



Title of Publications:

**North West Department of Public Works and Roads
Strategic Plan 2015 – 2020**

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PR72/2015

ISBN: 978-0-621-43447-7



LIST OF ABBREVIATIONS

APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad-Based Black Economic Empowerment
CIDB	Construction Industry Development Board
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DPWR	Department of Public Works and Roads
EPWP	Expanded Public Works Programme
FTE	Full Time Equivalent
GIAMA	Government Immovable Asset Management Act
HOD	Head of Department
HR	Human Resource
IAR	Immovable Asset Register
IAREP	Immovable Asset Register Enhancement Project
ICT	Information and Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IPIP	Infrastructure Programme Implementation Plan
IPMP	Infrastructure Programme Management Plan
MEC	Member of Executive Council
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCN	Network Condition Number
NDP	National Development Plan
NGO	Non-Government Organisation
NWHC	North West Housing Corporation
NYS	National Youth Service
PDP	Provincial Development Plan
PFMA	Public Finance Management Act
PLWD	People Living With Disabilities
PMDS	Performance Management and Development System
RAMS	Road Asset Management System



RNMS	Road Network Management System
SCM	Supply Chain Management
SMS	Senior Management Service
SONA	State of the Nation Address
SOPA	State of the Province Address
UAMP	User Asset Management Plan
VCI	Visual Condition Index
VTSD	Villages, Towns and Small Dorpies



FOREWORD BY THE MEC

The year 2014 heralded the celebration of 20 years of democracy for our country. It was a year for celebrating the successes in transforming the landscape of South Africa in a manner that have seen the emergence of a new society that celebrates its diversity but one which recognises that it needs to live and act in a manner that is of benefit to all its members.

We have been honest also in our reflection of the areas where we have not achieved our objectives fully as yet. The outcome of this assessment informed the adoption of the Radical Socio-Economic Transformation Agenda by the North West Provincial Government for the term of administration covered by the Strategic Plan for 2015/2020.


The fundamental objective of the developmental agenda of Government, as outlined in the Medium Term Strategic Framework and as underpinned by the National Policy Outcomes is to set the country on a higher and sustainable trajectory of economic growth. This objective will only be realised if all communities are provided with the access to economic infrastructure to not only contribute towards it but also to equally benefit from it.

The high levels of unemployment, unqualified or unskilled labour and skewed distribution of access to economic opportunities pose a major challenge to South Africa as a whole, but particularly to the North West Province which is predominantly rural in character with the inhered disparities in spatial distribution of economic infrastructure preventing access to economic opportunities to many.

The Department of Public Works and Roads will contribute in the next five years towards the radical transformation of the landscape of the Province through the delivery and management of infrastructure and the coordination of the Expanded Public Works Programme which are intended to result in a diversified economic base, the reduction of unemployment and poverty and the correction of income inequalities that stem from the past.

To achieve this intended transformation a new way of doing things is required. The philosophies of Saamwerk Saamtrek and Deconventionalisation will guide the Department in constructive and transparent engagement with its clients and stakeholders. It also calls for the promotion of vertical and horizontal integration to achieve efficiency in operations and expending of funds and in creating greater synergy.

The Department has prioritised its infrastructure projects for 2015/16 to favour rural or under-developed areas. Key in this regard will be the continued investment in the provincial road network to provide communities access to socio-economic opportunities.



The Department will also remain responsive to the infrastructure needs identified by our client Departments and will implement the principles of the Infrastructure Delivery Management System in order to plan and deliver infrastructure in a manner that is responsive to demands within the context of the resources available.

The management of the life cycle of immovable assets will be guided by the GIAMA prescripts. The enhancement of the Immoveable Asset Register will remain a priority and the Immoveable Asset Register Enhancement Project will be finalized during the MTEF 2015/18.

The Department continues to identify, in partnership with other public bodies labour-intensive work opportunities as guided by the Expanded Public Works Programme. The target of creating 242 348 labour-intensive work opportunities was set to be achieved by the North West Province in the period 2015/2020. The Department of Public Works and Roads will continue to coordinate and champion this Programme across all sectors. One of the flagship projects of the Department is the Contractor Development Programme (Vuk'phile) which objective is to develop and skill emerging contractors over a three-year period that will see them completing the programme having achieved a higher CIDB grading level which in turn will enable them to participate in competing for larger projects.

The Department also recognizes the need to work with our delivery partners in the achievement of this objective. One of these is the Construction Industry Development Board (CIDB) which will continue to assist in the development of our emerging contractors.

The Department remain committed to the transformation process which will see the continued development of a society that truly delivers on the promise of "A Better Life for All".







MR M SAMBATHA
MEMBER OF THE EXECUTIVE COUNCIL

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- was developed by the management of Department of Public Works and Roads under the guidance of MEC M Sabatha;
- accurately reflects the strategic goals and objectives that the Department of Public Works and Roads will endeavour to achieve given the resources made available.

Designation	Name	Signature
Acting Chief Financial Officer	Mr M Madienyane	
Director: Planning, Monitoring and Evaluation	Ms H M Pretorius	
Accounting Officer (acting)	Ms F Tsimane	
Executing Authority	MEC M Sambatha	



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PART A: STRATEGIC OVERVIEW



1. VISION

Delivery and maintenance of quality infrastructure for sustainable growth and development.

2. MISSION

To provide quality provincial infrastructure and ensure better service delivery.

3. VALUES

The vision and mission statements of the Department are underpinned by the following values:

- Client focus
- Professionalism
- Integrity
- Commitment
- Valuing of staff and mutual respect at all levels of the organization
- Accountability
- Compliance to the Public Service Code of Conduct

4. LEGISLATIVE AND OTHER MANDATES

4.1 CONSTITUTIONAL MANDATES

The Department's mandate is derived from the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996). Mandates that are exclusive to provinces as well as functional areas that share concurrent responsibility are outlined in schedules 4 and 6 of the Constitution.

4.2 LEGISLATIVE MANDATES

The following is a list of Acts and Regulations assigned to and/or implemented by the Department:

- Transversal public sector acts such as the Public Service Act, the Public Finance Management Act, the Labour Relations Act, the Division of Revenue Act etc.
- **North West Land Administration Act 4 of 2001** - The Act regulates the acquisition and disposal of immovable property owned by the Provincial Government within the geographical area of the North West Province.
- **Property Valuation Act No 17 of 2014** – The Act makes provision for the establishment of the Office of the Valuer General whose responsibility will be to provide valuation services to the Government
- **Property Valuers Profession Act 47 of 2000** - The Act provides for the establishment of the Council for the Property Valuers Profession and incidental matters.
- **National Public Works Quantity Surveying Profession Act 49 of 2000** - The Act provides for the establishment of the Council for Quantity Surveying profession and incidental matters.

- **Government Immovable Assets Management Act 19 of 2007** - The Act promotes a uniform, efficient and effective management of state immovable assets.
- **Construction Industry Development Board Act 38 of 2000** – The Act provides for the establishment of the Board to promote the contribution of the construction industry in meeting national construction demand, provide strategic leadership to the construction industry stakeholders to stimulate sustainable growth, reform and improvement of the construction sector and to determine and establish best practice.
- **Infrastructure Development Act 23 of 2014** – The Act provides for the facilitation and coordination of public infrastructure planning, implementation and development and aims to improve the management of such infrastructure during all life-cycle phase.

