

2025-2026

**BUILD KZN  
BETTER**  
CONFERENCE 2025  
ON PROPERTY MANAGEMENT



**KWAZULU-NATAL PROVINCE**  
PUBLIC WORKS & INFRASTRUCTURE  
REPUBLIC OF SOUTH AFRICA

**ANNUAL  
PERFORMANCE  
PLAN**

# STRATEGIC OVERVIEW

## Vision

To be a leading force in the development and management of public infrastructure and properties, driving inclusive economic growth, job creation, and sustainable development.

## Mission

We are committed to delivering and managing high-quality infrastructure, maximizing the utilization of government property, and spearheading efforts to maintain an environmentally sustainable and integrated public infrastructure system that meets the needs of the people of KwaZulu-Natal Province.

## Values

Set of guiding principles and fundamental beliefs that helps teamwork toward a common business goal.

- ❖ Transparency
- ❖ Excellence
- ❖ Motivated workforce
- ❖ Sustainability
- ❖ Integrity
- ❖ Teamwork
- ❖ Accountability
- ❖ Professionalism
- ❖ Innovation

# ANNUAL PERFORMANCE PLAN (APP) 2025/2026

The 2025/2026 Annual Performance Plan of the Department of Public Works and Infrastructure is compiled with the latest available information to the Department.

For more information, please contact:

**Mr. N.B. Zondi**

Director: Strategic Management

Department of Public Works and Infrastructure

Private Bag X9041

Pietermaritzburg

3200

Tel: 033 355 5532

[www.kznworks.gov.za](http://www.kznworks.gov.za)

**PR123/2025**

**ISBN: 978-1-77997- 685-7**

**Title of Publications:** Department of Public Works and Infrastructure KZN- Annual Performance Plan 2025-26.

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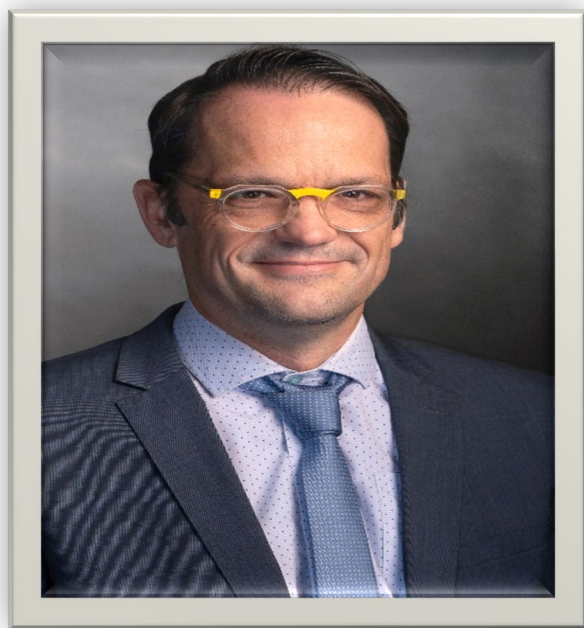
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# EXECUTIVE AUTHORITY STATEMENT



For many intents and purposes, KwaZulu-Natal is experiencing a new dawn. Much like a new day brings with it the prospects of new beginnings, so too does this dawn of a Government of Provincial Unity bring about a newly restored sense of hope. Like the start of a new day this new dawn invites all of us to put our best foot forward and go forward with determination.

The people of KwaZulu-Natal have spoken in one voice and have made it clear that they want a functioning KZN Public Works and Infrastructure, timeous delivery of services, accountability, and a caring government. This has never been more critical, especially since the dawn of the 7<sup>th</sup> administration under the Government of Provincial Unity.

Since the start of the current administration KZN Public Works and Infrastructure has successfully begun the process of reconfiguring and redefining itself into becoming a department that regains the trust of the citizens of this province. However, this has happened under trying conditions.

It goes without saying that the current climate remains a challenging one where the department looks to turn itself around and deliver its mandate with fewer resources, be it financial or otherwise. We have been compelled to do more with less. It has become more challenging to maintain the required upkeep and repairs of many of our properties. Our ability to be the implementing agent of choice has faced several challenges, including non-payment from client departments and external threats to our ongoing projects. On a daily basis we have to contend with outdated systems of operations.



Be that as it may, I am exceptionally proud of what we have been able to achieve in a space of just a few months. Our exceptional achievements speak for themselves. From our fruitful partnerships with the private sector as signified by the Esplanade Government Building project, to our hosting one of Africa's biggest property management gatherings, the Build KZN Better conference, to the first-of-its-kind Audio-Visual recording system for tender bidding, to empowering women through our Women In Construction Advisory.

This is why I am excited about future undertakings by KZN Public Works and Infrastructure such as the Ethics and Governance Desk, our contractors Indaba and our move towards complete digitization which embraces the way of doing things in the future.

The resilience, innovation and unity shown has been nothing less than inspiring. It is truly phenomenal how we have once again put KZN Public Works and Infrastructure on the map while day-by-day building this province better.



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**Mr. L. M. Meyer**  
**Member of the Executive Council**  
**(Executive Authority) Department of Public Works and Infrastructure**  
**Provincial Government of KwaZulu-Natal**

# ACCOUNTING OFFICER STATEMENT



The 2025/26 Annual Performance Plan marks the second year of the 7th Administration, which established the Government of Provincial Unity (GPU). Our planning is aligned with the three key priorities of the Medium-Term Development Plan (MTDP), which are central to addressing the developmental challenges of KwaZulu-Natal and unlocking new opportunities for growth and prosperity. These priorities are inclusive growth and job creation; reducing poverty and tackling the high cost of living; and building a capable, ethical, and developmental state.

The department has strategically positioned itself to fulfill its mandate, which includes providing accommodation for provincial government departments, constructing, and maintaining government buildings, effectively coordinating the Expanded Public Works Programme (EPWP), managing provincial infrastructure catalytic projects, and serving as the custodian of provincial immovable assets.

The 2025/26 financial year is themed as a year to boldly advance the agenda of building a better KwaZulu-Natal through property management, infrastructure delivery, and strategic collaborations in an era of artificial intelligence. This theme is anchored in the province's commitment to inspiring new hope through a collective effort by the Government of Provincial Unity and implementing crucial interventions aimed at developing a capable state to achieve the 2030 vision.

This fiscal year, this department is taking an aggressive approach of forging ahead with its digitalization strategies, building collaborative relationships with the private sector to better implement the Private-Public Partnership initiative, enhancing ethics and governance, and the effective implementation of the lease agreement turnaround strategy. The initiative will be transparent, open for public scrutiny and account to



the public at all material times in a form of quarterly reporting via departmental channels. Against this backdrop, the department intends to include restrictive provisions in tender documents to prevent recurring nefarious landlords from monopolizing lease allocations, as well as to promote inclusivity in the property leasing sector by requiring lessors to partner with historically marginalized groups such as black Africans, women, people with disabilities, and youth. Given the foregoing, the department is accelerating the tempo by enforcing penalties on noncompliance and, if required, terminating leases in situations of underperformance or inability to maintain leased facilities. This ambitious goal is within reach if we commit to being mindful of our money expenditures.

The 2025/26 financial year is also characterized by the department's ability to attract capable and a well-qualified staff. It is against this background that the department has been distinguished by its unflinching standards of conduct, accountability, and lauded for its par excellence in curbing unethical recruitment practices. Recently the department has also been lauded as a public sector pioneer for exposing unethical recruitment processes and invalidating years of nepotism in the recruitment processes. This was accomplished by laying a new foundation, by introducing real time digital recording and monitoring systems for candidates, the introduction and adoption for policies which advocate for unprejudiced recruitment practices, ongoing peer education for Human Resources staff, and strengthening internal whistleblower mechanisms.

The department's senior management skills and representation have significantly improved, enabling it to accomplish its strategic goals. A substantial number of Senior Management Services (SMS) staff have been promoted within the department, thus bolstering, and improving organizational memory, and knowledge management procedures.

The department continues to play an important and integral role in its commitment to job creation through numerous EPWP initiatives. As the provincial coordinator of the programme in the province, the department is also spearheading innovative initiatives of remodelling and better implementing EPWP, with the aim of exploring long-term employment opportunities. The department has outperformed the prior phases of the EPWP programme, reaching a target of 100%.

While the department is aware of budgetary limits and a budget shortage, filling vacancies will be delayed until the department's financial situation improves. The financial difficulty caused by budgetary limits would prevent the department from meeting its 100% aim of filling empty positions on the provisioning plan. The Department aims to re-prioritize this and other recently departed positions with the goal of filling them in the new fiscal year, depending on the revised budget allocation.


The department also intends to allocate sufficient budget in the creation of work opportunities in liaison with Provincial Treasury and explore the option of partnerships with TVET Colleges, National Skills Fund

and Sector Education and Training Authority (SETA) as a means of accessing funding to implement learnerships. The department also undertook another tenacious move by revitalizing the artisan programme through a joint skills venture effort with multiple TVET colleges in the province. The department's five-year (5) strategy will determine our capacity to implement a mass artisan placement plan for sector departments and the private sector.

In conclusion, the 2025/2026 Annual Performance Plan reflects the commitment of the Department to deliver quality infrastructure development and immovable asset management services, foster sustainable development and contribute to the socio-economic growth of the province.

As we move forward, we remain focused on enhancing our operational efficiency and demonstrating good governance, strengthening partnerships and ensuring that our projects meet the highest standards of excellence.

Together, we will continue to play our role in building a prosperous, resilient and inclusive Kwazulu-Natal.



---

**Dr. V. Govender**  
**Acting Head of Department Public Works and Infrastructure**

## OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Department of Public Works and Infrastructure (DPW&I) under the guidance of the Executive Authority, Mr. L.M. Meyer
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Public Works and Infrastructure is responsible.
- Accurately reflects the outcomes and outputs which the Department of Public Works and Infrastructure will endeavor to achieve over the period 2025/2026.

**Ms. A. Khan**  
Chief Director:  
Corporate Services  
**Programme Manager Programme 1**

Signature:



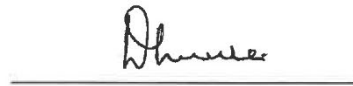
**Mr. P. K. Ballaram**  
Acting Chief Financial Officer:  
**Programme Manager: Programme 1**

Signature:



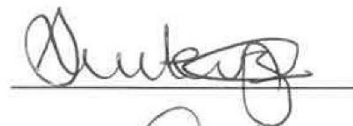
**Ms. D. Fihlela**  
Acting Deputy Director General:  
Infrastructure Maintenance and Technical  
Support  
**Programme Manager: Programme 2**

Signature:



**Ms X Ntanz**  
Acting Chief Director:  
Immovable Asset Management  
**Programme Manager: Programme 2**

Signature:



**Mr. D.B Dlamini**  
Chief Director:  
Expanded Public Works Programme  
**Programme Manager: Programme 3**

Signature:



**Dr. V. Govender**  
Acting Accounting Officer

Signature:



**Mr. N. B. Zondi**  
Director: Strategic Management

Signature:



**APPROVED BY:**

**Mr. L.M. Meyer**  
Member of the Executive Council (Executive Authority)

Signature:



## LIST OF ABBREVIATIONS/ ACRONYMS

No.	Acronym	Full Description
1.	<b>APP</b>	Annual Performance Plan
2.	<b>BAS</b>	Basic Accounting System
3.	<b>C-AMP</b>	Custodian Asset Management Plan
4.	<b>CARC</b>	Cluster Audit and Risk Committee
5.	<b>CIDB</b>	Construction Industry Development Board
6.	<b>COGTA</b>	Department of Corporative Governance and Traditional Affairs
7.	<b>DARD</b>	Department of Agriculture & Rural Development
8.	<b>DoE</b>	Department of Education
9.	<b>DoH</b>	Department of Health
10.	<b>DPW&amp;I</b>	Department of Public Works and Infrastructure
11.	<b>DoT</b>	Department of Transport
12.	<b>DPSA</b>	Department of Public Service and Administration
13.	<b>DPME</b>	Department of Planning, Monitoring and Evaluation
14.	<b>DSD</b>	Department of Social Development
15.	<b>DSAC</b>	Department of Sports, Arts and Culture
16.	<b>EPWP</b>	Expanded Public Works Programme
17.	<b>FOSAD</b>	Forum of South African Directors-General
18.	<b>FTE</b>	Full Time Equivalent
19.	<b>GIAMA</b>	Government Immovable Asset Management Act.
20.	<b>GNU</b>	Government of National Unity
21.	<b>GPU</b>	Government of Provincial Unity
22.	<b>GWEA</b>	Government-Wide Enterprise Architecture
23.	<b>HRPP</b>	Human Resource Provisioning Plan
24.	<b>IAM</b>	Immovable Asset Management
25.	<b>IDMS</b>	Infrastructure Delivery Management System
26.	<b>IMTS</b>	Infrastructure Maintenance and Technical Support
27.	<b>IPIP</b>	Infrastructure Programme and Implementation Plan
28.	<b>IPMP</b>	Infrastructure Programme Management Plan
29.	<b>KZN</b>	KwaZulu-Natal
30.	<b>MEC</b>	Member of the Executive Council
31.	<b>MPL</b>	Member of the Provincial Legislature
32.	<b>MTDP</b>	Medium Term Development Plan

No.	Acronym	Full Description
33.	<b>MTEF</b>	Medium Term Expenditure Framework
34.	<b>MTSF</b>	Medium Term Strategic Framework
35.	<b>NDOPW&amp;I</b>	National Department of Public Works and Infrastructure
36.	<b>NDP</b>	National Development Plan
37.	<b>NEET</b>	Not in Employment, Education or Training
38.	<b>NSDF</b>	National Spatial Development Framework
39.	<b>OSS</b>	Operation Sukuma Sakhe
40.	<b>OTP</b>	Office of the Premier
41.	<b>PESTEL</b>	Political, Economic, Social, Technological, Legal, and Environment
42.	<b>PGDP</b>	Provincial Growth and Development Plan
43.	<b>PGDS</b>	Provincial Growth and Development Strategy
44.	<b>PSDF</b>	Provincial Spatial Development Framework
45.	<b>SCM</b>	Supply Chain Management
46.	<b>SCOPA</b>	Standing Committee on Public Accounts
47.	<b>SDIP</b>	Service Delivery Improvement Plan
48.	<b>SLA</b>	Service Level Agreement
49.	<b>SITA</b>	State Information Technology Agency
50.	<b>SMS</b>	Senior Management Services
51.	<b>SOPA</b>	State of Province Address
52.	<b>SOI</b>	Statement of Intent
53.	<b>SONA</b>	State of Nation Address
54.	<b>SWOT</b>	Strength, Weakness, Opportunities, and Threats
55.	<b>PFMA</b>	Public Finance Management Act
56.	<b>U-AMP</b>	User Asset Management Plan

# **PART A:**

# **Our Mandate**



# PART A: OUR MANDATE

## CONSTITUTIONAL MANDATE

Schedule 4, Part A of the Constitution provides that the Department has a responsibility to provide public works needs for provincial departments so that they may discharge their responsibilities to administer functions especially assigned to them in terms of the Constitution or any other law. Public Works and Infrastructure is a functional area of concurrent national and provincial legislative competence (concurrent National Department is the National Department of Public Works and Infrastructure).

There are mandates within the broad statutory mandates of government institutions that guide the KwaZulu-Natal Department of Public Works and Infrastructure's core functions of infrastructure development and immovable asset management. The department therefore renders the following services listed here below:

- Immovable asset management – serving as custodian and management agent of all provincial-state immovable assets registered in the name of the Province of KwaZulu- Natal.
- Manage, coordinate, and monitor infrastructure programmes in respect of all provincial Departments.
- Coordination of Catalytic projects in respect of key milestones.
- Manage projects throughout their lifecycle.
- Render professional advice to client Departments
- Manage, coordinate, and monitor the Expanded Public Works Programme in KwaZulu-Natal
- Manage, coordinate, and monitor the emerging contractor development programme.
- Register and manage all state-owned immovable assets into an immovable asset register that is fully compliant to the minimum requirement from National Treasury.
- Provide and manage an integrated office accommodation solution to all provincial Departments.
- Manage, facilitate, and monitor property development and valuations, as well as disposal and letting of provincial-state immovable assets
- Implement and monitor (within set period terms) the following programmes:
  - Expanded Public Works Programme (EPWP)
  - IzandlaZiyagezana (IZ)
  - Professional Services
  - Bursary and Internship Programme
  - The Construction Industry Development Board (CIDB) Outreach Programme

- National and Provincial Government-led programmes.

## **LEGISLATIVE AND POLICY MANDATES**

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

### **Legislative Mandates:**

#### **Government Immovable Asset Management Act 19 of 2007**

This Act provides for a uniform framework for the management of immovable assets that are 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.

#### **Kwazulu-Natal Land Administration and Immovable Asset Management Act 2 of 2014**

In terms of this Act, the Department is designated as the custodian of all provincial state-owned land and immovable assets in the province of Kwazulu-Natal.

This legislation enables the Department to:

- ❖ Administer the management of the Provincial state assets, including the process of:
  - acquisition of property.
  - disposal of provincial state land.
  - expropriation of property.
  - management and maintenance of provincial state assets,
- ❖ Establish and maintain a current register for all Provincial State Properties
- ❖ harmonise provincial land administration and management legislation with Government Immovable Asset Management Act (GIAMA).
- ❖ The Act specifically stipulates that the MEC for KZN Public Works and Infrastructure 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.

### **Construction Industry Development Act 38 of 2000**

To provide for the establishment of the Construction Industry Development Board; to implement an integrated strategy for the reconstruction, growth and development of the construction industry and to provide for matters connected therewith.

### **The Infrastructure Development Act 23 of 2014**

To provide for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic; to ensure that infrastructure development in the Republic is given priority in planning, budgeting and implementation; to ensure that the Development goals of the state are promoted through infrastructure development; to improve the management of such infrastructure during all life-cycle phases, including planning, budgeting, implementation and operations; and to provide for matters incidental thereto.

### **Construction Regulations, 2025**

Sub-Regulation 11(2) requires an owner of structures to ensure that a competent person carries periodic inspections of structures at least once every six months for the first two years after its construction and thereafter yearly to render the structure safe and that the structure is maintained so that it remains safe for continued use.

### **Spatial Planning and Land Use Management Act, 2013 Act 16 of 2013**

To provide for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of Government.

### **Policy Mandates:**

- ❖ Public Works White Paper: Towards the 21<sup>st</sup> century (1997)
- ❖ Public Works White Paper: Creating an enabling environment for Reconstruction, Growth and Development in the Construction Industry (1999)
- ❖ EPWP Recruitment Guidelines

The purpose of these EPWP Recruitment Guidelines is to ensure uniformity, across all sectors, in the recruitment of participants from within the EPWP target group.

❖ National Spatial Development Framework

❖ KZN Provincial Spatial Development Framework:

National Government developed the Integrated Urban Development Framework (IUDF) in 2016 and it seeks to foster a shared understanding across government and society about how best to manage urbanisation and achieve the goals of economic development, job creation and improved living conditions of the people. It identified **Spatial Integration** as a Strategic Goal.

