information, communication and technology environment is supportive of a learning organisation and service continuity is maintained at acceptable levels. This has been evidenced from clean audits in 2017/2018 from Provincial Treasury's Internal Audit in the following areas: ICT Inventory, ICT Service Management and Protection of Information Security. Some successes include existence of approved DPSA GWEA – Government Wide Enterprise Architecture and approved policies for Information Security, Email, Internet, User Access Management.



## Part C: MEASURING OUR PERFORMANCE

### 1. INSTITUTIONAL PERFORMANCE INFORMATION

### 2. IMPACT STATEMENT

<b>Impact statement</b>	Safe and sustainable social infrastructure
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### 3. MEASURING OUTCOMES

MTSF PRIORITY	Priority 1 - Capable, ethical and developmental state		
Outcome	Outcome Indicator	Baseline	Five year target
Improved leadership, governance and accountability	Auditor General's audit outcome	qualification	Unqualified Audit Opinion from Audit General

MTSF PRIORITY	Priority 2 - Job creation and transformation		
Outcome	Outcome Indicator	Baseline	Five year target
Productive Assets: (Maintenance of Facilities)	% of maintained assets/facilities to the portfolio size of assets	60%	80%
Productive Assets (Productive use of Facilities)	% of productive asset	80%	90%
Sustainable Infrastructure Investment: (Addressing Spatial imbalances)	Hectares of land released for socio-economic purposes	New	75ha
Sustainable Infrastructure Investment: (Construction)	% of planned infrastructure projects completed	New	100%
Optimized job opportunities	Number of work opportunities created by Public Works through EPWP	6157	25 130

### 3.1 EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE YEAR PLANNING PERIOD

The table below depicts how the department strategic plan, impact statement and outcomes are aligned to provincial and national priorities.

PGDP OBJECTIVE	DEPARTMENT IMPACT STATEMENT	DEPARTMENT OUTCOME STATEMENT	OUTCOME INDICATOR
PGDP Goal 6 – Governance, PGDP Strategic Objective 6.1 Strengthen policy, strategy coordination and Intergovernmental relations	Safe and sustainable social infrastructure	Improved leadership, governance and accountability	Auditor General's Audit outcome
PGDP Goal 5 – Strategic Objective 5.2 Expand application of green technologies Environmental Sustainability		Productive Assets (Maintenance of Facilities)	% of maintained assets/facilities to the portfolio size of assets
PGDP Goal 1, Strategic Objective 1.4 Improve the efficiency, innovation and variety of government – led job creation programmes		Productive Assets (Productive use of Facilities)	% of productive asset
		Sustainable Infrastructure Investment (Addressing Spatial imbalances)	Hectares of land released for socio-economic purposes
		Sustainable Infrastructure Investment (Construction)	% of planned infrastructure projects completed
		Optimized job opportunities	Number of work opportunities created by Public Works through EPWP



#### 4. KEY RISKS AND MITIGATIONS

Outcome	Key Risk	Risk Mitigation
1.Improved leadership, governance and accountability	1. Inadequate alignment of the current organizational structure to the departmental functions to achieve the strategic objectives	<ul style="list-style-type: none"> <li>• Undertake business reengineering exercise</li> <li>• Fast tracking approval of the revised organizational structure</li> <li>• Advertise &amp; fill key critical posts</li> </ul>
2. Productive Assets (Maintenance of Facilities)	2. Deterioration in the conditions of state facilities	<ul style="list-style-type: none"> <li>• Top slicing of user department's budget for maintenance</li> </ul>
Productive Assets (Productive use of Facilities)		
3.1 Sustainable Infrastructure Investment  (Addressing Spatial imbalances)	3. Shortage of professional and technical skills	<ul style="list-style-type: none"> <li>• Contact relevant institutions to attract &amp; increase applicant pool</li> <li>• Formal skills transfer process established.</li> <li>• Enhancement of existing skills &amp; Attracting skilled staff</li> <li>• The provisions of additional funds to fund vacant professional posts.</li> <li>• Approach SETAs for funding</li> <li>• Revise bursary policy to include EPWP beneficiaries</li> <li>• Implement retention strategy</li> </ul>
3.2 Sustainable Infrastructure Investment (Construction)		
	4. Inadequate Planning at high level	<ul style="list-style-type: none"> <li>• Institutionalise use of U-AMP as basis for development of infrastructure plans</li> </ul>
4. Optimized job opportunities	5. Poor records management	Perform site visits verification to ensure reported performance is supported by sufficient and adequate evidence.

## 5. PUBLIC ENTITIES

The department does not have public entities.