4.3 POLICY MANDATES

The Strategic Plan is guided by the following strategy and policy pronouncements:

4.3.1 National Policy Outcomes, MTSF, the NDP & the PDP

Government recognized the fact that, despite improved access to services and increased expenditure on service delivery, the necessary outcomes to ensure adequate progress in creating a “better life for all” were not being achieved. In response, the Cabinet Lekgotla in January 2010 adopted the *outcomes approach* to planning. This approach requires unambiguous statements of the outcomes expected and clear indicators, baselines and targets to:

- Focus on results.
- Clarify the assumptions on which plans and resource forecasts are made.
- Link activities to outcomes and outputs.
- Improve coordination and alignment.

The *National Development Plan (NDP)* was endorsed by Cabinet early in September 2012. The primary aim of the NDP is to eliminate poverty and reduce inequality by 2030 through six areas of priority:

- Uniting all South Africans around a common programme to achieve prosperity and equity
- Promoting active citizenry to strengthen development, democracy and accountability
- Bringing about faster economic growth
- Higher investment and greater labour absorption, focusing on key capabilities of people and the state
- Building a capable and development state
- Encouraging strong leadership throughout society to work together to solve problems

The *Provincial Development Plan (PDP)* was subsequently developed to give expression to the NDP within the context of the developmental status, spatial development and primary economic sectors of the North West Province. Particular focus was placed on both the rural economy (due to the predominant rural character of

the Province) as well as on the upgrading; the provisioning and the maintenance of economic infrastructure. These are viewed as preconditions for overall economic growth and development as well as its significant potential to create employment. The Province also prioritizes the transformation of human settlements, promoting health and fighting corruption.

Government in 2014 confirmed that the *Medium Term Strategic Framework (MTSF)* is the key mechanism to achieve alignment between short- and medium term plans (e.g. sector plans and plans of the three spheres of Government) and the NDP. The MTSF identifies the critical actions to be undertaken during 2014 - 2019 to put the country on a positive trajectory towards the achievement of the 2030 vision. It identifies indicators and targets to be achieved in the period and contains department-specific NDP targets in order to draw direct links between the NDP, MTSF and departmental Strategic Plans and APPs.

The link between the policy outcomes, the MTSF, the NDP and the PDP can be illustrated as follows:

POLICY OUTCOME (PO)	DESCRIPTION	NDP	PDP
NO 1	Improved quality of basic education	Chapter 9	Chapter 7
NO 2	Improved health care and longer life expectancy	Chapter 10	Chapter 10
NO 3	Build a safer country and reduce levels of crime and corruption	Chapter 12 & 14	Chapter 11, 13
NO 4	Decent employment through inclusive economic growth	Chapter 3	Chapter 3
NO 5 ¹	A skilled workforce to support an inclusive growth path	Chapter 9	Chapter 3
NO 6 ²	An efficient, competitive and responsive infrastructure network	Chapter 4	Chapter 4
NO 7	Vibrant, equitable and sustainable communities and food security for all	Chapter 6	Chapter 5
NO 8	Sustainable human settlements and improved quality of household life	Chapter 8	Chapter 6
NO 9	A responsive, accountable, effective and efficient local government system	Chapter 13	Chapter 12
NO 10	Environmental assets and natural resources that are well protected	Chapter 5	Chapter 8
NO 11	Create a better South Africa, a better Africa and a better world	Chapter 7	Chapter 14
NO 12	An efficient, effective and development-oriented public service and empowered and inclusive citizenship	Chapter 13	Chapter 12
NO 13	An inclusive and responsive social protection system	Chapter 11	Chapter 9
NO 14	Transforming society and uniting the country	Chapter 25	Chapter 14

The Department is a key role player in the implementation of Strategic Integrated Project 4 of the National Development Plan. The objective of SIP 4 is to unblock the potential of the North West Province and one of the means of achieving that objective is through investment in bulk infrastructure which includes the provincial road network.

ii. State of the Nation and State of the Province Addresses

The Strategic Plan is influenced and guided by the annual State of the Nation and State of the Province Addresses, which may require a review of the Plan dependent on the policy pronouncements made by the President and the Premier respectively.

¹ Championed by the Department of Public Works and Roads

² Department of Public Works and Roads contribute through the EPWP

The response of the Department to the mandates and directives outlined in the 2015 State of the Province Address delivered by the Premier is outlined item 4.5 in this document.

iii. Other policy mandates

The list of other policy mandates governing the activities of the Department include, but are not limited to the following:

- **Road Infrastructure Strategic Framework for South Africa (RISFSA)** - the policy provides for the planning and development of road infrastructure and provides guidelines for the redefinition of the South African road network. It assists Roads Authorities in the reclassification of existing road networks.
- **Guidelines on the implementation of the Expanded Public Works Programme (EPWP)** – the Expanded Public Works Programme’s objective is to create short and medium term work opportunities for the poor and unemployed, as part of government’s Anti-Poverty Strategy. These work opportunities are combined with training with the aim to increase the employability of the low skilled beneficiaries within the formal employment market. The programme targets four main sectors namely Infrastructure, Environment and Culture, Social and Non-State.
- **Departmental Policy on the Administration and Management of Assets**- the policy provides directives on the administration and management of Departmental Assets.
- **Provincial Policy of State Housing** – the policy provides provide guidelines on the allocation, rental administration and maintenance of state residential accommodation under the auspices of the Department of Public Works.

4.4 RELEVANT COURT RULINGS

None.

4.5 PLANNED POLICY INITIATIVES

i. Provincial profile

In the introduction to the Provincial Development Plan, the factors contributing to socio-economic inequality and disparities were succinctly categorized to be as follows:

- Too few people work
- The quality of school education for black people is poor
- Infrastructure is poorly located, inadequate and under-maintained
- Spatial divides hobble inclusive development
- The economy is unsustainably resource intensive
- The public health system cannot meet demand or sustain quality
- Public services are uneven and often of poor quality
- Corruption levels are high
- Society remains divided

The North West Provincial Government has committed itself for the next five years to the implementation of the Radical Socio-Economic Transformation Agenda to address these challenges in order to bring about a more equitable distribution in the access to social services and economic opportunities.

In achieving these objectives and also due to the predominant rural character of the Province, particular focus must be placed on prioritizing rural areas as well as on the upgrading, the provisioning and the maintenance of economic infrastructure as the precondition of overall economic growth and development and for its significant potential to create employment.

The challenges facing the Department in particular in responding to the directives include the following:

- Infrastructure delivery backlogs, particularly in respect of road/transport infrastructure
- Inheritance of unequal spatial distribution of infrastructure resulting in rural areas that do not have access to basic social and economic services
- Budgetary challenges in addressing backlogs in infrastructure delivery
- High levels of unemployment

These challenges are unpacked in more detail in Section 5 of the Strategic Plan.

The North West Provincial Government, in implementing the Radical Socio-Economic Transformation Agenda will be guided by the following philosophical principles and approaches.