The Medium-Term Development Plan (MTDP) (2024-2029) is a five-year implementation plan and an integrated monitoring framework. It further developed the concept of **Spatial Integration** and identified it as a key priority (Priority 1).

Spatial Integration was further prioritised through the Provincial Growth and Development Strategy (PGDS) and through the Provincial Spatial Development Framework (PSDF).

## UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

The outcome of the general elections on 29 May 2024 saw the formation of the Government of National Unity (GNU).

A Statement of Intent (Sol) bounds the GNU and lays the foundational principles and minimum programme of priorities.

FOSAD on 10 June, and 1 & 11 July 2024 approved the final Medium Term Development Plan (MTDP) which was a proposal for the first GNU Cabinet Lekgotla's consideration.

Cabinet Lekgotla on 13 - 14 July 2024 agreed on a minimum Programme of Priorities and approved that this be translated into the MTDP 2024-2029 as a more detailed plan. The MTDP will thus serve as the 5-year medium-term plan for the 7<sup>th</sup> Administration of the Government.

The MTDP 2024–2029 is the medium-term development plan towards the achievement of the NDP, replacing the Medium-Term Strategic Framework (MTSF) by aligning with international naming conventions and emphasising development outcomes. The MTDP 2024–2029 aligns with the goals and objectives of the NDP and the minimum programme of priorities of the GNU. The main objective of the Medium-Term Development Plan (MTDP) 2024–2029 is to strategically guide the work of the 7<sup>th</sup> Administration to achieve the goals set out in the Statement of Intent of the GNU and the National Development Plan (NDP).

Government has set five goals for the next five years, which are:

- ❖ A dynamic, growing economy;

- ❖ A more equal society, where no person lives in poverty;
- ❖ A capable state delivering basic services to all citizens;
- ❖ A safe and secure environment; and
- ❖ A cohesive and united nation.

To achieve these goals, the MTDP 2024-2029 identifies three Strategic Priorities which will be implemented across the state:

- ❖ **Strategic Priority 1: Drive inclusive growth and job creation.**
- ❖ **Strategic Priority 2: Reduce poverty and tackle the high cost of living**
- ❖ **Strategic Priority 3: Build a capable, ethical and developmental state**

These three Strategic Priorities, with a set of policy choices and priority interventions, will be implemented across all government and overseen and monitored by the center of government. This approach aims to focus effort and resources behind an ambitious but achievable set of goals that can drive delivery while presenting a clear vision for the society we want to create. While they do not displace other programmes and commitments, they are essential to the economic growth agenda and should be prioritised for immediate implementation. This approach also requires collaboration with non-state role players, including business, labour and civil society. Strategic Priority 1 focuses on rapid, inclusive and sustainable economic growth to create jobs and serves as the Apex Priority. Strategic Priority 2 aims to reduce poverty and tackle the high cost of living and ensure that social assistance is leveraged for local economic development. Strategic Priority 3 aims to build a capable, 5 ethical and developmental state, which is critical for the success of the other two Strategic Priorities. The rights of women, youth and persons with disabilities (WYPD) must be mainstreamed across all three priorities.

The Department contributes mainly to Priority 1 Drive Inclusive growth and job creation: Driving inclusive growth and job creation is the Apex Priority of the 7<sup>th</sup> Administration. Achieving rapid, inclusive and sustainable economic growth is key to eradicating poverty, reducing inequality and unemployment, and the wider transformation of society. In support of priority 1 the Department continues to focus on its mission to improve the lives of the people of KwaZulu-Natal through sustainable infrastructure development and property management. The Department is effectively co-ordinating EPWP to improve government-led job creation aiming to eradicate poverty, inequality, unemployment and Izandla Ziyagezana programme (IZ), which is aimed at poverty alleviation and job creation through manual clearance of vacant provincial land using labour intensive methods.

The Department also contributes to priority 3 (Build a Capable, Ethical and Developmental State). The Department of Public Works and Infrastructure has received an unqualified Auditor General's opinion and aims to achieve a clean audit outcome by the Auditor-General.

The Department is also mindful of addressing the needs of designated groups. The Department continues to provide financial support for deserving students in scarce skills disciplines in the Built Environment. The bursary programme seeks to create a pool of skilled potential future employees in areas identified as critical in the Department. The programme aims to explore youth to real work situations and enable them to acquire skills.

The Department aims to provide contractors with one-stop construction support service through Construction Industry Development Board (CIDB) outreach centre situated in our eThekweni Regional Office. Its objective, amongst others, is to provide support for industry-wide initiatives on contractor development and other construction services.

**The Annual Performance Plan aligns to the Statement of intent of the 2024 GNU, NDP, MTDP Priorities, PGDS and PSDF**

STATEMENT OF INTENT	NDP	MTDP PRIORITIES	PGDS PRIORITIES
1. Rapid, inclusive and sustainable economic growth, the promotion of fixed capital investment and industrialization, job creation, transformation, livelihood support, land reform, infrastructure development, structural reforms and transformational change, fiscal sustainability, and the sustainable use of our national resources and endowments. Macro-economic management must support national development goals in a sustainable manner.	Ch3. Economy and employment  Ch4 Economic Infrastructure	Strategic Priority 1: Drive Inclusive growth and job creation.	Priority 1: Inclusive Growth and transformation  ➤ Inclusive economic Growth and transformation and jobs in key sectors. ➤ Job creation ➤ Strategic Infrastructure and Catalytic Projects
3. Stabilising local government, effective cooperative governance, the assignment of appropriate responsibilities to different spheres of government and review of the role of	Ch13. Building a capable and developmental state	Strategic Priority 3: Build a capable, ethical and developmental state.	Priority 3: Capable, ethical and developmental state  ➤ Professionalisation and Ethics ➤ Governance and accountability ➤ Business



STATEMENT OF INTENT	NDP	MTDP PRIORITIES	PGDS PRIORITIES
<p>traditional leadership in the governance framework.</p> <p>5. Building state capacity and creating a professional, merit-based, corruption-free and developmental public service. Restructuring and improving state-owned entities to meet national development goals.</p>			modernization and Digital Transformation

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

- ❖ Establish Public Works and Infrastructure as an Implementing Agent of Choice for Infrastructure delivery and property management through the institutionalisation of Infrastructure Delivery Management System (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 processes.
  - Full implementation and institutionalisation of IDMS 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 as follows:
  - Development and implementation of a Service Delivery Model that displays customer orientation and defines how the Department should operate to better serve its clients and 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 enforcing optimal utilisation of existing state facilities.
- ❖ Stabilising Property Rates

- Negotiation of standardised property rates for categories of assets to realise a reduction in property rates and alleviate financial constraints.

- ❖ Improve maintenance of state buildings
- ❖ Maintain positive audit outcomes.
- ❖ Effective co-ordination of EPWP to improve government-led job creation.

## UPDATES TO RELEVANT COURT RULINGS

None

## OUTCOMES

MTDP PRIORITY	Priority 1 – Drive inclusive growth and job creation		
Outcome	Outcome Indicator	Baseline	Five-year target
Increased employment and work opportunities	Number of work opportunities created	12810	21263
Productive Assets: (Maintenance of Facilities)	Percentage of maintained assets/facilities to the portfolio size of Public Works Assets	60%	80%
Productive Assets (Productive use of Facilities)	Percentage increase of productive asset	70%	85%
Increased infrastructure investment, access and efficiency	Percentage of planned infrastructure projects completed	70%	80%

MTDP PRIORITY	Priority 3 -: Build a capable, ethical and developmental state		
Outcome	Outcome Indicator	Baseline	Five-year target
An ethical, capable and professional public service	Improvement in Departmental audit outcomes	Unqualified audit opinion with findings	Clean Audit

## MTDP, PGDS priorities, outcomes, and interventions Alignment

The table below, outlines the MTDP, PGDS priorities, outcomes, and interventions. It displays the alignment to the National and Provincial priorities.

MTDP PRIORITY	OUTCOME	OUTCOME INDICATOR	PROVINCIAL PGDS INTERVENTION
<b>Priority 1 Drive inclusive growth and job creation</b>	Increased employment and work opportunities	Number of work opportunities created	Continue to implement and optimised public employment programmes (including the Presidential Employment Stimulus, the National Youth Service, Expanded Public Works) and prioritise work experience for young people.
	Productive Assets: (Maintenance of Facilities)	Percentage of maintained assets/facilities to the portfolio size of assets	Improve the state of the portfolio to better deliver services.
	Productive Assets (Productive use of Facilities)	Percentage increase of productive asset	Optimise portfolio utilisation to improve productivity, save costs, improve efficiencies and freeing up for other use
	Increased infrastructure investment, access, and efficiency	Percentage of planned infrastructure projects completed	Economic infrastructure development and maintenance: focus effort and resources effective through an emphasis on maintaining infrastructure to support long term economic benefits.
<b>Priority 3: Build a capable, ethical, and developmental state.</b>	An ethical, capable, and professional public service	Improvement in departmental audit outcomes	Promote ethical conduct, integrity, professionalism, and service delivery

# **PART B:**

# **Our Strategic Focus**

# Part B: OUR STRATEGIC FOCUS

## 1. IMPACT STATEMENT

Impact statement	Safe and sustainable social infrastructure
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## 2. VISION

To be a leading force in the development and management of public infrastructure and properties, driving inclusive economic growth, job creation, and sustainable development.

## 3. MISSION

We are committed to delivering and managing high-quality infrastructure, maximizing the utilization of government property, and spearheading efforts to maintain an environmentally sustainable and integrated public infrastructure system that meets the needs of the people of KwaZulu-Natal Province.

## 4. 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> </ul>
b	<b>Excellence</b>	<ul style="list-style-type: none"> <li>- We are dedicated to providing high quality, 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>Teamwork</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</li> </ul>

	Core Value	Description
		made
h)	<b>Professionalism</b>	<ul style="list-style-type: none"> <li>- As a department which provides a professional service in relation to infrastructure delivery, provincial co-ordination, and maintenance. The department commits itself to professional conduct in all areas of management, operations, finance, and administration.</li> </ul>
i)	<b>Innovation</b>	<ul style="list-style-type: none"> <li>- We embrace a challenging style that encourages creativity, free thought and calculated risk-taking in pursuit of ever higher goals.</li> <li>- We seek to implement new ideas, create dynamic service options and improve services.</li> <li>- We strive to be creative thinkers who view challenges and opportunities from all possible perspectives.</li> </ul>

## 5. SITUATIONAL ANALYSIS

The Department utilised the **PESTEL** and **SWOT** analysis tools to examine the internal and external environments.

Challenges being experienced throughout the province point towards the fact that transformation, equity, and sustainability remain primary values that should influence strategic planning, implementation and monitoring and evaluation. Moreover, for various social groups, understanding of asset entitlements and economic sustenance remains unclear. Social relationships conducive to personal, household and community development are under-explored since a community development approach that is aimed at enhancing social cohesion has not yet been adopted. Social challenges related to inequality, poverty, unemployment and youth unemployment, weak social cohesion, gender imbalances and family discordance, seem to be beyond the desirable locus of control.

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.

The province reached an important milestone within the construction sector through the establishment of the KwaZulu-Natal Women in Construction Advisory Committee. The task of this Committee amongst other things is to facilitate active and meaningful participation of women in this industry (State of the Province Address (SOPA), February 2025).



The Department's mandate is to be a custodian of Provincial Government immovable assets; therefore, the Department needs to be acquainted with the status of the property portfolio for optimal utilization to increase investment and release properties for spatial and social justice. Immovable Asset Management Branch is responsible for the implementation of the custodian role of the Department. Critical services offerings provided in IAM include Information Management Services (Immovable Asset Register) Land Administration services, Portfolio Planning Services (U-AMP, C-AMP), Property Development & Investment services, Asset Performance Monitoring. The DPWI has commenced with an aggressive and innovative programme of releasing vacant land and buildings for development to the market and further advancing the transformation agenda.

The 'Build KZN Better Conference' that was held in January 2025; has enabled the Department to create a platform for possible Public Private Partnership. The Conference identified key areas for interventions including, the repurposing of unused government buildings (SOPA, February 2025).

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 as well as capacity building to improve sustainability, quality, and performance of emerging Contractors. The new approach will also see a greater number of Youth, Women Persons with Disabilities and Military Veterans benefitting from departmental projects.

During the Stated of the Province Address (SOPA), July 2024 progress report on programme's objective to transform the Property and Real Estate industry and include the previously marginalised youth, especially young women in the KZN province. The programme will start in Durban and Pietermaritzburg.

The province is committed to transforming the property and real estate sector to include marginalized communities and prevent monopolization of government leases. A turnaround strategy for lease agreements was implemented. Measures introduced to enhance transformation include:

- ❖ Equitable Opportunity Distribution,
- ❖ Promoting involvement of Black Africans within the property leasing sector and other marginalized groups (including women, people with disabilities, and youth) by requiring lessors to partner with these groups,
- ❖ Lease enforcement and strengthening of compliance measures ü Implementing longer lease periods to maximize benefits for emerging lessors (SOPA, February 2025).

As a collective, arising out of negotiations through the national and provincial Cabinet lekgotla, the Government agreed that the 7th Administration, has a dual and urgent responsibility: to aid the province in rebuilding the post-pandemic and post-unrest, post-natural disasters economy and to strengthen direction and coordination at the heart of government (SOPA July 2024).

During the inauguration, it was announced the reconfiguration of the Department of Public Works and Infrastructure, into the Department of Public Works and Infrastructure. This was designed to expedite infrastructure development, ensure efficient use of internal resources, and achieve the broader economic growth and development goals set for the province. As part of this reconfiguration, the Department is repositioned as the “implementer of choice” for all infrastructure projects within provincial government departments (SOPA, July 2024).

During the SOPA, 2025 the Premier of KwaZulu-Natal invited the construction industry to contribute positively to the projects done in the province. He further stated that the Government must work together to fight the construction mafia syndrome as there is no place for the construction mafia in the province. The Government will work with the construction industry to help the industry to grow.

## **6. EXTERNAL ENVIRONMENTAL ANALYSIS**

The Department undertook an external environmental analysis to identify trends and factors impacting its performance using PESTEL analysis.

In the South African context of high level of poverty, inequality, and unemployment (non-inclusive economic growth) coupled with a widely recognized 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, especially among the youth presents an opportunity to introduce meaningful interventions to realise the Provincial Priority 1 through inclusive growth and job creation.

Figure D.1 Public- and private-sector capital investment as a share of GDP, 1994–2022

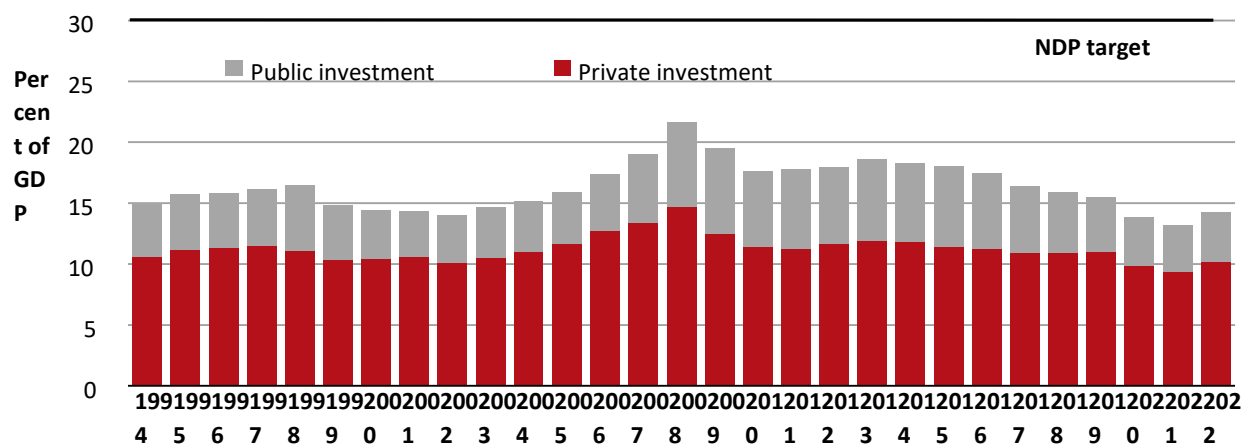


Figure D.1 Public- and private-sector capital investment as a share of GDP, 1994–2022 Source: Budget Review, 2024

Public-sector infrastructure spending highlights

Figure D.1 summarizes government’s infrastructure spending plans for the next three years at national, provincial, and local government level, including state-owned companies and other public entities. Public-sector infrastructure spending over the 2024 medium-term expenditure framework (MTEF) period is estimated at R943.8 billion. State-owned companies continue to be the largest contributor to capital investment, spending a projected R374.7 billion over the next three years. Provinces are expected to spend R183.7 billion on infrastructure over the same period, while municipalities are forecast to spend R213.8 billion.

Public housing built through the *human settlements development grant* in Provinces is expected to total R43.7 billion. Although these assets are transferred to homeowners, this spending is a substantial government contribution to the built environment. Spending on economic infrastructure, mainly by state-owned companies, accounts for 81.4 per cent of the medium-term estimate. These funds are used to expand power-generation capacity, upgrade and expand the transport network, and improve sanitation and water services. Social services infrastructure accounts for 15.7 per cent of the total, with the two largest sectors, health, and education, contributing 4.3 per cent and 6 per cent, respectively.

To help close the gap between available public resources and the growing infrastructure need, government’s economic recovery plan includes immediate measures to boost investor confidence and longer-term reforms that promote sustained economic growth. Higher and more effective infrastructure spending is central to this plan (National Treasury Budget Review, 2024).

The **PESTEL** analysis examines the impact of external factors on the Department's performance, including political, economic, social, technological, environmental, and legal aspects. The PESTEL (political, economic, social, technical, environmental, and legal) examination is outlined below.

## **Political Environment**

In May 2024, the South African general elections were held to elect a new National Assembly as well as the provincial legislature in each of nine (09) Provinces. The elections resulted in the establishment of a Government of National Unity (GNU) and Government of Provincial Unity (GPU). One advantage is that a government of multiple political parties will represent different political ideologies, cultures, and ideas. This helps to bring communities together because they see their representatives work together. Another advantage is that a multi-party government adopts compromise-based policies. These policies may last longer than policies adopted by one majority party, which may be abolished as soon as it loses power. Lastly, having well-managed multi-party governments may make government more stable in the long run (South African Government, 2024).