### Part D: TECHNICAL INDICATOR DESCRIPTIONS (TID)

Outcome Indicator Title	Auditor General's Audit outcome
Definition	The indicator seeks to assess how the Department is complying with legislative requirements, policies, frameworks in utilizing allocated financial resources to deliver on the sets performance and its mandate.
Source of data	The Audit General Report
Method of Calculation or Assessment	Assess audit outcome from the AG's Audit Report
Assumptions	Programmes of the Department comply with the requirements of the PFMA and other relevant legislative frameworks.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Desired performance	100% achievement of set target
Indicator Responsibility	CFO

<b>Outcome Indicator Title</b>	<b>% of maintained assets/facilities to the portfolio size of assets</b>
<b>Definition</b>	This indicator measures compliance with Built Environment Regulatory Framework such as Occupational Health and Safety; Government Immovable Asset Management Act
<b>Source of data</b>	Condition Assessment Report; WIMS Report or Excel/Spreadsheet Report
<b>Method of Calculation or Assessment</b>	<u>No. of Asset Maintained</u> Total Portfolio of Assets X 100
<b>Assumptions</b>	Availability of maintenance budget Adequate human capital/ Capacity Availability of Spares
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	Across the KZN Province
<b>Desired performance</b>	100% achievement of set target
<b>Indicator Responsibility</b>	DDG – Immovable Asset Management

<b>Outcome Indicator Title</b>	<b>% of productive asset</b>
<b>Definition</b>	The indicator seeks to measure occupation of state assets.
<b>Source of data</b>	Asset Register; WIMS or Excel/Spreadsheet Report
<b>Method of Calculation or Assessment</b>	Number of unutilized buildings Total Portfolio of assets X 100%
<b>Assumptions</b>	Redundant Assets are disposed off.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	Across the KZN Province
<b>Desired performance</b>	100% achievement of set target
<b>Indicator Responsibility</b>	DDG – Immovable Asset Management

<b>Indicator Title</b>	<b>Hectare of land released for socio-economic purposes</b>
<b>Definition</b>	This definition refers to redundant provincial properties disposed of through sale, donation, exchange as identified in the Transformation Policy
<b>Source of data</b>	Immovable Asset Register
<b>Method of Calculation / Assessment</b>	Simple count
<b>Assumptions</b>	Targeted groups secure required funding to acquire properties identified for disposal Targeted groups are interested in investing in the identified areas
<b>Disaggregation of Beneficiaries (where applicable)</b>	51% black as per policy, with at least 20% for women and youth and target for people with disabilities: 2%
<b>Spatial Transformation (where applicable)</b>	Ethekwini Metro

applicable)	
<b>Desired performance</b>	100% achievement of set targets
<b>Indicator Responsibility</b>	DDG – Immovable Asset Management

<b>Outcome Indicator Title</b>	<b>% of planned infrastructure projects completed</b>
<b>Definition</b>	Identifies planned completed infrastructure projects over the MTSF period. This indicator seeks to measure access to government facilities.
<b>Source of data</b>	Project Files and WIMS
<b>Method of Calculation or Assessment</b>	<u>Completed Project</u> Total Planned Projects X 100
<b>Assumptions</b>	Client departments submit infrastructure plans within the prescribed timeframes
<b>Disaggregation of Beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• Women: 10%</li> <li>• Youth: 18%</li> <li>• People with Disabilities: 2%</li> </ul>
<b>Spatial Transformation (where applicable)</b>	Across the province of Kwa-Zulu Natal
<b>Desired performance</b>	100% achievement of set target
<b>Indicator Responsibility</b>	Chief Director: Infrastructure

Indicator Title	Number of work opportunities created by Public Works through EPWP
Definition	1 Work opportunity = paid work created for an individual on an EPWP project for any period of time. The same individual can be employed by one project after another and each period of employment will be counted as a work opportunity.
Source of data	EPWP Annexure reports
Method of Calculation / Assessment	Simple count of work opportunities validated.
Assumptions	There is budget to implement the programme
Disaggregation of Beneficiaries (where applicable)	Women: 60 Youth: 55% People with Disabilities: 2%
Spatial Transformation (where applicable)	EPWP is implemented across 10 Districts and 1 Metro of the KwaZulu-Natal Province
Desired performance	Achieve 100% of the target
Indicator Responsibility	Chief Director: EPWP

## ANNEXURES TO THE STRATEGIC PLAN

### Annexure A: District Development Model

AREAS OF INTERVENTION	FIVE YEAR PLANNING PERIOD					
	Project Description	Budget Allocation	District Municipality	Location: GPS coordinates	Project leader	Social Partners