- Saamtrek Saamwerk philosophy
- Rebranding, Reposition and Renewal
- Deconventionalisation
- Setsokotsane programme
- Rural development focus (Villages, Towns & Small Dorpies {VTSDs})

The Department’s response and contribution towards these guiding philosophies over the MTEF periods which this Strategic Plan covers, include but are not limited to the following projects :

Philosophy	Outcome	Project	Activity	Area
Rebranding, Reposition and Renewal	Infrastructure development in support of unblocking social, economic and tourism opportunities	Mahikeng Airport Development Project	Repairs to the safety area and the turning pads of the runway.	Mahikeng
			Refurbishment of the existing terminal and control tower	
			Replacement of the approach lights and perimeter fence	
		Convention Centre Upgrade Project	Redesign, extension and refurbishment of the current structure with the intention of creating a world class international conference centre	Mahikeng
		Hotel Facility	Building of a five-star hotel next to Convention Centre	Mahikeng
		Government Office Precinct	Design and construction of a office complex on the Lowe facility	Mahikeng
		Mahikeng	Design and construction of a	Mahikeng

Philosophy	Outcome	Project	Activity	Area
		Stadium	stadium next to the Mahikeng Airport	
		Pilanesberg Airport Upgrading project	Repairs to the runway, taxiways and apron and storm water drainage.	Rustenburg
Deconventionalisation & VSTD	Infrastructure development in support of skills development, creation of employment opportunities and using labour-intensive methods for road construction and upgrading where appropriate	Brick-making plants	Construction or re-activation of brick-making plants	<ul style="list-style-type: none"> • Moretele • Mahikeng • Ventersdorp • Bloemhof
VTSD & Saamwerk Saamtrek	Infrastructure development in the health sector	4 projects	Upgrades Construction	<ul style="list-style-type: none"> • Manthe • Pudimoe • Maganeng • Dryharts
	Infrastructure development in the education sector	11 projects	Construction or additions to schools in the Province	VTSDs benefiting include: <ul style="list-style-type: none"> • 3 in NMM • 2 In RSM • 3 in Bojanala • 3 in Dr KK
	Infrastructure development in the social development sector	3 projects	Construction	VTSDs benefiting include Taung and Madibeng
	Infrastructure development in the community safety & transport sector	9 projects	Construction	<ul style="list-style-type: none"> • Taung • Ganyesa • Ramotshere Moiloa • Madikwe • 2 in Mahikeng • Mogwase • Phokeng
	Infrastructure development in the culture, arts & traditional affairs sectors	3 projects	Construction	<ul style="list-style-type: none"> • 2 in Taung • 1 in Madibeng
Saamwerk & Saamtrek, Deconventionalisation & Setsokotsane	Targeted interventions in identified areas in conjunction with other Government Departments and Local Municipalities	The type and number of Interventions are guided by the needs identified by the Local Municipality	Grass-cutting Maintenance and cleaning Pothole patching	<ul style="list-style-type: none"> • Ventersdorp • Kagisano-Molopo • Lekwa-Teemane • Ditsobotla • Kgetleng River • Greater Taung • Mmamusa • Moretele • Mahikeng • Moses Kotane • Tlokwe • Tswaing • Ratlou • Naledi • Maquassi Hills
VTSD	Infrastructure development in the transport sector to promote mobility and access to socio-economic opportunities	72 (inclusive of project to be implemented under the Vuk'phile Contractor Development Programme)	Construction Upgrade Rehabilitation Maintenance	The VTSDs that will benefit include: <ul style="list-style-type: none"> • Manthe • Ottosdal • Hartbeesfontein • Setlagole • Delareyville • Tshidilamololo

5. SITUATIONAL ANALYSIS

5.1 PERFORMANCE DELIVERY ENVIRONMENT

As a major custodian of the state's immovable assets, the Department is responsible for the planning, acquisition, management and disposal of state-owned immovable properties.

As the provider of accommodation to user Departments, the Department is playing a key role in the delivery of infrastructure, having pioneered the development of the Infrastructure Development Improvement Programme (IDIP) toolkit.

The toolkit was revised in 2010 in partnership with the Construction Industry Development Board (CIDB) and National Treasury. It has three delivery processes, namely: Portfolio Management, Project Management and Operations Management.

Most importantly, it has a Construction Procurement Strategy that enables faster processes in the delivery of infrastructure.

In order to comply with the prescripts of GIAMA regarding planning for state-owned immovable assets, the Department continues to provide support to user Departments to develop User Asset Management Plans (UAMPs). Service Level Agreements (SLAs) have also been signed with 20 user Departments as part of service delivery improvement initiatives.

The Department also continues to provide leadership in the implementation of the EPWP. The incentive grants and the participation of the NGO sector in EPWP phase II have contributed positively to the up-scaling of the programme.

The demand for the services rendered by the Department is driven by the following:

- Condition of buildings as per building condition assessments.
- Condition of the road network (the Visual Condition Index [VCI]) which is used to categorize the road condition, ranging from very poor to very good).
- Accommodation needs of Provincial Government Departments.
- Facilitating access to socio-economic opportunities by providing transport infrastructure.
- Creation of job opportunities and skilling of people through labour-intensive programmes.

i. Problem statement – general challenges encountered by the Department include the following:

- Integrity of the Immovable Asset Register.
- Capacity in relation to technical skills in the construction sectors of buildings and roads.
- Inadequate budget to fully address the provincial needs and priorities in relation to transport infrastructure and maintenance of both state buildings and the provincial roads network.
- Inadequate budget for payment of rates and taxes

- Inadequate budget to conduct condition assessments on all state-owned facilities in compliance with GIAMA requirements

ii. **Problem statement – challenges encountered in the delivery and management of state-owned assets:**

Provincial Immovable Asset Register (IAR):

The Department launched the Asset Register Enhancement Project (phase 1) in May 2013 in order to address several challenges as raised by Auditor General.

As a result of the project, the Department's Immovable Asset Register is currently aligned with the Minimum Requirements of an Immovable Asset Register as published by National Treasury as well as with the Accounting and Reporting for Immovable Assets (Property) published in March 2014 by National Treasury. The Department also continued with the Immovable Asset Register Enhancement Project (Phase 2) and this phase commenced on 1 October 2014.

The following are the achievements realised during phase 1:

- Registered land parcels are accounted for
- Properties physically assessed - 42%
- Municipal values applied in 72% of land parcels
- IAR template substantially completed
- Rates paid matched to IAR - 92%
- Tenants data reconciled – 63%
- Land & improvements linked – 11%
- Data ready for migration to iE-works

The following areas will be addressed as part of Phase 2:

- Physical verification of remaining properties
- Linkages of land and buildings/structures
- Applying municipal values to land and buildings
- Complete reconciliation of rental register to IAR
- Complete reconciliation of property rates to IAR

The Department has successfully migrated its Excel-based Immovable Asset Register to the National iE-Works Immovable Asset Register during the fourth quarter of the 2014/15 financial year.

The current iE-Works system is fully BAS-interfaced thus allowing for management of property leases, payment of utility services (water & electricity) and payment of rates and taxes on state-owned provincial properties.

The current Immovable Asset Register consists of 4 261 land parcels, 11 507 non-residential buildings and 2 247 residential buildings, all linked to land parcels.