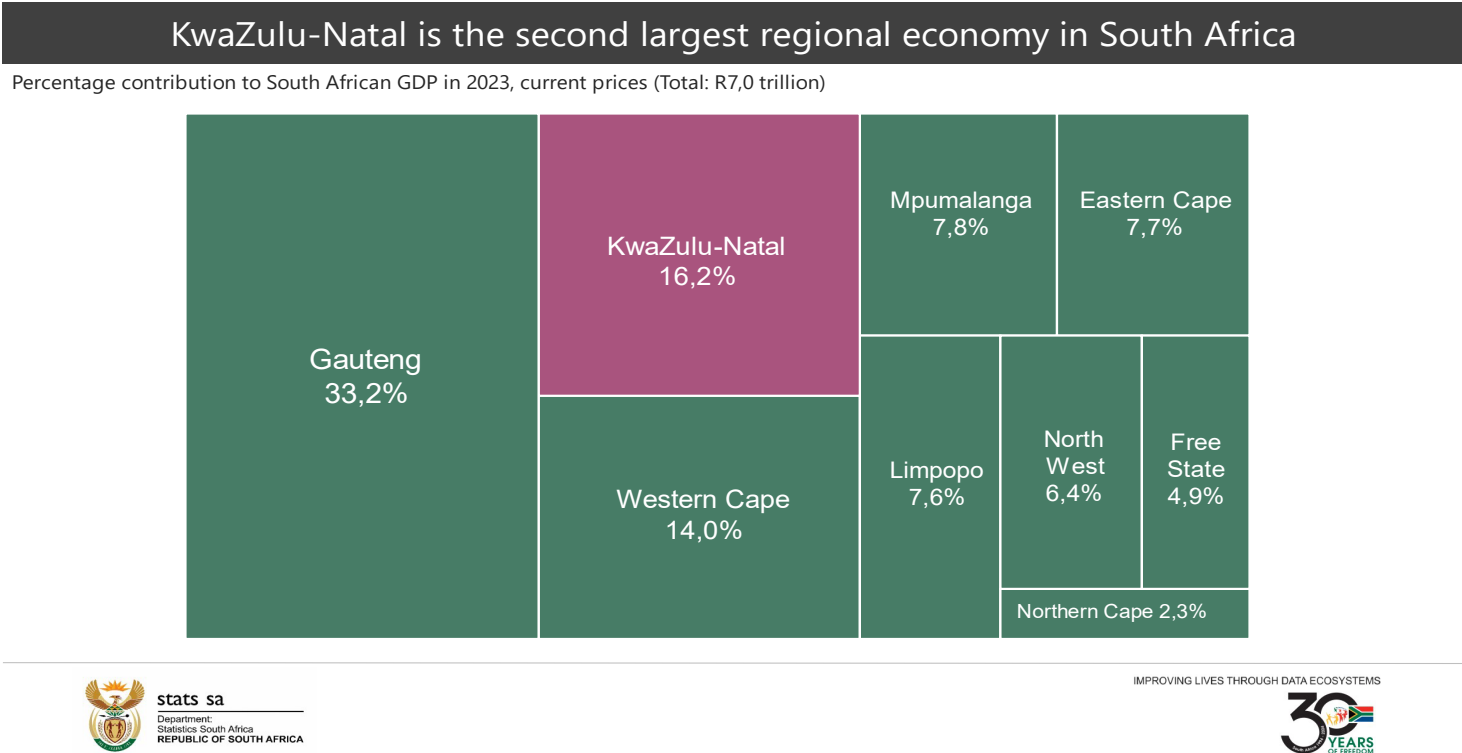
## **Economic Environment**

The Presidential Employment Stimulus, the Expanded Public Works Programme and other initiatives under the Presidential Youth Employment Intervention have provided income, work experience and skills development opportunities to many young unemployed people. The Government will expand and institutionalise these programmes so that more and more young people can participate in job opportunities and skills development. Through the Presidential Employment Stimulus, the Government has been able to create nearly 2 million work and livelihood opportunities and aim to expand the public works programme exponentially to create more job opportunities (Opening Address of Parliament, 2024).

Real GDP growth decelerated from 1.9% in 2022 to 0.6% in 2023, due to persistent electricity shortages, transport sector constraints, and lower international prices for gold and platinum group metals. These factors resulted in a deceleration of growth in the key sectors of agriculture (down 3.2%) and mining (down 1.6%) in 2023 compared with 2022. Manufacturing picked up marginally (up 0.2%) owing to increased demand for petrochemicals and vehicles. Household consumption declined from 2.8% in 2022 to 0.7% in 2023 due to higher interest rates. Inflation declined from 6.9% in 2022 to 6.0% in 2023 reflecting lower international fuel prices. The exchange rate of the South African rand weakened by 12.4% against the US dollar in 2023, to 18.40 rand to the dollar, due to declining terms of trade for South Africa's main exports.

The poverty rate was estimated at 21.6% in 2023, and the Gini coefficient was 0.63. Overall unemployment stood at 32.1% and youth (25–34 years) unemployment at 39%. South Africa is among the top 10 most unequal countries globally.

The outlook is weakly positive, with GDP growth projected at 1.3% in 2024 and 1.6% in 2025, as new infrastructure investments support construction and recovery of other sectors. Inflation is expected to moderate at 4.8% in 2024. The fiscal deficit is projected to decline to about 4.3% of GDP in 2023/24, as tax revenue collections improve. The current account deficit is expected to widen to 3.0% of GDP in 2024, due mainly to lower growth of exports than imports because of constraints in the transport sector and power shortages. Key risks include persistent electricity supply shortages, transport bottlenecks, fiscal vulnerabilities arising from bailouts of state-owned enterprises, volatile commodity prices, and climate change shocks. The 2024 general elections could also generate a risk of investor apprehension. However, macroeconomic reforms, investment, and trade are expected to stimulate the economy.



KwaZulu-Natal (KZN) is the second largest contributor (approximately 16,2%) to the South African GDP. KZN is home to the Durban and Richards Bay ports which handle almost 60% of SA’s cargo tonnage. Most bulk export operations occur in Richards Bay which produces over 4% of the global exports of aluminium. One of the world’s largest sand mining operations also resides in the province. • The province consists of a highly diversified agricultural sector. KZN is the country's main producer of timber as it produces over 50% of all timber used in the country and accounts for a significant percentage of the country's wood exports; as well as sugar cane (0.84% of SA GDP), with some of the country’s largest sugar processing plants. • KZN also has the highest export propensity in the country and has a fairly high level of industrialization (measured by the relative size of manufacturing output). The municipal areas that have the highest exports in terms of percentage contribution of exports in KZN include eThekweni, King Cetshwayo and uMgungundlovu.

## Drivers of performance in KwaZulu-Natal

### Positive growth

- Transport (5,0 %) - Relative size (8,7%)
  - ✓ Dube Cargo Terminal at King Shaka International Airport saw air cargo volumes spike due to congestion at seaports nationwide. The terminal company said that in the last four months of 2023, its air cargo volumes were up 57% quarter on quarter due to modal shift. ([www.aircargonews.net](http://www.aircargonews.net))
  - ✓ The number of heavy trucks on both the N3 and N4 toll routes increased compared to a year ago, while the Road Freight payload for the country also showed continuous growth
- Finance (2,7%) - Relative size (17,2%)
- Manufacturing (1,6%) - Relative size (15,6%)
- Government (1,1%) - Relative size (8,7%)
- Personal services (0,8 %) - Relative size (18,5%)
- Mining (0,8%) - Relative size (1,2%)
- Construction (0,1%) - Relative size (2,4%)

### Negative growth

- Trade (-1,4%) - Relative size (12,2%)
- Agriculture (-4,4%) - Relative size (4,0%)
- Utilities (-4,8%) – Relative size (3,1%)

GDPR results for 2023 Source: Stats SA

During the July 2024 SOPA, the Premier of KwaZulu-Natal delightedly announced that major investment projects to the value of R1,4 billion are under construction in Trade Zone 2 at the Dube Tradeport. In the future R2 billion will be injected in local economic development by building a Agri-Hub at the Richards Bay Industrial Development Zone. To begin, R150 million will be injected in building the Fresh Produce Market at uMhlathuze Municipality.

In addition, the State-Owned Entities will be engaged as they are operating in the province as drivers of contribution in the economic growth of the province.

Currently, the economy is in a low-growth trap, with average growth lagging behind population growth, leading to a regression in real Gross Domestic Product (GDP). This impact is felt most acutely by the youth and women. As part of rebuilding the economy, in the 100 days since the assumption of office, the provincial Government committing to this programme of action (SOPA, July 2024).

As the economy being restructured, there would be ongoing discussions regarding the role of key economic institutions, such as the Growth Fund; Ithala Development Finance Corporation; Trade and Investment KwaZulu-Natal; Agri-Business Development Agency; Richards Bay Industrial Development Zone and the Dube Tradeport Corporation in relation to the employment impact of policy decisions (SOPA, July 2024).



Amongst other initiatives, there will be a meeting with the KwaZulu-Natal Growth Coalition and Economic Council, Chambers of Business to galvanize business and foster collaborations to increase business confidence, impacting growth and job creation. In this regard, the government aims to recalibrate its role as an enabler and catalyst for business to thrive.

Economic transformation and inclusive growth remain key economic growth and development pillars. Deliberate attention will be paid to the development of small, youth, and women-owned businesses through partnerships and incubation.

Budget constraints and Budget cuts are impacting the Department on high vacancy rate and inability to fully implement an organisational structure that fully caters for IDMS as well as effective projects-contracts management. Projects have been put on hold thus shrinking economic growth. Depressed economy with high inflation and exorbitant cost of borrowing which results in increased project costs.

## **Social Environment**

The mid-year population is estimated at 63,02 million. The population annual growth rate is 1,33%, up by 835 513 people since 2023. Gauteng and KwaZulu-Natal had the highest populations at 15 million and 12,4 million respectively, while the Northern Cape had the smallest (1,3 million).

The number of unemployed people in South Africa increased from 5,1 million in Q1:2014 to 8,2 million in Q1:2024. Unemployment rate increased by 0,8 of a percentage point to 32,9% in Q1:2024. However, KwaZulu Natal recorded the largest increase in employment in Q1:2024. Youth aged 15-34 years are more vulnerable to unemployment when compared to older age groups. Some young people have been disengaged from the labour market and they are also not building on their skills base through education and training – they are not in employment, education or training (NEET). The unemployment rate among the Black African (36,9%) population group remains higher than the national average and other population groups. Black African women continue to be the most vulnerable with an unemployment rate of 39,2% in Q1:2024.

The President aims to combat youth unemployment by creating job opportunities and training programs. DPW will continue to implement its main EPWP program while changing its focus to more decent initiatives. Sustainable job creation. This will require enough funding for artisan development and graduate internship programs, as well as placement of TVET students for work experience.

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.

Through the National Dialogue, calls were made for agents of change, to be champions of inclusive growth, to be creators of opportunity. A few years ago, a diverse group of partners and stakeholders from across society came together to consider various scenarios for the future of the country. These were called the Indlulamithi Scenarios 2035 (Opening of parliament address, 2024).

One of the scenarios, symbolised by a vulture, painted a picture of a desperate nation governed by a populist coalition whose main objective is self-enrichment and patronage. This scenario saw investment confidence being eroded, the growth path being low and unemployment, poverty and inequality remaining extremely high. (Opening of parliament address, 2024).

The scenario called ‘The Cooperation Nation’ was also described, symbolised by the social weaver birds. This scenario paints a picture where after disruptions and protests there is a coming together of political parties, the state, private sector and civil society in order to jointly identify priorities and leveraging the strength of each (Opening of parliament address, 2024).

There is change in the form of governance and reform that leads to the economy growing, with more investment attracted, leading to the reduction of unemployment, inequality and poverty (Opening of parliament address, 2024).

**Explore Sustainable Job Opportunities: EPWP**

The Expanded Public Works Programme (EPWP) which originated from the Growth and Development Summit (GDS) of 2003 adopted, amongst others a theme of ‘More jobs, better jobs, decent work for All’. The GDS agreed that Public Works and Infrastructure programmes ‘can provide poverty and income relief through temporary work for the unemployed to carry out socially useful activities. These EPWP programmes would be designed to equip participants with a modicum of training and work experience, which will enhance their ability to earn a living in future.

The KZN DPW&I has been responsible for the Expanded Public Works Programme Coordination function in the Province of KwaZulu Natal since the 1<sup>st</sup> of April 2015. This includes assisting 65 Public Bodies (PB) to develop plans to meet targets on job creation, provide and induct them on standard guidelines on the EPWP policy action plans and monitor implementation. In the table below is the list of 65 Public Bodies.

<b>METRO &amp; DISTRICT MUNICIPALITIES (11)</b>	<b>LOCAL MUNICIPALITIES (43)</b>	<b>PROVINCIAL DEPARTMENTS (11)</b>
Thekwini Metropolitan	Ray Nkonyeni LM	KZN DARD
Ugu DM	Umdoni LM	KZN DSAC
Umkhanyakude DM	Umzumbe LM	KZN EDTEA
iLembe DM	Umuziwabantu LM	KZN DOE
Amajuba DM	KwaDukuza LM	KZN DOH
Uthukela DM	Mandeni LM	KZN DHS
Umzinyathi DM	Maphumulo LM	KZN COM-SAFETY
Zululand DM	Mtubatuba LM	KZN DSD
Harry Gwala DM	Big 5 Hlabisa LM	KZN DPW
Umgungundlovu DM	Jozini LM	KZN DOT
King Cetshwayo DM	uMhlabuyalingana LM	KZN COGTA
	Endumeni LM	
	Inkosi Langalibalele LM	
	Okhahlamba LM	
	Alfred Duma LM	
	Newcastle LM	
	eMadlangeni LM	
	Dannhauser LM	
	Umlalazi LM	
	Umfolosi LM	
	AbaQulusi LM	
	Nongoma LM	
	Edumbe LM	
	Uphongolo LM	
	Ulundi LM	

<b>METRO &amp; DISTRICT MUNICIPALITIES (11)</b>	<b>LOCAL MUNICIPALITIES (43)</b>	<b>PROVINCIAL DEPARTMENTS (11)</b>
	Nquthu LM	
	Umvoti LM	
	Msinga LM	
	uMshwathi LM	
	Umngeni LM	
	Mpofana LM	
	Richmond LM	
	Mkhambathini LM	
	Impendle LM	
	Msunduzi LM	
	Greater Kokstad LM	
	Nkosazana Dlamini-Zuma LM	
	Umzimkhulu LM	
	Ubuhlebezwe LM	
	City of Umhlathuze LM	
	Nkandla LM	
	Mthonjaneni LM	
	Ndwedwe	
<b>TOTAL</b>		<b>65</b>

## Technological Environment

The NDP views science, technology, and innovation as key drivers of economic growth, in the administration it improves efficiency and socio-economic reforms. The Department needs to sharpen its innovative edge and continue contributing to global scientific and technological advancement. This requires greater investment in research and development, better use of existing resources, and more IT

systems that facilitate innovation and enhanced cooperation between public science and technology institutions and the private sector.

Technology and digitization are considered as having the potential to stimulate innovation with opportunities that can be available for youth in the digital space. The Department needs to embrace the technological advancements, through reskilling workers in automation and other sectors that can significantly contribute to improved service delivery.

There are certain strides that the Department has taken i.e. development of highly specialized design studio to ensure the Department is advancing infrastructure design to improve service delivery. There are technology advancements in the construction sector and that covers a vast range of techniques and practices that include developments in design procedures, materials technology, facilities management, quantity surveying and structural analysis and design.

According to SOPA, July 2024, King Dinuzulu Innovation Valley at the Dube Tradeport will officially be opened. This valley will support creativity and innovation in the IT space. Private sector will be engaged so that the Digital Fund will be created, which will be accessed by young people.

In keeping with our commitment to inclusive economic growth, we have embarked on a bold initiative to establish the KwaZulu-Natal Digital Fund: a vehicle aimed at providing young innovators with the financial support necessary to transform ideas into enterprises. In partnership with the private sector, the fund will also be launched in June 2025 (SOPA, February 2025).

## **Environmental Factors**

Climate change, poverty, and inequality are defining challenges of our time, and it is crucial that are tackled in collaboration, recognizing the interconnections between people, the planet, and the economy.

In KwaZulu-Natal, Climate Change is a lived reality. In the month of July 2024 various district municipalities were hit by heavy storms and winds, with the town of uThongathi being the epicenter of that disaster. Progress made thus far in uThongathi is that building material and school uniforms as well as mobile classrooms have been delivered. We are grateful for the solidarity shown through generous donations coming from far and wide. We will continue rebuilding uThongathi. (SOPA, July 2024). During the uThongathi Disaster, the DPW&I reports with affected Client Departments for implementing Agents. The Department has however finalized its Disaster Management Policy which guides the Department in responding to the disaster.

In July 2024 the province was devastated by runaway veld fires that destroyed lives and livelihoods of the people (SOPA, July 2024).

It is for this reason that the Government welcome recent signing of the Climate Change Bill into law by the President. This legislative regime is welcomed as a progressive step towards legalising the climate change response processes and actions that have been undertaken (SOPA, July 2024).

In order to mitigate the effects of climate change, the Province is implementing a series of interventions, including the following:

- ❖ The Province is investing in green and smart municipality projects, biogas initiatives, solar PV installations, Transformative River Management Program and the Green and Smart Municipalities to enhance environmental sustainability. These interventions will create 7,725 job opportunities and promote the circular economy, reducing waste and promoting sustainable practices.
- ❖ The province will continue to implement the Provincial Climate Change Strategy, which aims to coordinate efforts across all sectors—both state and non-state, addressing climate change impacts and mobilizing additional resources for action. This work will be co-ordinated in the Office of the Premier (SOPA, February 2025).

The Department is in the process of formulating Climate Change risk profiles for each region within the province, utilizing climate projections sourced from the Council for Scientific and Industrial Research (CSIR). These risk profiles shall comprehensively identify vulnerabilities and hazards specific to each municipality.

Pursuant to these profiles, the Department shall assess and determine the municipalities most susceptible to specific Climate Change-related events. This assessment shall be conducted in alignment with provincial priorities. Appropriate Climate Change adaptation and mitigation measures shall be identified and implemented in response to the specific vulnerabilities and hazards outlined in the profiles. Such measures may include, but are not limited to, built environment solutions, preventative maintenance programs, and early warning systems. The execution of these adaptation and mitigation initiatives shall be subject to the availability and allocation of requisite funding.

Additionally, the Department ensures that all projects currently in the design phase adhere to the provisions set forth in the approved Green Building Policy and incorporate considerations for Climate Change adaptation and mitigation.

At a global level, there is a concerted effort to reduce greenhouse gas emissions by promoting the development of sustainable infrastructure and the adoption of renewable energy sources, thereby addressing the adverse impacts of Climate Change. These efforts stem from the acknowledgment that

the prevailing development trajectory is unsustainable, that natural resources are finite, and that the depletion thereof poses a significant risk to both present and future generations.

Further to these objectives, the Department has developed the Green Building Policy as a cost-effective regulatory framework that integrates the principles of sustainable infrastructure development and property management. This policy specifically addresses concerns related to Climate Change and energy efficiency (EE) at all stages of infrastructure development, including the construction of new facilities, as well as the renovation, refurbishment, replacement, and maintenance of existing infrastructure. It further extends to the management and leasing of properties under the Department's jurisdiction.

In this regard, the built environment 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. It is noted that KZN DPW&I must take strategic strides towards implementing sustainable infrastructure initiatives to make up lost ground. The DPW&I needs to fast track the adoption and implementation of the National Green Building Policy with greater urgency. There is acknowledgement that there are slightly higher initial costs in implementing green initiatives and developing a business case for these remains a challenge in the face of financial constraints facing government entities. However, the cost of not implementing green initiatives is far greater and the impacts dire, as has been witnessed in recent years. Energy and water security are paramount in this regard. Sustainable infrastructure can no longer be seen as a nice-to-have, but rather an imperative to prevent disruption to the Department's business case, and the various clients' business cases. Lifecycle costing and risk analysis must be done in each case to inform decisions regarding implementation of green initiatives.

Legalization from the Department of Mineral Resources and Energy now requires that all state-owned buildings with a net floor area greater than 1000 sqm must publicly display an Energy Performance Certificates (EPC) by 8th December 2022. The Department is prioritizing the roll-out of EPC's, which is an important first step to ensuring that public buildings are energy efficient.

The DPW&I is taking part in the Integrated Renewable Energy and Resource Efficiency Programme (IREREP), headed by National Department of Public Works and Infrastructure. This Programme is set to be the largest national programme for procurement of renewable energy and resource efficiency for public facilities, with up to 320 MW of renewable energy procured per annum, attracting private sector capital investment of between R 120 billion and R 253 billion in the period up to 2050.

## **Legal Environment**

GIAMA and the KZN Land Administration Asset Management Act give 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 gap 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.

## **7. INTERNAL ENVIRONMENTAL ANALYSIS**

One of the critical success factors to achieve the Departmental mandate includes 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.

### **Catalytic Projects**

The DPW&I is tasked with coordinating all Catalytic Projects in KZN. This process involves collecting, managing, and interpreting catalytic project data to empower evidence-based prioritization to support, give specific preference and attention to projects that impacts on as many as possible of the strategic goals of the province.

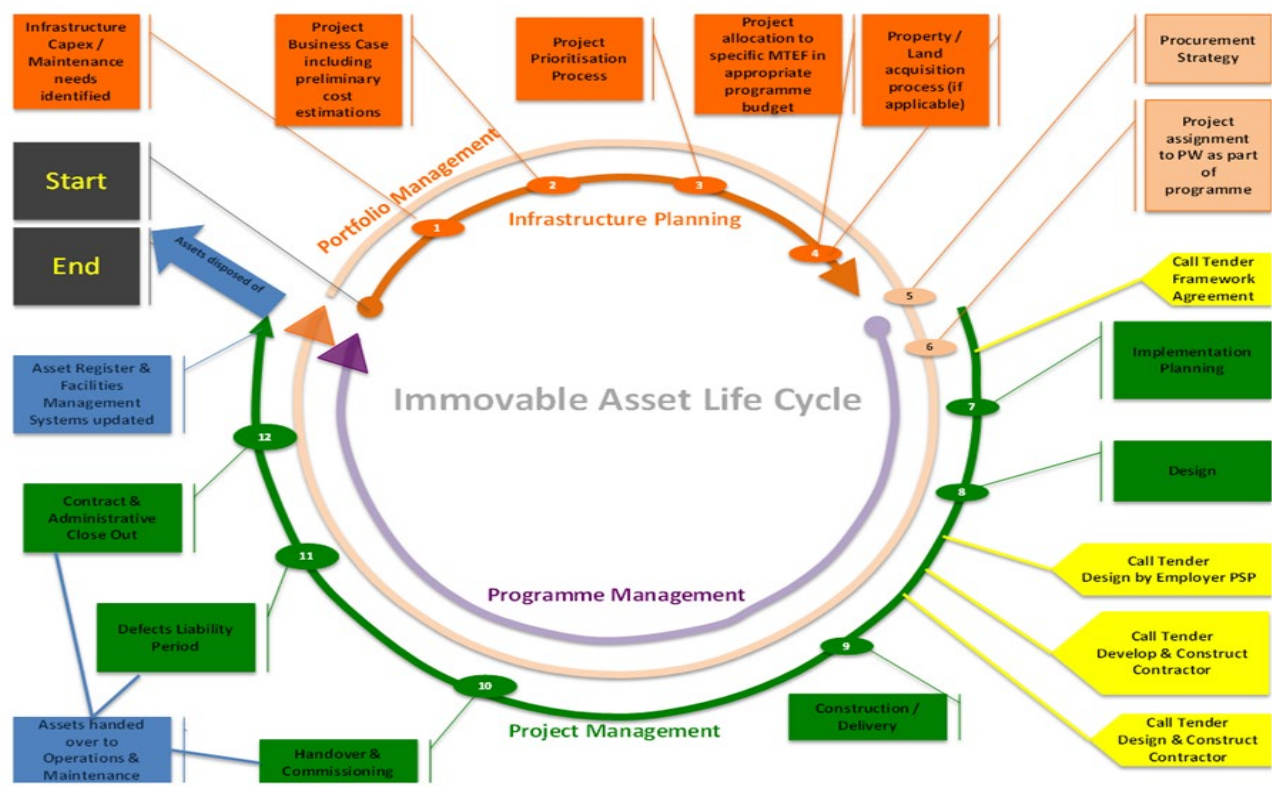
Catalytic projects form part of the provincial administrative reporting process, reported on at action work groups, clusters, political subcommittees, etc. The Catalytic Projects portfolio is a component of the KZN Infrastructure Master Plan.

### **Business Process Mapping**

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 skills audit has been undertaken at the Provincial level and the Department will develop. The Department awaits the outcome of this audit to develop the Workplace Skills Plan which will address the gaps identified. The review of the organogram to align with IDMS has been put on hold due to budget shortfalls. The new service delivery model remains key to achieving meaningful service delivery to all stakeholders. The right fit between the departmental strategy, service delivery requirements and the shrinking budget have an effect in operations. However, the Department will rationalise the current resources to achieve a desired service delivery level.

Recognition of Designated Groups and Promotion of Women, Youth and Persons with Disabilities

In the efforts to empower Women, Youth and Persons with Disabilities and towards the achievement of the targets of 50% for women in SMS, 30% youth and 7% respectively for Persons with Disabilities. In the 2023/ 2024 financial year, the Department achieved 2% against the set target of 2% on employment of Persons with Disabilities. In respect of Women at SMS Level the Department achieved 50%. Lastly the Department achieved 15% in respect of Youth of the total staff complement. The shortfalls would be addressed as the vacant funded posts are filled. The Department has been unable to fill the large number

of posts that are in the youth category as posts that are filled require experienced candidates, which sometimes excludes those from the youth category.

### Service Delivery Improvement Plan (SDIP)

The SDIP prioritizes customer centricity across the entire value chain, in line with the Batho Pele principles. It focuses on developing clear service standards and charters to effectively meet the needs of our clients. The DPW&I has created a comprehensive roadmap for the implementation of the SDIP, with ongoing engagements with the Department of Public Service and Administration (DPSA) to advance the plan from the procedural and process development stages.

### Employment and vacancies by programme as at 31 January 2025 as per Persal

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
<b>1 Administration</b>	671	650	3.1%	6
<b>2 Public Works Infrastructure</b>	560	553	1.3%	64
<b>3 EPWP</b>	29	27	6.9%	0
<b>Total</b>	<b>1260</b>	<b>1230</b>	<b>2.4%</b>	<b>70</b>

The vacancy rate in the core functions of the Department, is 1.3% and 6.9% in respect of funded posts. Efforts have been made to improve the capacity amongst all programmes especially programmes 2 and 3, however this was not possible due to financial constraints. Overall, the Department has been able to maintain a vacancy.

## Workforce profile

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management 15-16	1	0	0	1	0	0	0	0	2
Senior Management 13-14	10	0	3	0	13	0	2	0	28
Professionally qualified and experienced specialists and mid-management 9-12	154	3	15	7	104	2	22	3	310
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents 6-8	197	0	13	4	222	10	18	8	472
Semi-skilled and discretionary decision making 3-5	229	1	8	1	186	2	7	12	446
Unskilled and defined decision making 1-2	22	0	0	0	20	0	0	0	42
Temporary employees	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>613</b>	<b>4</b>	<b>39</b>	<b>13</b>	<b>545</b>	<b>14</b>	<b>49</b>	<b>23</b>	<b>1300</b>
Employees with disabilities (included in above categories)	14	0	0	1	7	0	2	1	25

The capacity and representativity has improved at the senior management level which will assist the Department in achieving the strategic objectives. A significant number of SMS have progressed within the institution, which has enriched organisational memory and knowledge management practices. In terms of transformation of the workforce, the Department has been able to achieve the target of 50% women at SMS level and has dropped to 1.9% of people with disabilities in the workforce. 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.

**Table: Built Interns**

Professional Discipline	Males	Females	Indian	Black	White	Coloured	Disabled	Total
CPM (Construction Project Management)	3	4	2	5	0	0	0	7
Quantity Surveying	5	7	0	12	0	0	0	12
Architecture	0	0	0	0	0	0	0	0
Mechanical Engineering	7	1	2	6	0	0	1	8
Civil Engineering	7	4	6	5	0	0	0	11
Electrical Engineering	5	2	0	7	0	0	0	7
Property Valuation	0	1	0	1	0	0	0	1
<b>TOTALS</b>	<b>27</b>	<b>19</b>	<b>10</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>46</b>

Several 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.

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

To curb the high staff turnover of the built environment Professionals, the Department has embarked on enforcing exit interviews with a view to getting reasons for their departure so that a direct and specific retention strategy can be developed.

### **Financial Resource Considerations**

The department continues to experience spending pressures against Compensation of Employees relating to the carry through effects of the Cost-of-living salary adjustments as well as insufficient funds for the filling of vacant posts in line with the approved structure. The department will monitor the filling of posts in line with natural attrition and retirements and will then decide in-year whether to put the vacated posts on hold or to fill them based on the availability of funds.

The higher than anticipated tariff increases in the market values of properties in respect of property rates by certain municipalities in their implementation of their new General Valuation Rolls as of 1 July 2024 contributed largely to the financial pressures experienced within the department.

The MTEF also caters for the department's capital projects, as well as maintenance and repair projects, and improving infrastructure support however due to budgetary constraints, the department is not planning on commencing any new capital projects in the outer years.

### **Information, Communication and Technology**

The rapid advancement of technology and the Fourth Industrial Revolution (4IR) have largely transformed how the South African Government conducts its business. Accordingly, efficient, and responsive Information and Communication Technology systems and technologies that leverage off the capabilities of the 4<sup>th</sup> Industrial Revolution, are key in enabling the effective and efficient functioning of the KZN DPW&I. Innovation and an approach of continuous service improvement to both internal and external stakeholders need to be adopted, to realise the benefits of digital transformation.

Virtual platforms such as Microsoft Teams have continued to provide a cost effective and improved collaboration and communication service, which is used extensively for hosting meetings, conducting interviews, and sharing of documents. Furthermore, to this, the department initiated the extensive use of MS Teams for audio-visual recordings of bid committees and human resource interviews to promote transparency and ethical behaviour within the department. The audio-visual recordings are being audited periodically for accuracy and information integrity. These tools remain a viable alternative to the traditional methods of communication and the use thereof will be extended in the future.

In line with the Provincial Digital Strategy, a Cloud First approach has been adopted by the Department. To this end, cloud-based services are being considered first when acquiring new services or replacing

existing services and technology. Aside from the reduction in the outlay of capital, the Department foresees the added benefit of improved availability and accessibility of services.

Automation of departmental manual processes has been highlighted as the main driver for the Digital Transformation implementation within the department. Digital transformation initiatives ear-marked are electronic leave management system, electronic submissions, advanced digital signatures, and the scanning of hard copy records for safe-storage. The Digital Transformation roadmap will be integrated with the GWEA framework (ICT Strategy) which is currently under review. Digital transformation is network critical, hence connectivity is a critical aspect to be considered. This has necessitated the review of the current network connectivity at all sites to ensure that they are adequate for the demand that will stem from digital transformation. The transition from copper to fibre and microwave mediums has been completed and will provide a more reliable and modern connectivity platform for the Department. Allocated bandwidth per site is under review to ensure there is adequate capacity for a transition to a cloud-based model and this process is underway. This will be an ongoing exercise to align demand against capacity.

Strengthening cybersecurity is a key focus of the Department in its digital transformation journey. The department has established a detailed security operating model and governance environment for its modern ICT architecture that includes the implementation of Information Security International Standards, governance structures as per the DPSA Corporate Governance of ICT Policy Framework and operating optimally. The developed Cybersecurity Framework and Strategy ensures the department is operating in a secure environment that is planned against security infringements and prepared against fraud or compromise via a cyber-attack. ICT security policies and controls are in place and are continuously revised to incorporate new legislation and threats. The Department focuses on ICT security awareness exercises, simulation tests and training for employees, to strengthen the Department's security posture. A training and awareness plan is in place to guide the security initiatives over the period.

### **Unqualified Audit Outcome**

In the 2023/2024 financial year, the overall audit outcome of the Department was unqualified with findings. This is the same as the previous year's audit outcome.

There has been a stagnation in the audit outcomes, with the Department receiving an unqualified audit opinion with findings. To date there has been a concerted effort to ensure better audit outcomes during the upcoming audit of the 2024/2025 financial year, with continuous monitoring of the Audit Improvement Plan and implementation of relevant controls to prevent a re-occurrence of previous findings.

## **Audit Improvement Plan**

The Department has developed an Audit Improvement Plan to address the findings that were made by the Auditor General. The Audit Improvement Plan is updated as and when the action plans are implemented, and findings resolved. It is also presented to the oversight structure like Standing Committee on Public Accounts (SCOPA) and Cluster Audit and Risk Committee (CARC) on quarterly basis. The Audit Improvement Plan is also audited by the Provincial Treasury's Internal Audit and Assurance Services. When the Action Plan is implemented, portfolio of evidence needs to be supplied and the Provincial Treasury's Internal Audit and Assurance Services would review it before being removed from the Audit Improvement Plan

## 8. STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS (SWOT) ANALYSIS

The Table below sets out the Department's SWOT analysis that have been taken into consideration in implementing Department's strategic orientation.

<p style="text-align: center;"><b><u>STRENGTHS</u></b></p> <p>What does Public Works do well?</p> <p>What processes are effective?</p> <p>What valuable assets / resources exist?</p>	<p style="text-align: center;"><b><u>WEAKNESSES</u></b></p> <p>What areas are we avoiding? Why?</p> <p>Where do we lack resources?</p> <p>What are we doing poorly? What areas need improvement?</p> <p>What are we doing that undermines the goal of being an implementing agent of choice?</p>
<ul style="list-style-type: none"> <li>• Commitment to the National Development Plan</li> <li>• Government committed to GNU</li> <li>• Experienced workforce</li> <li>• Availability of skilled and diverse professional expertise with ability to perform some in-house projects thus minimizing project expenditure.</li> <li>• Policy frameworks, PFMA, Instruction notes, circulars in place</li> <li>• Approved SOPS. (IMTS, EPWP, HR)</li> <li>• Receiving unqualified audit for consecutive years</li> <li>• Strong internship programme</li> <li>• Tender processes are open, fair and transparent</li> <li>• Through the EPWP Coordination, KZN continues to lead in job creation interventions.</li> </ul>	<ul style="list-style-type: none"> <li>• Infrastructure delivery funding challenges</li> <li>• Budget Constraints - achievement of targets, FTEs, training, planned interventions and support to Public Bodies.</li> <li>• Partial alignment to DDM approach when planning community interventions.</li> <li>• Budget remains insufficient to fully execute core functions: <ul style="list-style-type: none"> <li>-Payment of rates</li> <li>-Appointment of conveyancers</li> <li>-Surveying of state land</li> </ul> </li> <li>• Contract Management challenges</li> <li>• Misreporting</li> <li>• Paper trailing approach rather than being IT based</li> <li>• Incorrect or poor planning</li> <li>• No research unit and capability at present</li> </ul>



<ul style="list-style-type: none"> <li>• Tangible assets such as properties, intellectual properties (Recruitment &amp; Selection Guidelines).</li> <li>• Good corporative Governance</li> <li>• Adaption to the new Mandate such as Economic growth and Job Creation</li> <li>• Department receives an unqualified Audit Report.</li> <li>• Reduction in UIFW</li> <li>• Competent staff/strong technical background</li> <li>• Improved access to new digital media which includes Email transmission, Social Media, Website.</li> <li>• Production of inhouse communication material and corporate branding</li> </ul>	<ul style="list-style-type: none"> <li>• No follow-ups with facility users</li> <li>• Batho Pele focus is poor</li> </ul>
<p style="text-align: center;"><b><u>OPPORTUNITIES</u></b></p> <p><b>Are there any interesting trends/ developments in the sector that can revitalize our service delivery/ performance?</b></p> <p><b>Any gaps in the operating environment to be taken advantage of?</b></p> <p><b>Any new technologies in the construction / property management sectors that can enhance our performance?</b></p> <p><b>What client needs are not being met?</b></p>	<p style="text-align: center;"><b><u>THREATS</u></b></p> <p><b>What external obstacles should we overcome?</b></p> <p><b>Who are our successful competitors and what are they doing that threatens our role?</b></p> <p><b>Effects of negative economic conditions?</b></p> <p><b>How do government regulations/ prescripts affect us?</b></p> <p><b>What is the changing business climate?</b></p> <p><b>Where are our vulnerabilities?</b></p>
<ul style="list-style-type: none"> <li>• Adoption of green technologies and climate resilient materials to ensure environmental sustainability</li> <li>• Benchmarking with other provinces and private sector performing well</li> <li>• Research &amp; development to explore new advances in the built sector</li> </ul>	<ul style="list-style-type: none"> <li>• Negative economic conditions raise prices, less competition.</li> <li>• Other implementing agents</li> </ul>

<ul style="list-style-type: none"> <li>• Maximise Use of technology – introduce systems to expedite approvals.</li> <li>• Appointment of artisans with mechanical engineering skills</li> <li>• Alignment of commitments to available funding</li> <li>• Proper distribution of projects amongst project managers to improve delivery</li> <li>• Development of project management system</li> <li>• Full utilisation of IDMS</li> <li>• Media coverage/advertising of the branch programmes (Department's social media).</li> <li>• Form partnerships with external stakeholders.</li> <li>• Apply for funding opportunities.</li> <li>• Strengthening support to Public Entities for improved reporting.</li> <li>• GIS as a Immovable Asset Register supporting tool could be fully utilized to support execution of DPW mandate, for instance GIS Applications, such as (Survey 123) &amp; Satellite Planet Imagery that could be used for various functions.</li> <li>• Sector Fora which promotes bests practices in the sector, such as (National Rates &amp; GIAMA Forums, Provincial GIS Forum)</li> <li>• Intergovernmental relations are being strengthened with Municipalities, National Government through the Provincial Steering Committees and ongoing stakeholder engagements in terms of dealing with disposal and effective management of state properties.</li> </ul>	<ul style="list-style-type: none"> <li>• Possibilities of client Department procuring their own service providers due to delays within Public Works.</li> <li>• Threat of Professionals leaving the Department because of better remuneration and better working conditions in the private and other Sector Departments.</li> <li>• Possible wasteful and under expenditure.</li> <li>• Non-embracing of IDMS</li> <li>• Project Budget residing with clients</li> <li>• Client department using own capacity to implement projects</li> <li>• Rising implementation costs / high inflation</li> <li>• Aging infrastructure</li> <li>• Reputational risk due to allegations of nepotism in recruitment</li> <li>• Connectivity issues affecting ICT implementation</li> <li>• Loss of information due to lack of physical and electronic safeguards as a result of cost and capacity constraints</li> <li>• Lack of adequate security systems</li> <li>• Natural disasters.</li> <li>• Political risks and violence</li> <li>• Pandemic outbreak</li> <li>• Climate change</li> <li>• Changes in legislation and regulation</li> <li>• Fire and explosion</li> </ul>
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## 9. STAKEHOLDER ANALYSIS