The aforementioned land parcels are categorized as follows:

- A1 : Vested in the name of the Province or a Model C School
- A2 and A3 : Deemed provincial due to the function
- Contingent : Provincial function on non-state land or un-surveyed land
- NPW / DRD&LR : Provincial function on national land
- Parastatals : NW Housing Corporation properties or National Housing Board properties
- Private : Properties sold or ownership changed needs to be verified
- Other Provinces : Due to provincial demarcation
- Municipalities : State function on municipal land

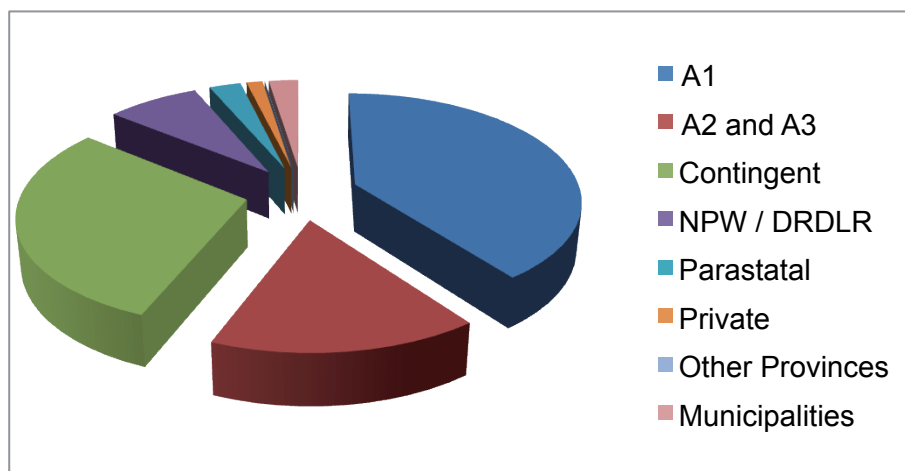


Figure above depicts the categorization of land parcels

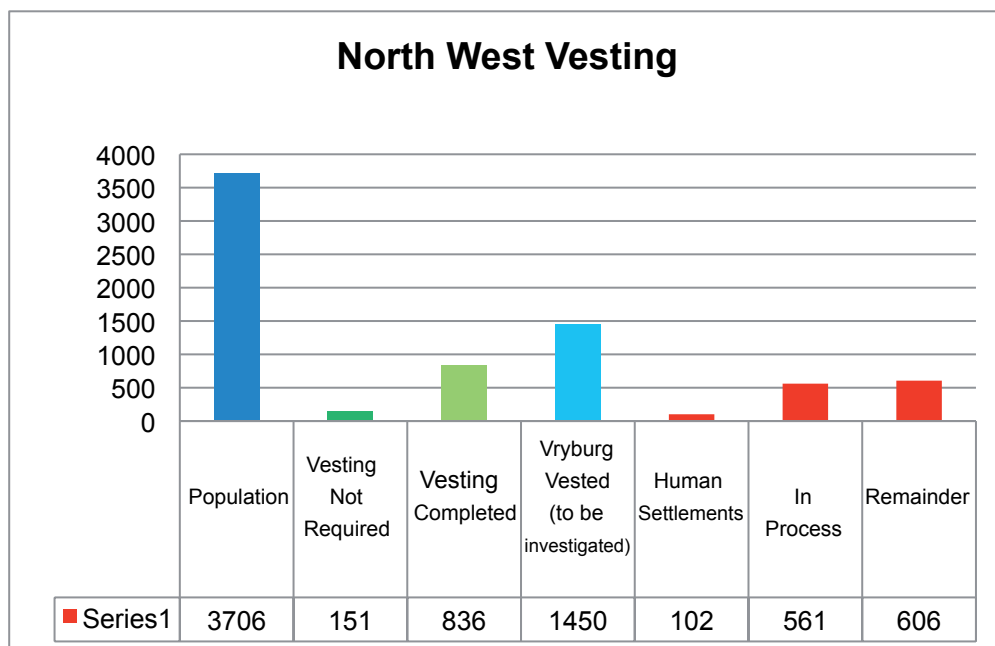


Figure above depicts status as at February 2015 with vesting of immovable assets

Public Works Infrastructure Planning {Portfolio Analysis}: Progress with the implementation GIAMA and the NW IDMS:

Since 2010 to date, the Department has complied with GIAMA and the NW IDMS by submitting its User Asset Management Plan (UAMPs), Infrastructure Programme Management Plans (IPMPs) together with the B5 project lists to the Provincial Treasury for immovable infrastructure budget allocation in respect of maintenance and capital works to improve service delivery.

Condition assessments have to be conducted in respect of state-owned facilities. The Department had planned to assess 1000 facilities during 2014/15. However, only 127 health facilities were eventually assessed as the process had to be suspended due to financial constraints.

The Department also aligned its proposed organizational structure with GIAMA requirements in order to adequately support the implementation of GIAMA and the NW IDMS.

iii. Problem statement – challenges encountered in the delivery and management of the provincial road network:

The budgetary challenge in respect of the expansion and maintenance of the provincial road network was quantified in a major study undertaken in 2013. The study into the condition of the provincial road network was undertaken with the view of informing future planning and financial requirements for upgrading and maintenance of the road network.

The graphs below illustrate the findings of the study:

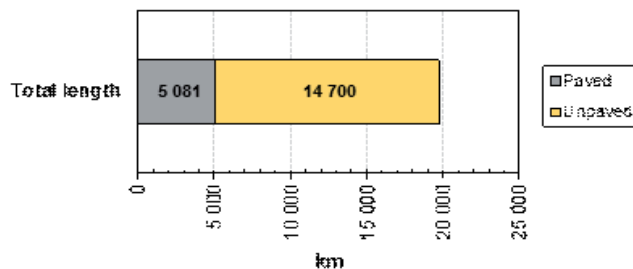


Figure above depicts length of paved and unpaved roads (provincial)