The table below shows that stakeholder groups and their role in accelerating progress towards achieving Strategic Outcomes

STAKEHOLDER	REASON FOR INTERACTION
All Provincial Departments (Department of Health, Department of Education, and other Provincial Departments)	Provision of buildings through infrastructure and office accommodation
Cluster Audit and Risk Committee (CARC)	Audit and Risk Oversight
Department of Employment and Labour	Develop Employment Equity related acts, directives and monitor and evaluate implementation thereof.
Department of Planning, Monitoring and Evaluation (DPME)	The Department of Planning Monitoring and Evaluation (DPME) is the custodian of Planning Monitoring & Evaluation in government, and collaborates with the Offices of the Premier (OTPs) to coordinate the functions of the state, oversees the implementation of the National Development Plan (NDP), and drive government performance through M&E.
Department of Public Service and Administration (DPSA)	Establishing norms and standards for the Public Service and monitoring implementation thereof.
National Department of Public Works and Infrastructure	The national DPW provides the broad policy and legislative framework for the sector.
Office of the Auditor General	Monitoring compliance with Legislation such as PFMA and MFMA- External Auditor
Office of the Premier	<ul style="list-style-type: none"> <li>➤ Consultation on Organisational Structures</li> <li>➤ Support on the implementation of operations management</li> <li>➤ Support on the implementation of Job Evaluation</li> <li>➤ Support on planning, policy development, monitoring, evaluations, human resource functions.</li> </ul>

STAKEHOLDER	REASON FOR INTERACTION
Office of the State Attorney	Represent the Department in litigation matters
Organised Labour	<ul style="list-style-type: none"> <li>➤ Consultation on Organisational Structures</li> <li>➤ Consultation/bargaining in respect of HR matters that affect employees thus ensuring consistency and buy-in.</li> </ul>
Portfolio Committees (Public Works and Finance)	Exercise service delivery and financial Oversight
Private Sector Organisations and Businesses (Including SMMEs)	Provision of capital, infrastructure and employment opportunities through partnerships and investment
Provincial Legislature	Approval of Strategic Plans and Annual Performance plans
Public Bodies (District Municipalities, Provincial Departments and Public Entities)	Job creation through EPWP Projects
Public Service Commission (PSC)	Provide an oversight role in respect of Human Resource matters.
Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sectoral Bargaining Council (GPSSBC)	Conclusion of collective agreements and dispute resolution on transversal matters and individual dispute matters respectively.
Service Providers (Consultants, Contractors- goods and services, Landlords)	Delivery of Projects and services
Standing Committee on Public Accounts (SCOPA)	Audit and Risk Political Oversight
State Information Technology Agency (SITA)	Consolidate and coordinate the State's information technology resources to achieve cost savings through scale, increase delivery capabilities and enhance interoperability.
Tertiary institutions	Human Resource Development (HRD) to participate in career exhibitions / outreach programmes
KZN Provincial Treasury	Sound financial management, unauthorize, irregular, fruitless and wasteful expenditure (UIFW) and financial statements

STAKEHOLDER	REASON FOR INTERACTION
Women in Construction	To enhance capacity to deliver on the mandate of Public Works
Infrastructure Advisory Board	To strengthen the stakeholder collaboration and enhance capacity

# **PART C:**

# **Measuring Our**

# **Performance**

# PART C: MEASURING OUR PERFORMANCE

## 1. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 1.1 PROGRAMME 1: ADMINISTRATION

**Purpose:** To provide support to the Member of the Executive Council. Provide strategic leadership and management, financial, and corporate services. There has been no change to the Administration programme structure.

Sub-Programmes:

(i) Office of the MEC

Provides support including administrative, operations, protocol, security, parliamentary liaison and communication to the member of the executive council.

(ii) Management of the Department

Includes Office of the Head of Department, financial management services, risk management and Supply Chain Management

(iii) Corporate Support

Provides Human Resource Management, Organisational Development, Strategic Management, Security and Facilities Management, Monitoring and Evaluation, Information and Communication Technology, Legal Services and Communication.

**Outcomes, Outputs, Performance Indicators and Targets**

**MANAGEMENT OF THE DEPARTMENT**

MTDP Priorities		Priority 3: Build a capable, ethical, and developmental state							
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
An ethical, capable and professional public service	Effective Enterprise Risk Integrity Management in the Department	Strategic risk register approved by 30 April 2025	New	New	1	1	1	1	1



### Output Indicators: Annual and Quarterly Targets

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>ENTERPRISE RISK AND INTEGRITY MANAGEMENT</b>						
1.1	Strategic Risk register approved by 30 April 2025	1	1	-	-	-

MTDP Priorities		Priority 3: Build a capable, ethical, and developmental state							
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
FINANCIAL MANAGEMENT SERVICES									
An ethical, capable and professional public service	Internal audit plan implemented.	Percentage of internal audit action plans implemented within specified timeframe	86%	85%	74%	N/A	100%	100%	100%
	External audit plan implemented.	Percentage of external audit action plans implemented within specified timeframe	93%	81%	89%	N/A	100%	100%	100%

MTDP Priorities		Priority 3: Build a capable, ethical, and developmental state							
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
FINANCIAL MANAGEMENT SERVICES									
	Timeous payment of supplier’s valid invoices	Percentage of valid invoices paid within 30 days	N/A	N/A	85%	N/A	100%	100%	100%
	Effective utilization of the budget	Percentage of budget variation	N/A	N/A	0%	Within 2% budget variation	Within 2% budget variation	Within 2% budget variation	Within 2% budget variation
An ethical, capable and professional public service	Implementation of procurement plan	Approved procurement plan submitted to Provincial Treasury by 31 March 2026	New	New	1 Procurement plan developed and submitted	1 Procurement plan developed and submitted	1 Procurement plan developed and submitted	1 Procurement plan developed and submitted	1 Procurement plan developed and submitted
	Implementation of procurement plan	Percentage of implementation of the Procurement Plan	New	New	100%	-	100%	100%	100%
An ethical, capable and professional public service	An increased in Economic Empowerment	Percentage of budget spent on designated groups owned enterprises	N/A	N/A	120%	100%	100%	100%	100%

MTDP Priorities		Priority 3: Build a capable, ethical, and developmental state							
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
FINANCIAL MANAGEMENT SERVICES									
	through procurement	through 30% on procurement of goods, services, and Departmental Infrastructure projects.  Women: <b>45%</b>  Youth: <b>35%</b>  Persons with disabilities: <b>10%</b>  Military Veterans: <b>10%</b>							

**Output Indicators: Annual and Quarterly Targets**

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>FINANCIAL MANAGEMENT SERVICES</b>						
<b>Management and Financial Accounting Services</b>						
1.2	Percentage of internal audit action plans implemented within specified timeframe	100%	100%	100%	100%	100%
1.3	Percentage of external audit action plans implemented within specified timeframe	100%	100%	100%	100%	100%
1.4	Percentage of valid invoices paid within 30 days	100%	100%	100%	100%	100%
1.5	Percentage of budget variation	Within 2% budget variation	Within 2% budget variation	Within 2% budget variation	Within 2% budget variation	Within 2% budget variation
<b>Supply Chain Management</b>						
1.6	Approved procurement plan submitted to Provincial Treasury by 31 March 2026	1	-	-	-	1
1.7	Percentage of implementation of the Procurement Plan	100%	-	-	-	100%

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1.8	Percentage of budget spent on designated groups owned enterprises through 30% on procurement of goods, services, and Departmental Infrastructure projects.  Women: <b>45%</b>  Youth: <b>35%</b>  Persons with disabilities: <b>10%</b>  Military Veterans: <b>10%</b>	100%	-	-	-	100%

MTDP Priority		Priority 3: Build a capable, ethical, and developmental state							
	CORPORATE SERVICES								
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
An ethical, capable and professional public service	Reduction of Vacancy rate	Percentage of approved funded vacant posts filled	N/A	N/A	N/A	75%	100%	60%	75%
An ethical, capable and professional public service	Designated groups empowered.	Percentage of Women at SMS level	45%	42%	50%	50%	50%	50%	50%

MTDP Priority		Priority 3: Build a capable, ethical, and developmental state							
	CORPORATE SERVICES								
Outcome	Output	Output Indicators	Annual Targets						
			Audited/ Actual Performance			Estimated Performance	Medium-term targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
An ethical, capable and professional public service	Designated groups empowered.	Percentage of representation of Staff with disabilities	1,9%	1,8%	2%	2%	2%	3%	3%
An ethical, capable and professional public service	Capacity development programme targeting youth.	Percentage of youth developed	New	New	New	New	100%	100%	100%
An ethical, capable and professional public service	Digitization of business processes	Number of Digital Transformation initiatives implemented.	New	New	1	1 (Software Asset Management System)	4	1	1

**Output Indicators: Annual and Quarterly Targets**

No.	Output Indicators	Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>CORPORATE SERVICES</b>						
<b>Human Resource Management</b>						
1.9	Percentage of approved funded vacant posts filled	100%	-	-	-	100%
1.10	Percentage of Women at SMS level	50% Women at SMS level	-	-	-	50% Women at SMS level
1.11	Percentage representation of Staff with disabilities	2% representation of staff with disabilities	-	-	-	2% representation of staff with disabilities
1.12	Percentage of youth developed	100%	-	-	-	100%
<b>Information and Communication Technology</b>						
1.13	Number of Digital Transformation initiatives implemented.	4	1	-	2	1

## 1. 2. PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

**Purpose:** To provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle (acquisition, management and disposal), optimal utilisation of immovable assets, land valuation, maintenance of fixed asset register, payment of property rates and integrated service delivery. Erection and/or acquisition of buildings, structures and engineering works and the maintenance of buildings to client specifications. The core services are:

- Immovable Asset Management
- Infrastructure Maintenance and Technical Support

Sub-Programmes:

(i) Immovable Asset Management

Purpose: Provides for the management of immovable assets in terms of GIAMA

(ii) Infrastructure Maintenance and Technical Support

Provides for the construction and maintenance of provincial government facilities and the maintenance of buildings to client specification.

**Purpose:** Construction, upgrading or refurbishment of the department's capital infrastru



## Outcomes, Outputs, Performance Indicators and Targets

### PUBLIC WORKS INFRASTRUCTURE

MTDP Priorities		Priority 1: Inclusive growth and job creation								
	IMMOVABLE ASSET MANAGEMENT									
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets			
			2021/2022	2022/2023	2023/2024		2024/2025	2025/2026	2026/2027	2027/2028
Productive Assets (Productive Use of Assets)	Inspections conducted for optimal utilisation.	Number of utilisation inspections conducted within the current financial year. (State-owned)  (Sector Indicator)	N/A	101	100	100		120	160	160
	Inspections conducted for optimal utilisation.	Number of utilisation inspections conducted within the current financial year. (Hired)  (Sector Indicator)	N/A	N/A	103	180		172	80	80

MTDP Priorities		Priority 1: Inclusive growth and job creation							
	IMMOVABLE ASSET MANAGEMENT								
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Productive Assets (Maintenance of Facilities)	Payments of Property rates	Percentage of total budget spent on approved property rate invoices from Municipalities.	100.2%	100.1%	100%	100%	100%	100%	100%
Productive Assets (Productive Use of Assets)	Effective management of immovable assets	Number of properties registered into the name of the KZN Provincial Government.	80	89	80	80	91	80	80
Productive Assets (Maintenance of Facilities)	State owned buildings with finalized condition assessments	Number of condition assessments finalized on state owned buildings.  (Sector Indicator)	303	0	150	150	150	150	150
Productive Assets (Productive Use of Assets)	Approved Custodian Asset Management Plan (C-AMP)	Approved Custodian Asset Management Plan (C-AMP) submitted to Relevant Authority by 31 December 2025	N/A	1	1	1	1	1	1

MTDP Priorities		Priority 1: Inclusive growth and job creation							
	IMMOVABLE ASSET MANAGEMENT								
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Productive Assets (Productive Use of Assets)	Provision of efficient and effective facilities services	Number of facilities provided.  (Sector Indicator)	N/A	80	102	56	77	50	50
Productive Assets (Productive Use of Assets)	Optimised entrepreneurship opportunities	Percentage of leases concluded with African Black Landlords	7,5%	N/A	73%	5%	5%	5%	5%
Productive Assets (Productive Use of Assets)	Disposal of redundant state properties for socio-economic purposes	Hectares of land released for socio-economic purposes	50 295.471 ha	10 ha	10ha	10ha	10ha	10ha	10ha

**Indicators, Annual and Quarterly Targets 2025/2026**

No.	Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>IMMOVABLE ASSET MANAGEMENT</b>						
<b>Provincial Information</b>						
2.1	Percentage of total budget spent on approved property rates invoices from Municipalities.	100%	-	-	-	100%
2.2	Number of properties registered into the name of the KZN Provincial Government	91	-	-	-	91
<b>Property Development and Valuation</b>						
2.3	Number of utilisation inspections conducted for office accommodation (State Owned) <b>(Sector Indicator)</b>	120	24	39	39	18
2.4	Number of condition assessments finalized on state owned buildings. <b>(Sector Indicator)</b>	150	-	-	-	150
2.5	Approved Custodian Asset Management Plan (C-AMP) submitted to Relevant Authority by 31 December 2025	1	-	-	1	-

No.	Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Acquisition</b>						
26	Number of utilisation inspections conducted for office accommodation (Hired) <b>(Sector Indicator)</b>	172	37	53	50	32
2.7	Number of facilities provided. <b>(Sector Indicator)</b>	77	27	13	26	11
2.8	Percentage of leases concluded with African Black Landlords	5%	-	-	-	5%
<b>Disposals</b>						
2.9	Hectares of land released for socio-economic purposes.	10ha	-	-	-	10ha

## Outcomes, Outputs, Performance Indicators and Targets

MTDP Priority		Priority 1: Inclusive growth and job creation							
	INFRASTRUCTURE MAINTENANCE AND TECHNICAL SUPPORT								
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Increased infrastructure investment, access and efficiency	Sustainable Infrastructure Delivery	Number of construction projects completed.  (Sector Indicator)	1	N/A	2	2	-	3	3
	Sustainable Infrastructure Delivery	Number of planned maintenance projects completed.  (Sector Indicator)	12	11	14	13	1	11	14
	Sustainable Infrastructure Delivery	Number of upgrades and additions projects completed	New	New	New	27	10	18	25

**Indicators, Annual and Quarterly Targets 2025/2026**

No.	Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>INFRASTRUCTURE MAINTENANCE AND TECHNICAL SUPPORT</b>						
2.10	Number of planned maintenance projects completed. <b>(Sector Indicator)</b>	1	-	-	-	1
2.11	Number of upgrades and additions projects completed	10	-	-	-	10

### **1.3 PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME**

**Purpose:** Creating of jobs through the EPWP initiatives and provincial coordination of EPWP.

Sub-Programmes:

- (i) Programme Support
- (ii) Community Development



**Outcomes, Outputs, Performance Indicators and Targets**

**EXPANDED PUBLIC WORKS PROGRAMME**

MTDP Priority		Priority 1: Drive inclusive growth and job creation							
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
			2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Increased employment and work opportunities	Paid work created	Number of work opportunities created. <b>(Sector Indicator)</b>	996	1688	3019	3000	3 890	4 084	4 288
	Empowerment Interventions	Number of Beneficiary empowerment interventions	4	5	4	4	4	8	8
	Empowerment Interventions	Number of training initiatives provided to emerging Contractors	352	346	400	6	6	6	6
	Participation of public bodies in EPWP	Number of Public Bodies reporting on EPWP targets in the province	66	66	66	65	65	65	65
	Empowerment Interventions	Number of interventions implemented to support Public Bodies	4	4	12	14	12	14	14

MTDP Priority		Priority 1: Drive inclusive growth and job creation							
Outcome	Output	Output Indicator	Audited/ Actual Performance			Estimated Performance	Medium Term Targets		
			2021/2022	2022/2023	2023/2024		2025/2026	2026/2027	2027/2028
		participating in the EPWP							

**Indicators, Annual and Quarterly targets**

No.	Output Indicator	Annual Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Departmental EPWP</b>						
3.1	Number of work opportunities created.  (Sector Indicator)	3 890	800	1200	900	990
3.2	Number of Beneficiary empowerment interventions	4	1	1	1	1
3.3	Number of training initiatives provided to emerging Contractors	6	1	2	1	2
<b>EPWP Provincial Coordination</b>						
3.4	Number of Public Bodies reporting on EPWP targets in the province	65	65	65	65	65
3.5	Number of interventions implemented to support Public Bodies participating in the EPWP	12	3	3	3	3

## 2. EXPLANATION OF PLANNED PERFORMANCE OVER MEDIUM-TERM PERIOD

There are key issues that are considered as game changers which will be pursued through the identified outcomes and outputs:

- ❖ Make Radical Economic Transformation (RET) an operational culture.
- ❖ Greater access to work opportunities
- ❖ Inclusive economic growth through the targeted procurement spend.
- ❖ Restructure the project cycle and reduce the use of consultants.
- ❖ Ensure employment equity with a bias to women, youth and disabled applicants.
- ❖ Improve the audit outcomes.
- ❖ Digitization of business processes to improve efficiencies.
- ❖ Rationalization of the organizational structure to align with the Department's service delivery model and thus improve performance.

The 2025/2026 financial year will focus on transformation of the property sector and empowerment of beneficiaries of the Expanded Public Works Programme with developing skills that will improve their employment prospects beyond their participation in the programme.

### **Outcome1 : Increased employment and work opportunities**

Enhance infrastructure planning and implementation and deliver sustainable infrastructure aligned with the green agenda. The focus will also be in ensuring integrated infrastructure development to facilitate economic growth. Economic transformation initiatives have specific targets set for these groupings and ultimately, it is intended that the demographics in the ownership of the leased portfolio will be realised through contracting with landlords whose ownership score represents representations of black Africans. Disposal of strategic immovable assets to targeted groups has also been given priority to change ownership patterns in the province.

### **Outcome 2: Productive Assets (Maintenance of Facilities & Productive use of Facilities)**

Focus areas: Improved lifecycle management of assets and efficient provision of suitable accommodation for provincial departments.

### **Outcome 3: Increased infrastructure investment, access, and efficiency**

Enhance infrastructure planning and implementation and deliver sustainable infrastructure aligned with the green agenda. The focus will also be in ensuring integrated infrastructure development to facilitate economic growth.

### **Outcome 4: An ethical, capable and professional public service**

The purpose is to strengthen compliance with legislative requirements, policies, and frameworks in utilizing allocated financial resources to deliver on the department's mandate.

## **3. PROGRAMME RECOURSE CONSIDERATIONS**

### **3.1 OVERVIEW OF 2025/26 AND MTEF ESTIMATES**

**Table 1: Summary of payments and estimates**

The structure of the department consists of three programmes, and now aligns to the generic programme structure of the sector as follows:

- **Programme 1:** Administration conforms fully with three sub-programmes, namely: Office of the MEC, Management of the Department and Corporate Support.
- **Programme 2:** Public Works Infrastructure conforms with two sub-programmes, namely: Immovable Asset Management and Construction
- **Programme 3:** Expanded Public Works conforms with two sub-programmes, namely: Programme Support and Community Development

Tables 2.1 and 2.2 provide a summary of the Vote's payments and budgeted estimates over the seven-year period, by programme and economic classification, respectively.