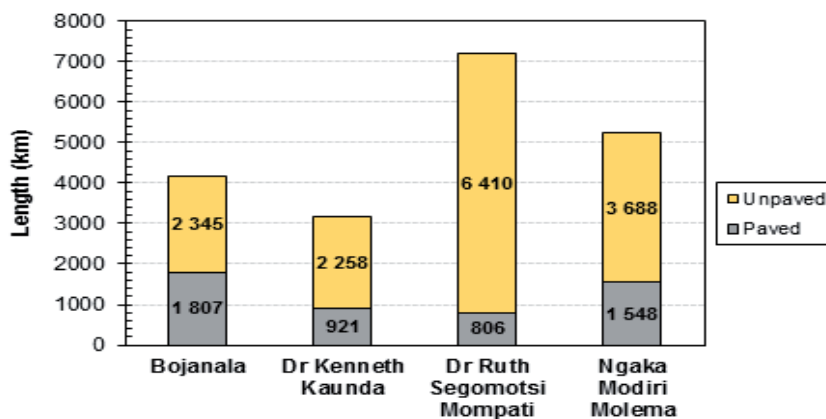


Figure above depicts paved and unpaved road lengths per district

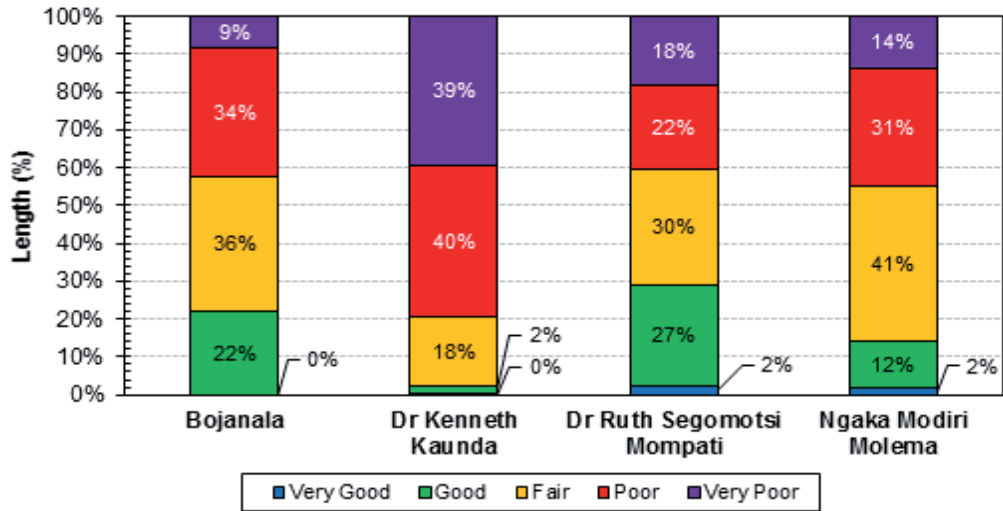


Figure above depicts condition distribution of the paved roads per district

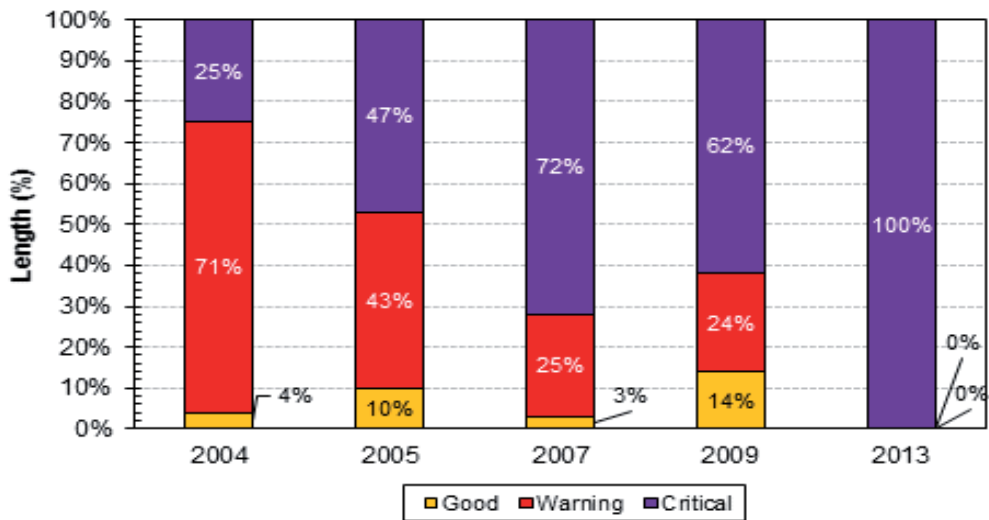


Figure above depicts Visual Gravel Index distribution for unpaved roads

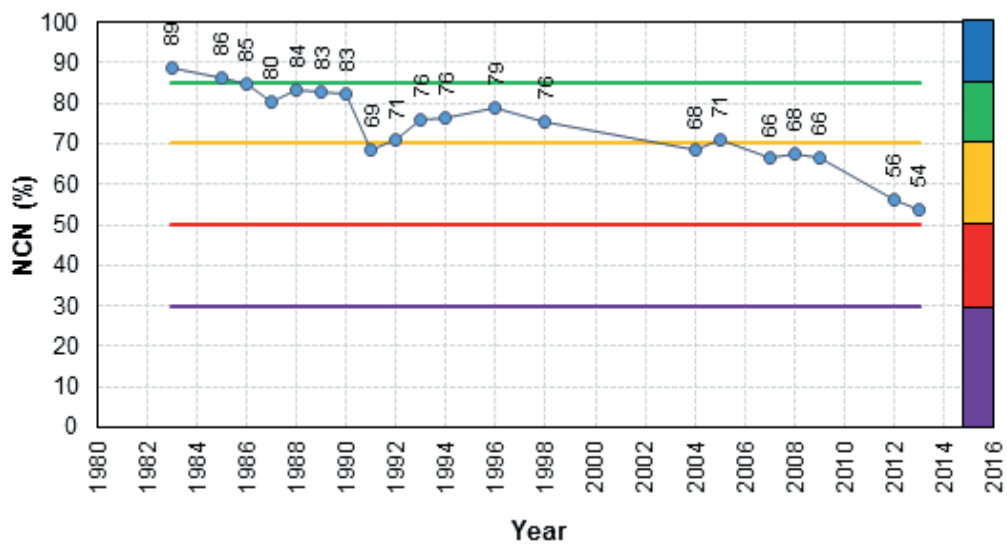


Figure above depicts Network Condition Number (NCN)

The figure above depicts the NCN since 1985. It is clear that there is a concerning decrease in NCN from 2006. A decrease in NCN is an indication that the maintenance on the network is inadequate. Based on the October 2013 data analysis, the network is in a fair condition.

In the needs analysis, realistic preventative maintenance, upgrading and rehabilitation repair actions or treatments are considered for each road segment over a long-term analysis period. The effect of each repair alternative is calculated to determine the structural and functional improvement.

The section below describes the needs analysis process.

a) Preventative maintenance and rehabilitation treatments for paved roads

Sets of preventative maintenance and rehabilitation strategies were considered for each road segment according to its current condition during the analysis as prescribed. The treatments that could be triggered by the current condition are summarized in the table below. General industry rates for treatments in 2013 were used, with an additional 40 % added for P&G's, planning, design and overhead costs. Routine refers to the treatments in italics and a general rate per square meter was used.

Treatments and associated costs:

Treatment		Cost	
Abbreviation	Description		
Rehab-1	In-situ recycle 250 mm to C3 sub-base, new 125 mm G1 base, double seal surfacing	253	R/m ²
Rehab-2	Mill & replace 100 mm base with BTB, 40 mm AC surfacing	448.4	R/m ²
Spec maint-1	40 mm AC overlay	149	R/m ²
Spec maint-2.1	30 mm AC overlay	113	R/m ²
Spec maint-2.2	Double seal overlay	58.8	R/m ²
Per maint-1	UTFC overlay	77	R/m ²
Per maint-2	Single seal overlay	43.4	R/m ²
Per maint-3	Slurry	42	R/m ²
<i>Dil/emuls.*</i>	Fog	9.1	R/m ²
<i>C/sealing*</i>	Crack sealing	49.46	R/m
<i>Repairs*</i>	Patch (10% of the area)	27.16	R/m ²
<i>*Routine</i>		42.77	R/m ²

A priority index was calculated for each road segment, taking into account the traffic and road class of the segment. Road segments were prioritized based on the priority index.

b) Analysis scenarios for paved roads

Ranking the repair actions or treatments in order of priority, as no budget was provided, the treatment actions required and the associated cost for the Province is depicted in the figure below. To address the needs of the Province, an amount of R 8 779 000 000.00 is required. This financial implication of R8.78 billion needs to be distributed over a period of 10 years.

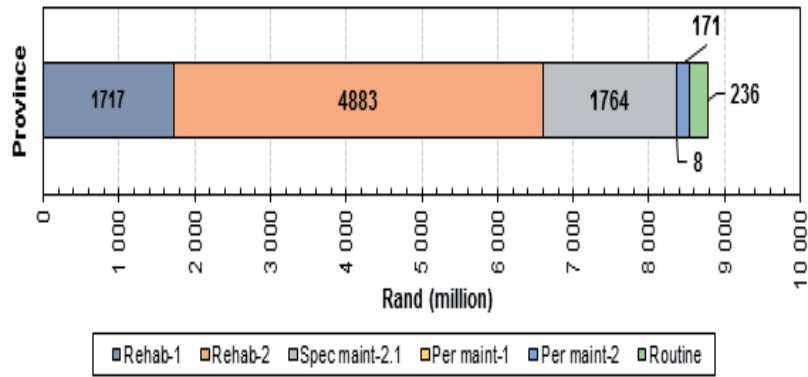


Figure above depicts required funding to address needs of paved roads

c) Maintenance, upgrading and funding required for unpaved roads

It is indicated that between 34% and 40% of the unpaved road network requires re-gravelling. At a cost of R500 000.00/km, the cost for re-gravelling of 40% of the unpaved network (5 880 km) is estimated to be R2 940 000 000.00.

Unpaved roads carrying in excess of 500 AADT should be upgraded to paved standard due to high road user costs. Based on the traffic data available, there are 294 km (2 %) of unpaved roads in the Province that carry in excess of 500 AADT. If the upgrade consist of a single seal and no re-gravelling is required, estimated funding of R141 000 000.00 is required. Maintenance of the remainder is estimated at R2 782 000 000.00.

The figure below summarizes the funding required for unpaved roads. This financial implication of R 5.86 billion needs to be distributed over a period of 10 years

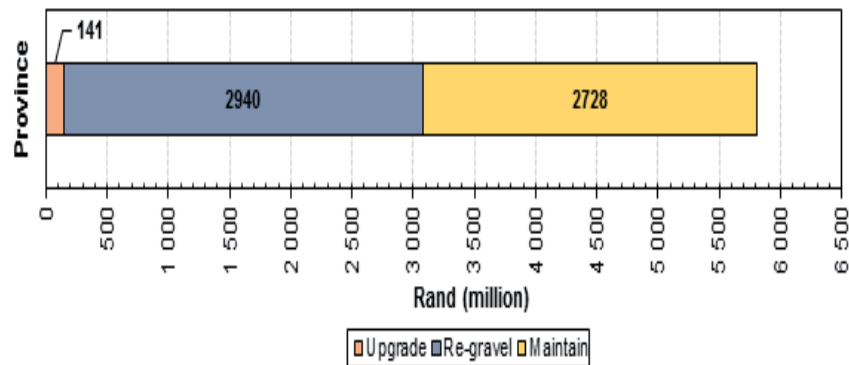
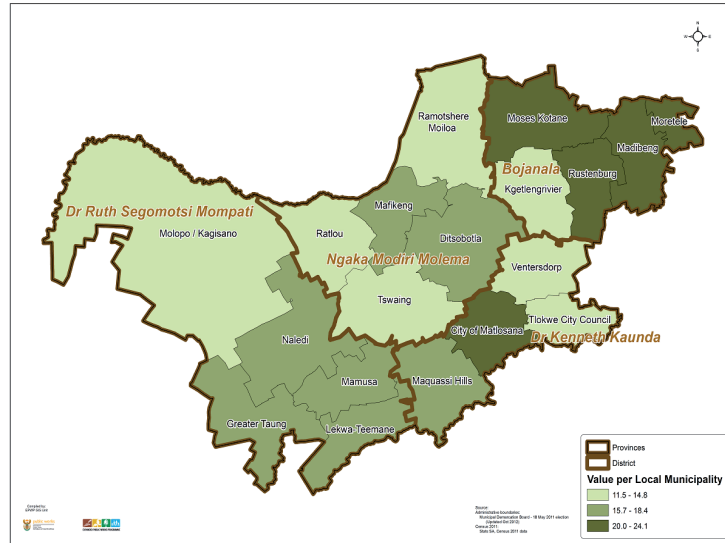


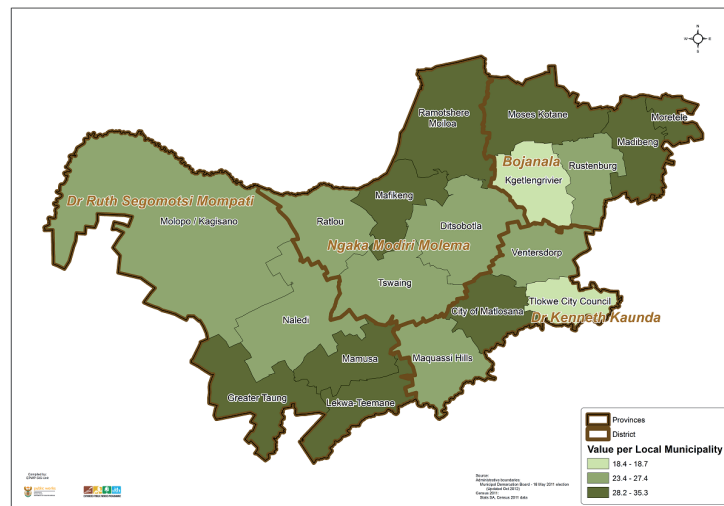
Figure above depicts required funding to address needs of unpaved roads

d) Bridges and Major Culverts

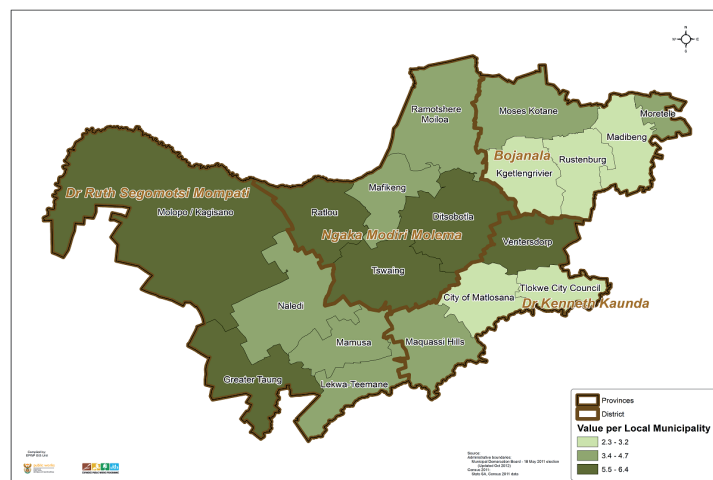
The total Asset Value, Replacement Cost and Maintenance Cost of the 214 bridges and 162 major culverts inspected in 2013 are shown below. The Asset Value, Replacement Cost and Maintenance Cost can be summarized as shown in the table below. Asset Value is also referred to as Current Depreciated Replacement cost (CDRC), and Replacement Cost as Current Replacement Cost (CRC). Maintenance Cost refers to identified repair and maintenance costs.




The map above depicts unemployment rate for females (strict definition) by municipality



The map above depicts unemployment rate for youth (expanded definition) by municipality



The map above depicts the percentage persons with a significant degree of disability by municipality



Analysis of the performance of the EPWP initiative indicates that there has been a steady improvement in the performance of the EPWP in the North West Province. For both EPWP Phases 1 and 2 the Social Sector (in terms of employment creation) in the Province continued to create more work opportunities followed by the Infrastructure Sector, the Non-State Sector with the Environment and Culture Sector being the worst performer out of the four Sectors. However, the number of work opportunities and person years of employment created in the infrastructure sector in the North West Province has improved at a slow pace. The labour intensity of reported infrastructure projects has decreased sharply.

To address this challenge, the then Department of Public Works, Roads and Transport in June 2010 launched the Itirele Road Maintenance with the intention of up-scaling and increasing the labour intensiveness of its routine road activities. While this has delivered positive results, there are still opportunities to expand and institutionalize this programme through creation of internal departmental capacity to implement, manage, monitor and report this programme as well as allocate additional budgets that will lead to more job creation.

5.2 ORGANIZATIONAL ENVIRONMENT

The Department of Public Works and Roads was re-configured in 2014 to the extent that the Transport function was detached.

A new organizational structure was developed in consultation with the Department of Public Service and Administration to ensure that the new structure is aligned with the generic Public Works structure.

Upon approval of the structure by the Minister of Public Service and Administration, the Department will be in a position to expedite the recruitment of critical technical staff.