**Table 2.1 : Summary of payments and estimates by programme: Public Works**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
1. Administration	434 099	442 045	427 680	439 368	439 368	455 481	454 962	470 081	490 988
2. Public Work Infrastructure	1 593 017	1 602 863	1 727 121	1 306 262	1 306 262	2 137 852	1 366 752	1 434 553	1 499 299
3. Expanded Public Works	30 708	33 697	59 108	45 916	45 916	56 537	41 578	43 443	45 453
<b>Total payments and estimates</b>	<b>2 057 824</b>	<b>2 078 605</b>	<b>2 213 909</b>	<b>1 791 546</b>	<b>1 791 546</b>	<b>2 649 870</b>	<b>1 863 292</b>	<b>1 948 077</b>	<b>2 035 740</b>

**Table 2.2 : Summary of provincial payments and estimates by economic classification: Public Works**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2024/25	Revised estimate	Medium-term estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
<b>Current payments</b>	<b>972 401</b>	<b>957 753</b>	<b>963 234</b>	<b>1 001 036</b>	<b>1 001 036</b>	<b>1 029 277</b>	<b>1 044 871</b>	<b>1 095 821</b>	<b>1 146 286</b>
Compensation of employees	682 860	692 830	723 259	748 218	748 218	772 997	776 226	801 224	838 295
Goods and services	289 541	264 923	239 975	252 818	252 818	256 280	268 645	294 597	307 991
Interest and rent on land	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies to:</b>	<b>1 061 511</b>	<b>1 075 952</b>	<b>1 199 098</b>	<b>770 141</b>	<b>770 141</b>	<b>1 599 624</b>	<b>797 909</b>	<b>833 622</b>	<b>871 349</b>
Provinces and municipalities	1 048 885	1 061 914	1 186 164	761 805	761 805	1 591 331	789 552	824 924	862 045
Departmental agencies and accounts	–	–	612	600	600	–	600	552	577
Households	12 626	14 038	12 322	7 736	7 736	8 293	7 757	8 146	8 727
<b>Payments for capital assets</b>	<b>23 912</b>	<b>44 734</b>	<b>51 316</b>	<b>20 369</b>	<b>20 369</b>	<b>20 969</b>	<b>20 512</b>	<b>18 634</b>	<b>18 105</b>
Buildings and other fixed structures	18 418	35 714	46 408	13 412	13 412	15 212	13 280	12 592	13 159
Machinery and equipment	5 494	8 523	4 908	6 957	6 957	5 757	7 232	6 042	4 946
Software and other intangible assets	–	497	–	–	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>166</b>	<b>261</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>2 057 824</b>	<b>2 078 605</b>	<b>2 213 909</b>	<b>1 791 546</b>	<b>1 791 546</b>	<b>2 649 870</b>	<b>1 863 292</b>	<b>1 948 077</b>	<b>2 035 740</b>

Programme 1 reflects high spending in 2022/23 and relates to audit costs, bursaries for employees, fleet services and travel and subsistence due to high fuel costs, as well as Machinery and equipment for computer equipment. The slight decrease in 2023/24 is attributed to low spending against Goods and Services and this relates to low payments made in respect of SITA operational costs and bursaries for employees due to the late submission of invoices with these not received before the end of the financial year. The high spending in the 2024/25 Revised Estimate is largely attributed to the implementation of the 2024 wage agreement which was not budgeted for against Compensation of Employees, as well as accruals arising from the previous year in respect of audit costs. Over the 2025/26 MTEF, the department effected reprioritisation in 2025/26 and 2026/27, with carry-through from Programme 2 to this programme within Compensation of Employees to align the baselines for salaries and wages and social contribution costs relating to ongoing structure realignment and linking of personnel, as explained. The department also undertook reprioritisation within the programme and within Goods and Services to cater for audit costs etc, as well as from Goods and Services to Machinery and Equipment for replacement of obsolete computer hardware for staff. Further reprioritisation of R2.797 million in 2025/26 and R2.922 million in 2026/27 with carry-through was effected from Programme 3 to the programme relating to computer services for software licences which are being centralised under Programme 1. There is a steady increase over the MTEF.

Programme 2 shows an increasing trend from 2021/22 to 2023/24. The high spending in 2022/23 was mainly due to construction projects with respect to the iLembe district office in the eThekweni Region and the new administration wing project in the Southern Region. The high spending in 2023/24 is largely attributed to expenditure arising from the previous financial year in respect of the completion of the new district office building in iLembe district and the completion of the new administration wing in the Southern region. The 2024/25 Revised Estimate is high, and this is mainly due to payables and accruals from 2023/24, as well as higher than anticipated tariff increases in the market values of properties in respect of property rates by certain municipalities in their implementation of their new GVRs as of 1 July 2024. Over the 2025/26 MTEF, the department reprioritised budget with carry-through from this programme to Programme 1 within Compensation of employees, to continue to align the baselines for salaries and wages relating to the ongoing structure realignment and linking of personnel process.. Further reprioritisation was effected within the programme from Goods and services to Machinery and equipment for the replacement and obsolete computer hardware for staff. The department also centralised the cell phone data and fleet services costs from this programme to Programme 1. The bulk of the 2025/26 MTEF budget caters for municipal property rates, as well as the implementation of GIAMA – Izandla Ziyagezana projects, which entails the provision of security services to unutilised buildings and property valuations. The MTEF also caters for the department's capital projects, as well as maintenance and repair projects, and improving infrastructure support.

Programme 3 shows a steady spending trend from 2021/22 to 2023/24 and mainly relates to the EPWP Integrated Grant for Provinces, which is dependent on the evaluation by NDPWI of targets achieved. The MTEF budget includes provision for the GIAMA – Maintenance programme and the EPWP Integrated Grant for Provinces. The department receives R5.418 million in respect of the grant in 2025/26. In addition, the department reprioritised funds to Programme 1 within Goods and Services relating to computer services for software licences.

Spending against Compensation of Employees in the 2024/25 Revised Estimate includes the higher than anticipated cost of living wage increase. The department provided for a 2.4 per cent increase in 2025/26 (based on the 2024/25 Revised Estimate) which is insufficient for the carry-through costs of filling critical vacant posts and the carry-through costs of the 2024 wage agreement. There is growth of 2.5 per cent in 2026/27 and 4.5 per cent in 2027/28. The department does not have sufficient funding under Compensation of employees as the baseline for this expenditure item is under-funded, and therefore will not be able to absorb the full costs of the carry-through of the 2024 wage agreement, nor has the department been able to budget for the increase of 4.6 per cent prescribed by National Treasury. The baseline allocation over the 2025/26 MTEF includes stipends in respect of the GIAMA – Maintenance programme. This function is managed by Programme 3 and

beneficiaries are paid through PERSAL. As a result of the carry-through of the 2024/25 MTEF fiscal consolidation budget cuts by National Treasury, the department will not be able to fill any vacant posts over the MTEF and will also have to assess any that are vacated through natural attrition. The department will monitor the filling of posts in line with natural attrition and retirements and will then decide in-year whether to put the vacated posts on hold or to fill them based on the availability of funds, thus the department has not budgeted for the filling of posts at this stage. The department effected reprioritisation over the MTEF in respect of the new budget structure realignment and linking of personnel, as well as realignment between salaries and wages and social contribution costs.

Goods and services shows a fluctuating trend from 2021/22 to 2024/25. The high spending in 2021/22 was mainly due to increased property payments costs relating to electricity and water for shared services in the LA Complex building. The low spending in 2023/24 is due to property payments, mainly attributed to payments relating to the LA building in Ulundi in the North Coast Region, where strict financial controls were implemented to assist the department to remain within budget. The MTEF budget increases and includes R2 million per annum in respect of the district champion of OSS/DDM responsibilities. The MTEF budget caters for the GIAMA – Condition assessment projects, and property payments in respect of security services, among others. The department reprioritised funds within this category and to Machinery and equipment for the replacement of obsolete computer hardware for staff.

Interest and rent on land relates largely to interest charged on late audit fees and has not been budgeted for over the MTEF.

Transfers and subsidies to: Provinces and Municipalities shows a fluctuating trend, which relates to the payment of municipal property rates. This category caters mainly for the payment of property rates, as well as motor vehicle licences. The spending in 2021/22 and 2022/23 includes additional funding of R350 million and R100.897 million, respectively, which was allocated for the shortfall in municipal property rates. In 2023/24, the department received additional funding of R470 million in this regard. The high spending in the 2024/25 Revised Estimate relates to additional cash resources of R345.795 million received towards the property rates pressures partly due to payables and accruals from 2023/24. The MTEF allocation was increased in respect of property rates as the department's equitable share was increased in order to reduce the municipal property rates budget pressures, and receives R168.780 million in 2025/26, R474.800 million in 2026/27 and R705.206 million in 2027/28.



Transfers and subsidies to: Departmental agencies and accounts is largely driven by the skills development levy. The department reprioritised funds from this category to Transfers and subsidies to: Households to cater for staff exit costs. The department has not budgeted for the skill development levy over the MTEF.

Transfers and subsidies to: Households caters for external bursaries and staff exit costs and shows a fluctuating trend due to the unpredictable nature of these costs. The budget increases steadily over the MTEF and largely caters for bursaries to non-employees and staff exit costs.

Buildings and other fixed structures fluctuates over the seven years, as it is based on actual capital infrastructure requirements. The budget cut in 2021/22 explains the low spending in that year. The significant spending in 2022/23 was mainly due to costs related to the iLembe District office and the new administration wing in the Southern Region. The substantially high spending in 2023/24 was mainly due to expenditure arising from the previous financial year in respect of the completion of the new district office building project in the eThekweni Region and the completion of the new administration wing in the Southern region. The 2025/26 MTEF allocations provide for major projects planned by the department. The projects include capital infrastructure projects such as the rehabilitation and refurbishment of the LA Complex building in Ulundi in respect of internal roads and the water supply system. Further projects include the rehabilitation and renovations to the Mayville lecture hall facility in the eThekweni region, the final payment for the Nongoma sub-district perimeter fence, the Ugu District office roof project and the replacement of fencing in the Midlands region. It must be noted that several of these projects are currently in progress and will continue over the MTEF.

Machinery and equipment spending in 2021/22 is due to the purchase of computer equipment in the eThekweni Region, due to losses sustained during the unrest in KZN in July 2021. The increase in 2022/23 relates to the procurement of motor vehicles, as well as computer equipment procured in the previous financial year but only delivered in 2022/23. These were to cater for the replacement of computer hardware stolen during the July 2021 unrest. The MTEF provides for telephone network equipment and computer hardware. The department reprioritised funds from Goods and services to this category to cater for replacement of obsolete computer hardware.

Software and other intangible assets relates to the software licences and data lines.

The department wrote off various losses against Payments for financial assets in 2022/23 and 2023/24.

### 3.2 BUDGET - PROGRAMME 1

The main objectives are to provide strategic leadership and management support to the MEC, to build a positive corporate culture, to render support and advice in terms of human resource practices, all legal matters, security and logistics and effective communication and information management systems, render sound financial management services, risk management and supply chain management.

**Table 14.12 : Summary of payments and estimates by sub-programme: Administration**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
<b>R thousand</b>									
1. Office of the MEC	11 807	17 054	16 053	18 918	17 232	16 582	15 380	15 881	16 620
2. Management of the Department	231 307	235 785	252 160	243 609	254 933	277 886	267 136	278 433	290 100
3. Corporate Support	190 985	189 206	159 467	176 841	175 466	170 763	185 134	193 031	202 375
<b>Total</b>	<b>434 099</b>	<b>442 045</b>	<b>427 680</b>	<b>439 368</b>	<b>447 631</b>	<b>465 231</b>	<b>467 650</b>	<b>487 345</b>	<b>509 095</b>

**Table 14.13 : Summary of payments and estimates by economic classification: Administration**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
<b>Current payments</b>	<b>420 754</b>	<b>424 652</b>	<b>415 774</b>	<b>428 259</b>	<b>435 659</b>	<b>450 347</b>	<b>455 138</b>	<b>474 791</b>	<b>496 216</b>
Compensation of employees	311 851	311 850	316 796	334 683	334 683	334 161	354 070	366 208	382 230
Goods and services	108 903	112 802	98 978	93 576	100 976	116 186	101 068	108 583	113 986
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>9 046</b>	<b>9 872</b>	<b>9 291</b>	<b>6 508</b>	<b>6 508</b>	<b>8 697</b>	<b>6 687</b>	<b>7 014</b>	<b>7 330</b>
Provinces and municipalities	294	205	338	351	351	351	361	378	395
Departmental agencies and accounts	-	-	612	600	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	8 752	9 667	8 341	5 557	6 157	8 346	6 326	6 636	6 935
<b>Payments for capital assets</b>	<b>4 299</b>	<b>7 521</b>	<b>2 615</b>	<b>4 601</b>	<b>5 464</b>	<b>6 187</b>	<b>5 825</b>	<b>5 540</b>	<b>5 549</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 299	7 521	2 615	4 601	5 464	6 072	5 825	5 540	5 549
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	115	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>434 099</b>	<b>442 045</b>	<b>427 680</b>	<b>439 368</b>	<b>447 631</b>	<b>465 231</b>	<b>467 650</b>	<b>487 345</b>	<b>509 095</b>

Programme 1 was reduced by R19.320 million in 2024/25 and R21.689 million in 2025/26, with carry-through, against Compensation of Employees over the 2024/25 MTEF due to fiscal consolidation reductions effected by National Treasury. Over the 2025/26 MTEF, the department effected reprioritisation in 2025/26 and 2026/27, with carry-through from Programme 2 to this programme within Compensation of Employees to align the baselines for salaries and wages and social contribution costs relating to the ongoing new structure realignment and linking of personnel process.. The department also undertook various other reprioritisation within the programme and within Goods and services to cater for audit costs etc, as well as from Goods and services to Machinery and equipment for replacement of obsolete computer hardware for staff. Further reprioritisation was effected from Programme 3 to the programme relating to computer services for software licences. There is a steady increase over the MTEF.

The sub-programme: Office of the MEC provides support to the MEC, including administrative, operations, protocol, security, parliamentary liaison, and communication. The budget provides for operational costs, marketing costs mainly in respect of SABC media, newspaper advertisement costs, printing costs, as well as payments in respect of the MEC's district champion of OSS/DDM responsibilities. This sub-programme reflects steady growth over the MTEF.

The sub-programme: Management of the Department includes financial management services, risk management and SCM. This sub-programme formed part of the Management sub-programme, which was split into two sub-programmes when the structure was changed to conform to the uniform structure, namely the Management of the Department and the Corporate Support sub-programmes. The trend from 2022/23 to 2024/25 relates to the change in the budget structure and the restating of all prior years. The MTEF budget caters for operational costs and the department will monitor the filling of posts in line with natural attrition and retirement.

The sub-programme: Corporate Support provides support and advice in terms of human resource practices, all legal matters, security, and logistics, as well as communication and information management systems. The budget caters for operational costs over the MTEF. The department will monitor the filling of posts in line with natural attrition and retirement.

Compensation of employees shows growth of 5.9 per cent in 2025/26, 3.4 per cent in 2026/27 and 4.3 per cent in 2027/28. This includes provision for the 1.5 per cent pay progression, but does not make full provision for the carry-through of the 2024 wage agreement, nor for any increases with respect to the 2025 wage agreement. The department will not be able to fill vacant posts over the MTEF. The department will monitor the filling of posts in line with natural attrition and retirements and will then decide in-year whether to put the vacated posts on hold or fill them based on the availability of funds.

Goods and services caters for the operational costs for this programme, including computer services such as SITA costs in respect of network maintenance, communication, fleet services, costs for fuel and oil, repairs for departmental vehicles and agency and support/outsourced services. This category also caters for audit costs, training and development, as well as payments in respect of district champion of OSS/DDM responsibilities. The MTEF will continue to cater for operational costs including computer services and communication.

Transfers and subsidies to: Provinces and municipalities caters for motor vehicle licence fees.

Transfers and subsidies to: Departmental agencies and accounts caters for the skills development levy. The department reprioritised funds from this category to Transfers and subsidies to: Households over the MTEF for staff exit costs.

Transfers and subsidies to: Households provides for staff exit costs, as well as external bursaries.

Machinery and equipment provides for telecommunication, computer hardware equipment, as well as motor vehicles. The department reprioritised funds from Goods and services to Machinery and equipment for replacement and obsolete computer hardware for staff over the MTEF.

Software and other intangible assets provides for the purchase of computer software. The spending in the 2024/25 Revised Estimate is in respect of once-off purchase of the specialised office suite for the Office of the MEC sub-programme. The department reclassified funds from this category to Goods and services in respect of annual Microsoft licence renewals in line with the SCOA classification, and this explains why there is no budget against this category over the MTEF.

### **3.3 BUDGET - PROGRAMME 2**

The main purpose of Programme 2 is to provide and facilitate the provision of accommodation and integrated property management services to clients through planned property life cycle, utilisation of immovable assets, land valuation, maintenance of the Fixed Asset Register project, payment of property rates and integrated service delivery and includes the GIAMA – Condition assessment projects budget. In addition, this programme also caters for integrated service delivery in the provision of buildings and structures, creating an enabling environment for affirmable business enterprises and initiating, co-ordinating strategic partnerships and co-ordinating, and aligning operational activities in line with municipal demarcations.

**Table 14.15 : Summary of payments and estimates by sub-programme: Public Works Infrastructure**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Immovable Asset Management	1 155 434	1 138 536	1 281 214	872 738	1 190 606	1 189 926	1 078 456	1 432 517	1 705 504
2. Construction	437 583	464 327	445 907	433 524	433 377	437 107	444 376	459 561	476 041
<b>Total</b>	<b>1 593 017</b>	<b>1 602 863</b>	<b>1 727 121</b>	<b>1 306 262</b>	<b>1 623 983</b>	<b>1 627 033</b>	<b>1 522 832</b>	<b>1 892 078</b>	<b>2 181 545</b>

**Table 14.16 : Summary of payments and estimates by economic classification: Public Works Infrastructure**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
<b>Current payments</b>	<b>520 939</b>	<b>499 404</b>	<b>488 352</b>	<b>527 110</b>	<b>520 099</b>	<b>522 932</b>	<b>548 090</b>	<b>572 330</b>	<b>593 446</b>
Compensation of employees	346 878	353 366	356 881	378 139	378 139	372 719	388 579	399 936	413 434
Goods and services	174 061	146 038	131 471	148 971	141 960	150 213	159 511	172 394	180 012
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1 052 465</b>	<b>1 066 080</b>	<b>1 189 807</b>	<b>763 584</b>	<b>1 089 379</b>	<b>1 089 438</b>	<b>960 014</b>	<b>1 301 414</b>	<b>1 569 097</b>
Provinces and municipalities	1 048 591	1 061 709	1 185 826	761 454	1 087 249	1 087 225	957 971	1 299 346	1 566 936
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	3 874	4 371	3 981	2 130	2 130	2 213	2 043	2 068	2 161
<b>Payments for capital assets</b>	<b>19 613</b>	<b>37 213</b>	<b>48 701</b>	<b>15 568</b>	<b>14 505</b>	<b>14 663</b>	<b>14 728</b>	<b>18 334</b>	<b>19 002</b>
Buildings and other fixed structures	18 418	35 714	46 408	13 412	13 412	13 412	11 602	16 755	17 509
Machinery and equipment	1 195	1 002	2 293	2 156	1 093	1 251	3 126	1 579	1 493
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	497	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>166</b>	<b>261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 593 017</b>	<b>1 602 863</b>	<b>1 727 121</b>	<b>1 306 262</b>	<b>1 623 983</b>	<b>1 627 033</b>	<b>1 522 832</b>	<b>1 892 078</b>	<b>2 181 545</b>

Programme 2 shows an increasing trend from 2021/22 to 2023/24. This programme was reduced by R12.292 million in 2024/25 and R9.465 million in 2025/26, with carry-through, against Compensation of Employees over the 2024/25 MTEF due to fiscal consolidation reductions effected by National Treasury. Over the 2025/26 MTEF, the department reprioritised budget with carry-through from this programme to Programme 1 within Compensation of Employees, to align the baselines for salaries and wages and social contribution costs relating to the new structure realignment and linking of personnel. Further reprioritisation was affected within the programme from Goods and Services to Machinery and equipment for replacement of obsolete computer hardware for staff. In addition, the department undertook reprioritisation within Goods and Services in respect of state attorney conveyancing services, as well as consumable supplies to cater for agency and outsourced service costs. The department also centralised the cell phone data and fleet services costs from this programme to Programme 1. The bulk of the 2025/26 MTEF budget caters for municipal property rates, implementation of GIAMA – Izandla Ziyagezana projects, capital projects, as well as maintenance and repair projects, and improving infrastructure support.

The sub-programme: Immovable Asset Management provides for the management of immovable assets in terms of GIAMA and management of the payment of municipal property rates. The MTEF provides for the continued implementation of GIAMA – Condition assessment projects, provision of security services to unutilised buildings, as well as property valuations. Furthermore, this sub-**programme also houses the budget** for property rates, and this was discussed in detail in Section 7.8. This sub-programme also provides for hiring of accommodation for the department and managing property needs for provincial departments with respect to property acquisitions, disposal, and lettings. The budget caters for business and advisory service costs incurred when acquiring or disposing of properties.

The sub-programme: Construction includes funds ring-fenced for improving infrastructure support. The sub-programme deals with the construction, upgrading or refurbishment of the department's capital infrastructure. The fluctuating trend over the seven-year period is based on the department's actual capital infrastructure requirements, including new and carry-through costs of projects, emergency structural repairs, water system repairs, as well as repairs to internal roads in the LA Complex building, as well as renovations to the lecture hall facility in the eThekweni region and the roof and fencing projects in the Midlands region. The MTEF also provides for the maintenance of the departmental buildings.

Compensation of employees shows growth of 4.2 per cent in 2025/26, 2.9 per cent in 2026/27 and 3.3 per cent in 2027/28. This includes provision made for the 1.5 per cent pay progression, while the department will not be able to fully absorb the costs of the carry-through of the 2024 wage agreement, nor are they able to make provision for any increases in 2025. In addition, the department will not be able to fill vacant posts over the MTEF. The department will monitor the filling of posts in line with natural attrition and retirements and will then decide in-year whether to put the vacated posts on hold or fill them based on the availability of funds. The department reprioritised funds to Programme 1 within Compensation of employees over the MTEF in respect of the new budget structure realignment and linking of personnel.

Goods and services includes the budget for the implementation of GIAMA – Izandla Ziyagezana projects such as property valuations, clearing of vacant sites, as well as the provision of security services to unutilised buildings. This category also caters for infrastructure maintenance projects. The department will continue to assess the condition of government facilities.

Transfers and subsidies to: Provinces and municipalities relates to motor vehicle licences and property rates to be paid to municipalities.

Transfers and subsidies to: Households provides mainly for staff exit costs.

Buildings and other fixed structures fluctuate over the seven years, as it is based on actual capital infrastructure requirements. The MTEF allocations provide for major projects planned by the department, which include capital infrastructure projects such as the rehabilitation and refurbishment of the LA Complex building internal roads and fencing, emergency structural repairs, water supply system and rehabilitation, as well as renovations to the lecture hall facility in the eThekweni region and the roof and fencing projects in the Midlands region.

Machinery and equipment takes into account the reprioritisation that was undertaken within the programme, from Goods and services to cater for the replacement of obsolete computer hardware for staff over the MTEF.



### 3.4 BUDGET - PROGRAMME 3

The main purpose of this programme is creating jobs through EPWP initiatives and provincial co-ordination of EPWP

**Table 14.18 : Summary of payments and estimates by sub-programme: Expanded Public Works**

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
R thousand	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Programme Support	16 571	16 546	45 705	32 271	29 491	26 531	31 222	32 622	39 067
2. Community Development	14 137	17 151	13 403	13 645	36 236	36 236	15 786	10 832	11 319
<b>Total</b>	<b>30 708</b>	<b>33 697</b>	<b>59 108</b>	<b>45 916</b>	<b>65 727</b>	<b>62 767</b>	<b>47 008</b>	<b>43 454</b>	<b>50 386</b>

**Table 14.19 : Summary of payments and estimates by economic classification: Expanded Public Works**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
<b>Current payments</b>	<b>30 708</b>	<b>33 697</b>	<b>59 108</b>	<b>45 667</b>	<b>65 678</b>	<b>62 606</b>	<b>46 959</b>	<b>43 403</b>	<b>50 333</b>
Compensation of employees	24 131	27 614	49 582	35 396	55 407	56 222	38 995	35 080	41 615
Goods and services	6 577	6 083	9 526	10 271	10 271	6 384	7 964	8 323	8 718
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>161</b>	<b>49</b>	<b>51</b>	<b>53</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	49	49	161	49	51	53
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	200	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>30 708</b>	<b>33 697</b>	<b>59 108</b>	<b>45 916</b>	<b>65 727</b>	<b>62 767</b>	<b>47 008</b>	<b>43 454</b>	<b>50 386</b>

Programme 3's budget shows a fluctuating trend over the 2025/26 MTEF, with the slightly higher amount in 2025/26 than 2026/27 due to the EPWP Integrated Grant for Provinces only being provided up to that year at this stage. This programme includes the GIAMA – Maintenance programme.

The sub-programme: Programme Support caters for the EPWP maintenance programme, and the provincial co-ordination and monitoring of the EPWP.

The sub-programme: Community Development caters for the EPWP programme relating to the EPWP Integrated Grant for Provinces, as well as the clearing of vacant sites. The lower budget over the MTEF is due to the reduction of the grant over the years, from R8.042 million in

2022/23 to a low R3.722 million in 2024/25. This grant is allocated up to 2025/26, with no allocation over the MTEF at this stage, and this explains the further reduction in the outer years.

Compensation of Employees shows negative growth of 30.6 per cent 2025/26 and negative 10 per cent in 2026/27, followed by growth of 18.6 per cent in 2027/28. The high growth of 18.6 per cent is as a result of a low base in 2026/27 and this will be reviewed in the next budget process. The growth in 2025/26 and 2026/27 does not cater for the 1.5 per cent pay progression and is not sufficient for the increase in Compensation of employees as per National Treasury's instructions. In addition, the growth does not cater for filling posts. The department will review the Compensation of Employees budget in-year, as well as over the MTEF to align to wage increases and to cater for the pay progression. The department will monitor the filling of posts in line with natural attrition and retirements and will then decide in-year whether to put the vacated posts on hold or to fill them based on the availability of funds, thus the department has not budgeted for the filling of posts at this stage. The department's EPWP Integrated Grant for Provinces amounts to R5.418 million in 2025/26. Included in this is an amount of R17 000 towards funding the gap of the 2025 wage agreement that departments were told to budget for (4.6 per cent) versus the amount that is currently on the table at the bargaining council (5.5 per cent).

Goods and Services includes the co-ordination costs of the EPWP. The budget over the 2025/26 MTEF provides for various operational costs.

Transfers and subsidies to: Households is largely ascribed to staff exit costs.

### **3.5 BUDGET – CONDITIONAL GRANTS**

The department receives funding for the EPWP Integrated Grant for Provinces, which is used for the EPWP maintenance programme, which entails basic infrastructure maintenance, replacing faulty locks, repairing, or replacing doors, clearing of ground, and cleaning the school and office sites. The budget for this grant is allocated against Compensation of employees in Programme 3. The grant allocation is dependent on the evaluation by NDPWI of targets achieved, as well as fiscal consolidation, which largely accounts for the fluctuations over the years. The grant amounts to R5.418 million in 2025/26. Included in this is an amount of R17 000 towards funding the gap of the 2025 wage agreement that departments were told to budget for (4.6 per cent) versus the amount that is currently on the table at the bargaining council (5.5 per cent).

**Table 1: Summary of conditional grants payments and estimates by name**

**Table 14.6 : Summary of conditional grants payments and estimates by name**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
EPWP Integrated Grant for Provinces	5 465	8 042	3 897	3 722	3 722	3 722	5 418	-	-
<b>Total</b>	<b>5 465</b>	<b>8 042</b>	<b>3 897</b>	<b>3 722</b>	<b>3 722</b>	<b>3 722</b>	<b>5 418</b>	<b>-</b>	<b>-</b>

**Table 2: Summary of conditional grants payments and estimates by economic classification**

**Table 14.7 : Summary of conditional grants payments and estimates by economic classification**

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
<b>Current payments</b>	<b>5 465</b>	<b>8 042</b>	<b>3 897</b>	<b>3 722</b>	<b>3 722</b>	<b>3 722</b>	<b>5 418</b>	-	-
Compensation of employees	5 465	8 042	3 897	3 722	3 722	3 722	5 418	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5 465</b>	<b>8 042</b>	<b>3 897</b>	<b>3 722</b>	<b>3 722</b>	<b>3 722</b>	<b>5 418</b>	-	-

#### 4. KEY RISKS FROM THE STRATEGIC PLAN

The table below shows the summary of risks and mitigations towards the achievement of the strategic Outcomes.

Outcome	Key Risk	Risk Mitigation
<b>Productive Assets: (Productive use of Facilities).</b>	<i>Infrastructure Deterioration: Deterioration in the conditions of state facilities</i>	(a) Review of reallocation agreements so that user agreements include timelines for utilisation
		(b) To implement the projects for which we have received confirmation of budget for.
		(c) Professional Services to undertake cyclical condition assessments and develop maintenance plans for those immovable state assets.
		(d) To communicate findings and recommendations from condition assessments to Client Departments for implementation
<b>Productive Assets: (Productive use of Facilities)</b>	<i>Hijacking of Immoveable State Assets: Illegal Occupation and Hijacking of Immoveable State Assets</i>	(a) Prioritise the repurposing, leasing or disposal of underutilised properties
		(b) Review of the agreement with user departments so that it includes the safeguarding of state property by User Departments and the consequences clause
		(c) Fencing of identified vulnerable sites
<b>Productive Assets: (Maintenance of Facilities)</b>  <b>Productive Assets: (Productive use of Facilities)</b>	<i>Extreme Weather Events: Extreme Weather Events and Natural Disasters</i>	a) Investigate the possibility of designing Climate-Resilient Infrastructure to withstand the impact of climate change
		b) Strengthen Institutional Understanding and Compliance with IPAC by conducting awareness workshops on the purpose, benefit, operations, TORs, etc.

Outcome	Key Risk	Risk Mitigation
Increased infrastructure investment, access and efficiency	<i>Infrastructure Project Failures: Projects Not Being Finalised and Delivered within Scope, Budget and Time</i>	(a) Enforce the effective implementation of the IDMS/FIDPM process through the integration of IPC and IPAC, ensuring consistent monitoring and evaluation on an ongoing basis.
		(b) To conduct workshops training Departmental staff on the implementation of the reviewed Infrastructure SOPs
		(c) Conduct a comprehensive risk assessment during the service provider selection process to identify and mitigate potential risks.
		(d) To include a capacity investigation aligned to the policy into the potential service providers as part of all contract awards.
		(e) Ongoing monitoring of project progress in alignment with the Gantt chart/programme
An ethical, capable and professional public service	<i>Cyber Attacks: Malicious cyber activities targeting IT infrastructure threaten data integrity, confidentiality, and operational continuity.</i>	(a) Annual renewal of cybersecurity system subscriptions, updates and controls
		(b) Continuous training of employees on cybersecurity best practices.
		(c) Maintain updated releases of all software and hardware systems
		(d) To conduct regular system threat and vulnerability assessments
		(e) Continuous review of cybersecurity policies and processes
		(f) Continuous training of ICT officials to adequately respond to cyberthreats

## **5. PUBLIC ENTITIES**

The Department does not have public entities.

## **6. INFRASTRUCTURE PROJECTS**

Nil

## **7. PUBLIC PRIVATE PARTNERSHIPS (PPPs)**

There is no PPP planned for 25/26



# **Part D:**

## **Technical Indicator Descriptions (Tids)**

<b>Indicator Title</b>	<b>1.1. Strategic risk register approved by 30 April 2025</b>
<b>Definition</b>	The indicator monitors the Department's awareness of the risks associated with its operations.
<b>Source of data</b>	Risk Assessment Tool and Risk Register
<b>Method of Calculation or Assessment</b>	Simple count of the approved Departmental Strategic Risk Register
<b>Means of verification</b>	Approved Departmental Risk Register
<b>Assumptions</b>	To compile the Departmental Risk Register which will inform the Risk Management Plan
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Clean audit opinion and sound control environment
<b>Indicator Responsibility</b>	Director: Enterprise Risk and Integrity Management

<b>Indicator Title</b>	<b>1.2 Percentage of internal audit action plans implemented within specified timeframe</b>
<b>Definition</b>	The indicator measures the number of internal audit action plans implemented against total number of action plans due in that period as specified in the internal audit log.
<b>Source of data</b>	Internal audit log
<b>Method of Calculation or Assessment</b>	Number of internal audit action plans implemented against total number of action plans due in that period as specified in the internal audit action plan *100
<b>Means of verification</b>	Internal audit log
<b>Assumptions</b>	Finalisation of all action plans within the specified time frames.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	100% implementation of internal audit recommendations against Internal Audit action plans as per audit log
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	<b>1.3 Percentage of external audit action plans implemented within specified timeframe</b>
<b>Definition</b>	The indicator measures the number of external audit action plans implemented against total number of action plans due in that period as specified in the external audit log.
<b>Source of data</b>	External audit (Auditor General's) log
<b>Method of Calculation / Assessment</b>	Number of Auditor General's recommendations implemented against total number of recommendations due in that period as specified in the Auditor General's action plan *100
<b>Means of verification</b>	External audit (AG) log
<b>Assumptions</b>	Finalisation of all action plans within the specified time frames.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	100% implementation of external audit (AG) recommendations against Auditor General action plans as per audit log
<b>Indicator Responsibility</b>	Chief Financial Officer

Indicator Title	1.4 Percentage of valid invoices paid within 30 days
Definition	<p>The number of valid invoices paid within 30 days or receipt by the institution against the total number of valid invoices paid by the institution.</p> <p>This is in compliance with Treasury Regulations 8.2.3 which spells out that invoices received by the Department for services or for goods rendered must be paid within 30 days of receipt of an invoice (unless determined otherwise in a contract or agreement)</p> <p>The indicator tracks the percentage of valid invoices paid within 30 days of receipt against the total number of invoices received by the department. A valid invoice is the one that has an order and goods and services were satisfactorily received and confirmed by the end user. Treasury Regulations require that supplier invoices be paid within 30 days from receipt of a valid invoice.</p>
Source of data	Instruction Note 34 Report
Method of Calculation or Assessment	Total number of invoices paid (numerator) within 30 days of receipt of certified invoice, divided by total number of invoices paid (denominator) multiplied by 100
Means of verification	Quarterly 30-day report signed by CFO. (Report includes the number of invoices paid within 30 days)
Assumptions	Suppliers submit valid and accurate invoices to the department
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- cumulative
Reporting Cycle	Quarterly
Desired performance	100% Compliance with S38 of the PFMA. The aim is to ensure that the 30 day payment period is improved to reach 100% compliance
Indicator Responsibility	Chief Financial Officer

<b>Indicator Title</b>	<b>1.5 Percentage of budget variation</b>
<b>Definition</b>	This is the percentage variance between actual expenditure and budgeted allocated within the Department
<b>Source of data</b>	Basic Accounting System (BAS)
<b>Method of Calculation or Assessment</b>	<i>actual expenditure</i> budget allocation x 100
<b>Means of verification</b>	BAS Report, In year Monitoring (IYM)
<b>Assumptions</b>	Suppliers submit valid and accurate invoices to the institution
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Within 2% budget variation
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	<b>1.6 Approved procurement plan submitted to Provincial Treasury by 31 March 2026.</b>
<b>Definition</b>	<p>The indicator measures the procurement of goods and services and Departmental infrastructure projects.</p> <p>The aim is to ensure that procurement processes are followed in the Department and that the Department is compliant with SCM Procedures.</p>
<b>Source of data</b>	Directorates procurement plan, regional procurement plans
<b>Method of Calculation or Assessment</b>	Simple count of the approved departmental procurement plan signed by the Accounting Officer.
<b>Means of verification</b>	Approved Procurement Plan/ Acknowledgement/ Confirmation of receipt of the approved Procurement Plan from Provincial Treasury
<b>Assumptions</b>	Procurement Plan will be submitted to Provincial Treasury
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Actual performance should be equal to the planned target
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	<b>1.7 Percentage implementation of the Procurement Plan</b>
<b>Definition</b>	The indicator seeks to enlist departmental Infrastructure projects as well as Goods & Services that will be implemented. Implementation refers to approved specifications and projects awarded.
<b>Source of data</b>	Approved Departmental Procurement Plan
<b>Method of Calculation or Assessment</b>	Number of planned departmental projects implemented / Total number of departmental projects implemented in the reporting quarter*100
<b>Means of verification</b>	Approved procurement plan/ Award Letter/ Purchase order
<b>Assumptions</b>	Credible plans will be submitted by Programmes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher performance is desirable.
<b>Indicator Responsibility</b>	Chief Financial Officer



<b>Indicator Title</b>	<b>1.8 Percentage budget spent on designated groups owned enterprises through 30% on procurement of goods, services, and Departmental Infrastructure projects.</b>
<b>Definition</b>	Measures the percentage budgets spent on designated groups owned enterprises through 30% set-aside on procurement of goods, services and departmental infrastructure projects allocated to women, youth, people with disabilities and military veterans owned enterprises. Ownership is based on 50% and above stake on ownership of the company.
<b>Source of data</b>	BBBEE sworn affidavit/ SANAS Approved BBBEE Certificate
<b>Method of Calculation or Assessment</b>	Expenditure on designated groups divided by total expenditure for the quarter multiply by 100
<b>Means of verification</b>	Excel report indicating the list of vulnerable groups with essential data elements
<b>Assumptions</b>	Availability of designated groups in the Central Supplier Database
<b>Disaggregation of Beneficiaries (where applicable)</b>	Women 45% Youth 35% People with disabilities 10% Military veterans 10%
<b>Spatial Transformation (where applicable)</b>	Head Office and Regions
<b>Calculation Type</b>	Non- cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100% Compliance to National Treasury Regulations and prescripts
<b>Indicator Responsibility</b>	Chief Financial Officer