The current vacancy rate in terms of scarce skills professionals (engineers, architects, quantity surveyors and related technicians) stands at 55%. The appointment requirements in respect of professionals still pose a challenge in terms of attracting suitable candidates. The alignment to the NW IDMS has assisted in headhunting two Chief Engineers in the Public Works and Transport Infrastructure Programmes. Through a similar process, the Department together with the Provincial Treasury and the DPSA will attract more scarce skills in the Department using the provisions in the Division of Revenue Act for this purpose.

Amongst the institutional highlights is that fact that 3 382 posts are filled and 858 are funded vacancies of which are at varying stages of the recruitment process. The Department has a 24% vacancy rate at SMS level. However, the recruitment process has commenced to fill these critical vacancies.

Initiatives/interventions such as the Artisan Development Programme and awarding of bursaries are further implemented as part of the strategy to address the shortage of skills in technical posts. In view of building capacity within the Department, internal staff in line function units are given bursaries to improve their studies; registered with the relevant Professional Councils and afforded an opportunity to be placed in appropriate companies for experiential learning and mentoring.

5.3 DESCRIPTION OF THE STRATEGIC PLANNING PROCESS

The Department participated during September 2014 in the nationally-convened Transport Sector Forum workshop to finalize the transversal performance indicators for 2015/16 financial year. The first draft was submitted to Provincial Treasury on 17 September 2014 following inputs received from Programmes.

The Department similarly participated in the Public Works Sector Forum workshop in October 2014 to finalize the transversal performance indicators for 2015/16 financial year.

The second draft of the Strategic Plan and Annual Performance Plan for 2015/16 was submitted to Provincial Treasury on 18 November 2015.

During February 2015 the Department of Performance Monitoring and Evaluation in the Office of the Presidency held engagements with provincial departments to provide feedback on the analysis done on the second drafts of the Strategic and Annual Performance Plans – a second engagement took place in February 2015.

The Department held a strategic planning workshop in March 2015 to consider the Strategic and Annual Performance Plans within the context of the review and reprioritization required as a result of the budget cuts.

6 STRATEGIC OUTCOME-ORIENTED GOALS

Strategic Outcome-oriented Goal 1	Advancing good governance, efficient and effective corporate support service to the department
Goal statement	<ul style="list-style-type: none"> ▶ To provide leadership based on good corporate governance principles ▶ To ensure compliance with regard to broader integrated human resource planning and business process management ▶ To promote effective communication and mandate of the Department
Justification	Sound management practices and corporate governance are essential in the achievement of efficient and effective service delivery

Strategic Outcome-oriented Goal 2	Provision and management of immovable assets in line with GIAMA, North West Land Administration Act and IDMS
Goal statement	<ul style="list-style-type: none"> ▶ To ensure the completeness of the IAR in accordance with the mandatory requirements of National Treasury ▶ To provide facilities management services in respect of state-owned assets ▶ To ensure the economic provision and utilization of state-owned properties and the record keeping thereof.
Justification	Deliver and maintain public infrastructure necessary for the access of public services by the general public

Strategic Outcome-oriented Goal 3	Creation of access to socio-economic opportunities and services through the management of the transport infrastructure network
Goal statement	To improve the condition of the existing road network through upgrading and preventative maintenance
Justification	Transport infrastructure (road network) is strategic in providing mobility and access to socio-economic services and development

Strategic Outcome-oriented Goal 4	Leading the creation of job opportunities in the Province through the implementation of the Expanded Public Works Programme (EPWP)
Goal statement	To ensure that job opportunities are created in order to reduce unemployment in the Province among the designated groups (i.e. youth, women and people living with disabilities).
Justification	The Expanded Public Works Programme provides poverty relief through creation of temporary work and skills development to unemployed persons with emphasis on the designated groups



PART B: STRATEGIC OBJECTIVES

PROGRAMME	SUB-PROGRAMME
1. Administration	1.1 Office of the MEC 1.2 Management of the Department 1.3 Corporate Support 1.4 Departmental Strategy
2. Public Works Infrastructure	2.1 Programme support 2.2 Planning 2.3 Design 2.4 Construction 2.5 Maintenance 2.6 Immovable Asset Management 2.7 Facility Operations
3. Transport Infrastructure	3.1 Programme Support 3.2 Infrastructure Planning 3.3 Infrastructure Design 3.4 Construction 3.5 Maintenance
4. Community-Based Programmes / Expanded Public Works Programme	5.1 Programme Support 5.2 Community Development 5.3 Innovation and Empowerment 5.4 Co-ordination and Compliance Monitoring

7 PROGRAMME 1: ADMINISTRATION

Administration is a strategic support programme to the core line function. It provides political leadership and management support within the Department and accounts for the management of public funds. It also provides for human resource management and integrated planning support services. It is mainly internally focused.

7.1 STRATEGIC OBJECTIVES

Strategic Objective 1.1	Development and monitoring of strategic corporate governance principles and plans
Objective statement	To enhance corporate governance by compliance to legislative and regulatory prescripts
Baseline	Approved policy and procedures are in place
Justification	Application of corporate governance principles is essential to achieve efficient and effective service delivery
Links	Outcome 12: An efficient, effective and development-oriented public service

7.2 RESOURCE CONSIDERATIONS

7.2.1 Trends in the numbers of key staff

The Department in 2014 was reconfigured to the extent that the Transport function was detached. The Department has a draft organizational structure in place which will see implementation in 2015/16.

The structure's implementation result in the filling of critical technical positions as provided in the generic Public Works organizational design. This design was formulated nationally with the

purpose of having a uniform Public Works structure and business process that supports the core business and mandate.

Another departmental initiative to improve its in-house capacity is the Artisan Development Programme through which artisans are recruited and provided with on-the-job training with the assistance from the Construction and Education Training Authority. These artisans are assigned to specific projects for further skilling and for benefit of the Department.

7.2.2 Trends in the supply of key inputs

As discussed under Section 5 of this document, the Department's equitable share allocation is not adequate to enable the Department to fully deliver against its priorities.

Amongst others, it affects the ability of the Department to expand the provincial road network and to implement a comprehensive maintenance strategy.

The Department will continue to explore alternative funding models to augment the declining baseline allocations. Our interactions with the communities and private sector organizations will be a key factor in forging sustainable partnerships in the interest of delivering on our mandate.

Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Office Of The Mec	5 883	6 155	7 694	9 227	8 227	8 227	9 736	11 208	11 768
2. Office Of The Hod	21 245	20 712	18 802	24 079	8 079	22 132	27 970	28 288	29 702
3. Corporate Support	107 636	106 715	133 015	172 871	169 114	169 114	177 271	183 805	192 995
4. Departmental Strategy	3 552	3 160	7 012	4 257	4 257	4 257	4 500	4 798	5 038
Total payments and estimates	138 316	136 742	166 523	210 434	189 677	203 730	219 477	228 099	239 504

Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	134 844	135 289	164 864	203 321	182 064	196 117	211 044	219 232	230 194
Compensation of employees	85 480	86 374	96 214	107 849	106 349	106 349	119 799	127 798	134 188
Goods and services	49 364	48 915	68 650	95 472	75 715	89 768	91 245	91 434	96 006
Transfers and subsidies to:	464	223	205	3 535	4 035	4 035	3 751	3 989	4 188
Households	464	223	205	3 535	4 035	4 035	3 751	3 989	4 188
Payments for capital assets	3 008	1 230	1 454	3 578	3 578	3 578	4 682	4 878	5 122
Machinery and equipment	3 008	1 230	1 454	3 578	3 578	3 578	4 682	4 878	5 122
Total economic classification	138 316	136 742	166 523	210 434	189 677	203 730	219 477	228 099	239 504