<b>Indicator Title</b>	<b>1.9 Percentage of approved funded vacant posts filled</b>
<b>Definition</b>	The indicator monitors the filling of funded critical posts identified in the Human Resource Provisioning Plan to ensure that business units are capacitated and enabled to deliver on the set objectives
<b>Source of data</b>	Updated HR Provisioning Plan
<b>Method of Calculation / Assessment</b>	Number of approved funded vacant posts filled against total number of funded approved posts.
<b>Means of verification</b>	PERSAL report reflecting appointments made and HRPP
<b>Assumptions</b>	Availability of suitable candidates for the vacant posts and availability budget
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Actual performance should be equal or more than the set target.
<b>Indicator Responsibility</b>	Chief Director: Corporate Services

<b>Indicator Title</b>	<b>1.10 Percentage of Women at SMS Level</b>
<b>Definition</b>	The indicator monitors the priority posts identified in the HRPP; a certain percentage should target employment of women at the Senior Management Service level to achieve equity targets
<b>Source of data</b>	Employment Equity Plan Personnel Provisioning Plan PERSAL report
<b>Method of Calculation / Assessment</b>	Number of women at SMS level against total number of SMS filled posts multiplied by 100.
<b>Means of verification</b>	PERSAL report indicating number of SMS members in the staff compliment
<b>Assumptions</b>	Availability of qualifying priority group
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Achievement of target
<b>Indicator Responsibility</b>	Chief Director: Corporate Services

<b>Indicator Title</b>	<b>1.11 Percentage representation of staff with disabilities</b>
<b>Definition</b>	The workforce profile should comprise the set percentage of persons with disabilities
<b>Source of data</b>	Employment Equity Plan PERSAL printout report
<b>Method of Calculation / Assessment</b>	Total number of posts filled divided by PWD x 100 Total number of workforce
<b>Means of verification</b>	PERSAL report indicating the number of staff with disabilities in the staff compliment
<b>Assumptions</b>	Availability of qualifying priority group
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Achievement of target
<b>Indicator Responsibility</b>	Chief Director: Corporate Services

<b>Indicator Title</b>	<b>1.12 Percentage of youth developed</b>
<b>Definition</b>	This indicator seeks to determine the number of youth empowered through developmental programmes (Work integrated learning programme, internship programme and graduate programme).
<b>Source of data</b>	DPSA Directive on the employment of persons to developmental programmes in the Public Service.
<b>Method of Calculation / Assessment</b>	Number of people enrolled in the developmental programmes
<b>Means of verification</b>	Signed contracts
<b>Assumptions</b>	Availability of funders and budget availability
<b>Disaggregation of Beneficiaries (where applicable)</b>	Youth
<b>Spatial Transformation (where applicable)</b>	Across the Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher performance is desirable
<b>Indicator Responsibility</b>	Chief Director: Corporate Services

<b>Indicator Title</b>	<b>1.13 Number of digital transformation initiatives implemented</b>
<b>Definition</b>	The indicator refers to ICT digital transformation initiatives planned and implemented according to the ICT Strategy roadmap and Provincial Digital Transformation Strategy.
<b>Source of data</b>	Approved ICT Strategy/ Provincial Digital Transformation Strategy
<b>Method of Calculation / Assessment</b>	Simple count of ICT initiatives implemented.
<b>Means of verification</b>	Approved ICT strategy and close-out report of the completed initiative
<b>Assumptions</b>	Availability of resources to implement strategy.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not applicable
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Achieve set target
<b>Indicator Responsibility</b>	Chief Director: Corporate Services

<b>Indicator Title</b>	<b>2.1 Percentage of total budget spent on approved property rates invoices from Municipalities</b>
<b>Definition</b>	The indicator relates to payment for rates and taxes in respect of all rateable immovable assets owned and used by the provincial government.
<b>Source of data</b>	<ul style="list-style-type: none"> <li>Valid Invoices, Municipal valuation rolls</li> </ul>
<b>Method of Calculation / Assessment</b>	Actual expenditure on approved invoices divided by budget allocation x 100
<b>Means of verification</b>	BAS report
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>Timeous submissions of invoices by municipalities</li> <li>Complete or accurate data</li> <li>Alignment of financial years between MPRA &amp; PFMA</li> <li>Availability of adequate budget</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	All Municipalities submitting valid invoices
<b>Spatial Transformation (where applicable)</b>	All Municipalities
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100% spend of Allocated budget
<b>Indicator Responsibility</b>	Chief Director – Immoveable Asset Management

<b>Indicator title</b>	<b>2.2 Number of properties registered into the name of the KZN Provincial Government</b>
<b>Definition</b>	The indicator measures the number of properties that are registered in the name of the Province of KwaZulu Natal.
<b>Source of data</b>	Deeds office data/ Immovable Asset Register / Surveyor General diagrams/ Vesting data
<b>Method of calculation /</b>	Simple count of number of properties registered into the name of the Government of the Province of Kwazulu-Natal
<b>Means of verification</b>	Windeed Printout/ Immovable Asset Register data/ signed item 28(1) certificate/ title deeds
<b>Assumptions</b>	All land parcels are surveyed & registered
<b>Disaggregation of beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial transformation (where applicable)</b>	Across the Province
<b>Calculation type</b>	Cumulative year end
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Actual performance should be equal or more than the set target.
<b>Indicator responsibility</b>	Chief Director – Immovable Asset Management



<b>Indicator Title</b>	<b>2.3 Number of utilisation inspections conducted within the current financial year (State owned)</b>
<b>Definition</b>	Identifies the number of utilisation inspections conducted for office accommodation to determine optimal utilisation. Office accommodation refers to State-owned and leased-in immovable assets.
<b>Source of data</b>	Immovable Asset Register (IAR)
<b>Method of Calculation / Assessment</b>	Simple count of utilisation inspections conducted.
<b>Means of verification</b>	Inspection Report
<b>Assumptions</b>	Access to buildings to undertake the inspection
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Across the Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance exceeding targeted performance is desirable.
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

<b>Indicator Title</b>	<b>2.4 Number of condition assessments finalized on state owned buildings</b>
<b>Definition</b>	To determine physical and functional condition of state-owned buildings. Further the condition of the building will be expressed in various ratings/categories range from C1 = very poor; C2 = Poor; C3 = Fair; C4 = Good to C5 = Excellent.
<b>Source of data</b>	Immovable Asset Register
<b>Method of Calculation / Assessment</b>	Simple count of number of condition assessments finalised
<b>Means of verification</b>	Completed condition assessment reports
<b>Assumptions</b>	Existence of derelict state-owned buildings that can be optimally used to meet service delivery objectives/ Budget availability
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Across the Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Achievement of set target
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

<b>Indicator Title</b>	<b>2.5 Approved Custodian Asset Management Plan (C-AMP) submitted to Relevant Authority by 31 December 2024</b>
<b>Definition</b>	The indicator requires the custodian to compile an annual Custodian Asset Management Plan (CAMP) in accordance with the prescripts of GIAMA and submit to the relevant Treasury.
<b>Source of data</b>	User Asset Management Plans/ Immovable Asset Register/ Condition Assessments functional performance assessment (Any of these documents should serve as source of information)
<b>Method of Calculation / Assessment</b>	Simple count of approved C-AMP
<b>Means of verification</b>	Approved C-AMP and proof of submission of C-AMP to relevant Treasury.
<b>Assumptions</b>	User Departments submitting UAMPs, lack of data, condition assessments affecting the timely submission and quality of the CAMP.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Not Applicable
<b>Calculation Type</b>	Non-cumulative
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	The actual performance should be the same as the desired performance
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

<b>Indicator Title</b>	<b>2.6 Number of utilisation inspections conducted for office accommodation (Hired)</b>
<b>Definition</b>	Identifies the number of utilisation inspections conducted for office accommodation to determine optimal utilisation. Office accommodation refers to leased-in immovable assets.
<b>Source of data</b>	Immovable Asset Register (IAR), Lease Commitment Register
<b>Method of Calculation / Assessment</b>	Simple count of utilisation inspections conducted.
<b>Means of verification</b>	Inspection Report
<b>Assumptions</b>	Access to buildings to enable to undertake the inspection
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	Across the Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance exceeding targeted performance is desirable.
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

Indicator Title	2.7 Number of facilities provided
Definition	Measures the quantity of facilities provided for accommodation. Facilities may include inter alia, buildings, office accommodation, housing, etc. excluding land in relation to this KPI (Refer to Provincial specific facilities in relation to the KIP) These facilities are provided to user departments/ entities. Some facilities include private leases. (In support of the productive asset, there must be an agreement between the relevant parties in relation to the facility provide and time period specified in the agreement, relevant occupant as per the agreement).
Source of data	Requests from User Departments/ Procurement Instruction from User Departments
Method of calculation /assessment	Simple count of facilities provided
Means of verification	Lease agreement
Assumptions	Suitable accommodation available for the intended purpose.
Disaggregation of beneficiaries (where applicable)	Not applicable
Spatial transformation (where applicable)	Across the Province
Calculation type	Cumulative year end
Reporting cycle	Quarterly
Desired performance	Accommodation provided to users for the intended purpose. (Reaching the target more).
Indicator responsibility	Chief Director – Immovable Asset Management

<b>Indicator Title</b>	<b>2.8 Percentage of leases concluded with African Black Landlords</b>
<b>Definition</b>	The indicator refers to property contracts signed with African black landlords. Leases include both long-term and short-term leases for African black landlords. Ownership is based on 50% and above stake ownership of the company.
<b>Source of data</b>	Requests from User Departments/ Procurement Instruction from User Departments
<b>Method of Calculation / Assessment</b>	Quantitative – total number of leases concluded with African black landlords ÷ total number of leases concluded *100
<b>Means of verification</b>	Lease agreement/ BBBEE sworn affidavit/ SANAS Approved BBBEE Certificate
<b>Assumptions</b>	Substantial pool of African black landlords
<b>Disaggregation of Beneficiaries (where applicable)</b>	African Black Landlords 50% and above
<b>Spatial Transformation (where applicable)</b>	Not applicable
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Higher performance is desirable.
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

<b>Indicator Title</b>	<b>2.9 Hectares of land released for socio-economic purposes</b>
<b>Definition</b>	The indicator seeks to measure the contribution by the Department of Public Works and Infrastructure for spatial/ socio- economic interventions through the release of hectares of land parcels.
<b>Source of data</b>	Immovable Asset Register
<b>Method of Calculation / Assessment</b>	Simple count of Hectares of land released for socio-economic purposes
<b>Means of verification</b>	Deeds registry printout/ MEC's approval/ agreements sale or donation.
<b>Assumptions</b>	Availability of land
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: Target for Youth: Target for People with Disabilities:
<b>Spatial Transformation (where applicable)</b>	eThekweni Metro Umhlathuze Municipality
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	100% achievement of set targets
<b>Indicator Responsibility</b>	Chief Director – Immovable Asset Management

<b>Indicator title</b>	<b>2.10 Number of planned maintenance projects completed</b>
<b>Definition</b>	Identifies the number of planned maintenance projects completed for Education, Health, and General Facilities (Other). General facilities (Other) refer to all infrastructure other than Education Facilities and Health Facilities infrastructure. Maintenance means maintenance and repair actions.
<b>Source of data</b>	WIMS/IPIP/Instruction letter from client
<b>Method of Calculation / Assessment</b>	Simple count of the planned maintenance projects completed.
<b>Means of verification</b>	Practical completion Certificates or Sectional completion certificates completed.
<b>Assumptions</b>	Availability of budget and completion of projects within the stipulated or reporting period to reach optimal performance and Contractor performance is up to standard.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: Target for Youth: Target for People with Disabilities:
<b>Spatial Transformation (where applicable)</b>	Across the Country.
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Actual performance exceeding targeted performance is desirable.
<b>Indicator Responsibility</b>	DDG: Infrastructure Maintenance and Technical Support



<b>Indicator Title</b>	<b>2.11 Number of upgrades and additions projects completed</b>
<b>Definition</b>	Identifies the number of upgrades and addition projects completed for educational facilities, Health facilities and General facilities (Other). General projects refer to all infrastructure other than Education projects and Health projects. Upgrades and additions refer to extensions and upgrades to existing infrastructure and apply to Educational, Health and General facilities.
<b>Source of data</b>	WIMS/IPIP/Instruction letter from client
<b>Method of Calculation / Assessment</b>	Simple count of upgrades and additions projects completed.
<b>Means of verification</b>	Practical completion Certificates or Sectional completion certificates completed.
<b>Assumptions</b>	Availability of budget and completion of projects within the stipulated or reporting period to reach optimal performance and Contractor performance is up to standard.
<b>Disaggregation of Beneficiaries (where applicable)</b>	Target for Women: Target for Youth: Target for People with Disabilities:
<b>Spatial Transformation (where applicable)</b>	All Districts
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Annually
<b>Desired performance</b>	Actual performance exceeding targeted performance is desirable.
<b>Indicator Responsibility</b>	DDG: Infrastructure Maintenance and Technical Support

<b>Indicator Title</b>	<b>3.1 Number of work opportunities created</b>
<b>Definition</b>	Indicator measures the number of work opportunities created by Provincial Department of Public Works and Infrastructure. A work opportunity is paid work created for an individual on an EPWP project for any period. The same person can be employed on different projects and each period of employment will be counted as a work opportunity.
<b>Source of data</b>	Approved list of selected Beneficiaries from the council/ youth structure/ OSS War Rooms /Amakhosi
<b>Method of Calculation / Assessment</b>	Simple count of work opportunities validated/reported.
<b>Means of verification</b>	<ul style="list-style-type: none"> <li>• EPWP Report (PB01A)/</li> <li>• Attendance Registers/</li> <li>• Payment Sheets/ Proof of Payments (pay slips or signed acknowledgment of receipt of payment)/</li> <li>• Employment Contracts</li> </ul>
<b>Assumptions</b>	<ul style="list-style-type: none"> <li>• EPWP Projects are implemented.</li> <li>• Records of work opportunities created and reported are kept for reference.</li> <li>• Accurate data is reported on the EPWP-RS.</li> <li>• There is budget to implement the programme</li> </ul>
<b>Disaggregation of Beneficiaries (where applicable)</b>	<p>Disaggregation will be reported in the narrative extracted from the number of work opportunities created.</p> <p>55% Youth</p> <p>60% Women</p> <p>2% People with Disabilities</p>
<b>Spatial Transformation (where applicable)</b>	EPWP is implemented across 10 Districts and 1 Metro of the KwaZulu-Natal Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Actual performance exceeding targeted performance is desirable
<b>Indicator Responsibility</b>	Chief Director: EPWP

<b>Indicator Title</b>	<b>3.2 Number of Beneficiary empowerment interventions</b>
<b>Definition</b>	The indicator seeks to measure number of empowerment interventions implemented for the empowerment of the beneficiaries
<b>Source of data</b>	EPWP business plan
<b>Method of Calculation / Assessment</b>	Simple count of empowerment interventions
<b>Means of verification</b>	Plan to roll out the intervention, Invitations, Programme, Agenda and Attendance registers
<b>Assumptions</b>	There is budget to implement the programme
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	EPWP is implemented across 10 Districts and 1 Metro of the KwaZulu-Natal Province
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Achieve 100% of the set target
<b>Indicator Responsibility</b>	Chief Director: EPWP

<b>Indicator Title</b>	<b>3.3 Number of Training initiatives provided to Emerging Contractors</b>
<b>Definition</b>	This indicator measures number of training initiatives provided to Emerging Contractors
<b>Source of data</b>	Business Plan
<b>Method of Calculation / Assessment</b>	Simple count of training initiatives provided for emerging contractors
<b>Means of verification</b>	Invitations, schedule of trainings, Programme, Agenda and Attendance registers
<b>Assumptions</b>	Availability of budget to implement the programme and availability of service provider/ in-house capacity
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	10 Districts and 1 Metro
<b>Calculation Type</b>	Cumulative year end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Achieve 100% of the set target.
<b>Indicator Responsibility</b>	Chief Director: EPWP

<b>Indicator Title</b>	<b>3.4 Number of Public Bodies reporting on EPWP targets in the Province</b>
<b>Definition</b>	The indicator measures the number of public bodies reporting on EPWP targets in the Province. Maximum participation and quality reporting is expected to optimise work opportunities.
<b>Source of data</b>	Grants agreements from Public Bodies
<b>Method of Calculation / Assessment</b>	(Simple count) Count number of Public Bodies reporting EPWP targets on the system.
<b>Means of verification</b>	EPWP Final Annexure reports issued by National Department of Public Works (PB01A)
<b>Assumptions</b>	Public Bodies reporting on time, well-resourced PBs, no errors in reporting, Quality reports
<b>Disaggregation of Beneficiaries (where applicable)</b>	<ul style="list-style-type: none"> <li>• 55% Youth</li> <li>• 60% Women</li> <li>• 2% People with Disabilities</li> </ul>
<b>Spatial Transformation (where applicable)</b>	The EPWP Programme is implemented across the KwaZulu Natal province by 65 Public Bodies (11 Provincial Departments, 1 Metro, 10 Districts and 43 Local Municipalities).
<b>Calculation Type</b>	Non-Cumulative
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Full / Maximum participation by Public Bodies.
<b>Indicator Responsibility</b>	Chief Director: EPWP

<b>Indicator Title</b>	<b>3.5 Number of interventions implemented to support Public Bodies participating in EPWP</b>
<b>Definition</b>	Identifies the number of interventions implemented to support public bodies to report on work opportunities created.
<b>Source of data</b>	EPWP Business Plan
<b>Method of Calculation / Assessment</b>	Simple count of number of interventions implemented to support public bodies reporting on EPWP targets from source documentation.
<b>Means of verification</b>	Invitations, Programme, Agenda and Attendance Registers
<b>Assumptions</b>	Capacity within public works
<b>Disaggregation of Beneficiaries (where applicable)</b>	Not Applicable
<b>Spatial Transformation (where applicable)</b>	The EPWP programme is implemented across the KwaZulu-Natal Province by 65 Public Bodies (10 Districts, 43 Local Municipalities, 1 Metro and 11 Provincial Departments)
<b>Calculation Type</b>	Cumulative year-end
<b>Reporting Cycle</b>	Quarterly
<b>Desired performance</b>	Achieve 100% of the set target
<b>Indicator Responsibility</b>	Chief Director: EPWP

## 8. ANNEXURES TO THE ANNUAL PERFORMANCE PLAN

## 9. ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

None

## 10. ANNEXURE B: CONDITIONAL GRANTS

Name of grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of grant
EPWP Integrated Grant for Provinces	Implementation of the EPWP	EPWP work opportunities	R5 418m	2025/2026

## 11. ANNEXTURE C: CONSOLIDATED INDICATORS

Institution	Output Indicator	Annual Target	Data Source
None			

## **12. ANNEXTURE D: NSDF AND THE DISTRICT DEVELOPMENT MODEL**

**NIL**



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