7.3 RISK MANAGEMENT

The following risks and mitigation plans thereof have been identified:

Strategic Objective 1	Development and monitoring of strategic corporate governance measures and plan
Risk Title (1)	Poor contract management resulting in non-submission of original documents
Mitigation/ Treatment Plan	<ul style="list-style-type: none"> ▶ A checklist must be put in place to provide guidance to the movement of documents between SCM and the Contract Management unit ▶ Consult with affected directorates in an effort to formulate a way forward.
Risk Title (2)	Delays in the payment of service providers (Accruals) due to incorrect/ late invoices submitted and cash flow management resulting to suspension of projects & services and possible litigations

Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Payment to be made to suppliers owed (accruals) • Continuous signing of the monthly invoice register • Review the payment process
Risk Title (3)	Non-achievement of an unqualified audit report due to internal control weaknesses and slow response in addressing the root cause of poor audit outcomes
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Conduct regular assets verification and reconcile the asset register and the walker system. • Continuous sittings of the Departmental Audit Steering Committee Meetings • Programme Managers to present progress at the Steering Committee Meetings
Risk Title (4)	Supply Chain Management processes are not followed and all irregular expenditure is not identified or properly investigated due to lack of consequences for poor performance and transgressions
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Regular SCM workshops at all levels of the Department • Develop a deviation register • Establish a pre-qualified data base for frequent commodities • Develop an irregular expenditure register
Risk Title (5)	Lack of properly formulated key objectives and targets due to failure to use accurate and measurable baseline information
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Align budget and plans (conduct joint workshops with Financial Management Directorate) • Circulate and discuss Treasury Guidelines on Performance Information (Planning) at planning workshops • Evaluation of the previous year's performance • Submission of draft plans to Internal Control & Risk Management for scrutiny

8 **PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE**

The Programme: Public Works Infrastructure comprises three sub-programmes namely:

- Infrastructure.
- Immovable Asset Management and Facilities Operations
- District Operations

The sub-programme: Infrastructure is responsible for designing, planning and construction of the building infrastructure.

The sub-programme: Immovable Asset Management and Facility Operations is responsible for the provision and management of Provincial fixed assets, as well as the management and maintenance of Prestige buildings.

The sub- programme: District Operations is responsible for the maintenance of buildings.

8.1 **STRATEGIC OBJECTIVE**

Strategic objective 2.1	To ensure that all Provincial Departments are accommodated in habitable and fit- for-purpose buildings by 2020 in a ratio of 70:30 in favor of state ownership
Objective statement	To move from the current ratio of 60:40 to 70:30 leased vs.state-owned by means of construction and purchasing as well as through private public partnerships.
Baseline	Inhabitable and inaccessible buildings, the current ratio of leased vs.state-owned properties are 60:40 The current number of leased properties totals 179
Justification	To have adequate and good quality infrastructure in compliance with all policies and specifications
Links	GIAMA, North West Land Administration Act, EPWP, Contractor Development Plan, OHS legislation etc. National Policy Outcomes 5, 6: <ul style="list-style-type: none"> • Skilled & capable workforce to support an inclusive growth path • An efficient, competitive & responsive infrastructure network • Decent employment through inclusive economic growth Chapter 3 of the PDP: Economy and Employment Chapter 4 of the PDP: Economic Development

8.2 RESOURCE CONSIDERATIONS

8.2.1 Trends in the numbers of key staff

The Department made progress in the filling of key vacancies in the scarce technical skills fields as follows:

- Appointment of a Chief Electrical/Mechanical Engineer
- Appointment of two Candidate Electrical Engineers and two Candidate Civil/Structural Engineers.
- Appointment of four administrative support staff members to provide support for the technical staff members.
- Appointment of four youths who have completed National Technical Diplomas in Electrical, Architectural & Quantity Surveying and one who has completed a Bachelor of Engineering Science in Civil Engineering.

The ability to attract and retain professionals in the built environment remains a challenge. The approval of the proposed generic structure for the Public Works component will assist the Department to appoint technical professionals in line with the approved IDMS framework.

8.2.2 Trends in the supply of key inputs

The equitable share allocation for the payment of rates and taxes in respect of state-owned buildings is growing.

However, the budget is inadequate in view of the fact that the Department continues to construct new public buildings. Furthermore, Local Municipalities are improving on their billing practices which results in more properties being identified every year. The valuation rolls of Local Municipalities are updated continuously – the values of properties increase and this further contributes to the allocated budget being inadequate.

The expenditure for the financial years 2013/14 was 99% against the allocated budget. The trend for 2014/15 suggests that expenditure will again be at 99% but not all current invoices would have been paid by year-end.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support	10 373	5 136	3 161	8 905	6 831	6 833	7 283	8 799	10 239
2. Planning	21 209	5 316	2 101	7 116	7 116	7 116	7 898	6 788	7 127
3. Design	23 233	17 303	6 112	15 722	15 722	15 722	11 000	11 583	12 162
4. Construction	123 129	93 186	143 940	284 492	255 292	208 017	322 042	306 206	327 551
5. Maintenance	288 376	285 678	318 811	371 518	359 318	375 842	346 547	347 670	365 054
6. Immovable Asset Management	27 273	10 376	68 669	13 092	28 092	28 751	15 470	13 184	13 844
7. Facility Management	235 255	198 679	270 739	274 239	354 713	354 713	283 921	287 041	301 397
Total payments and estimates	728 848	615 674	813 533	975 084	1 027 084	996 994	994 161	981 271	1 037 374

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	465 351	442 447	549 193	611 442	626 942	643 498	542 907	537 272	565 139
Compensation of employees	280 672	271 517	290 284	344 691	326 691	342 617	351 584	361 930	381 027
Goods and services	184 679	170 930	258 909	266 751	300 251	300 881	191 323	175 342	184 112
Transfers and subsidies to:	164 462	109 185	181 116	150 221	230 221	230 695	156 888	168 115	176 520
Provinces and municipalities	160 192	106 140	179 099	146 991	226 991	226 991	153 480	164 527	172 753
Households	4 270	3 045	2 017	3 230	3 230	3 704	3 408	3 588	3 767
Payments for capital assets	99 035	64 042	83 224	213 421	169 921	122 801	294 366	275 884	295 715
Buildings and other fixed structures	96 099	62 374	79 443	212 171	167 171	121 399	292 693	275 284	295 085
Machinery and equipment	2 936	1 668	3 781	1 250	2 750	1 402	1 673	600	630
Total economic classification	728 848	615 674	813 533	975 084	1 027 084	996 994	994 161	981 271	1 037 374

8.3 RISK MANAGEMENT

The following risks and mitigation plans thereof have been identified:

Strategic objective 2	To ensure that all Provincial Departments are accommodated in habitable and fit-for-purpose buildings by 2020 in a ratio of 70:30 in favor of state ownership
Risk Title (1)	Backlog in infrastructure (buildings) maintenance due to non-adherence to planning prescripts
Mitigation/ Treatment Plan	Regular condition assessments and adherence to planning prescripts as outlined in the IDIP, IDMS and GIAMA
Risk Title (2)	Ineffective Immovable Asset Register due to incorrect information and unaccounted-for immovable assets
Mitigation/ Treatment Plan	Implementation of the Immovable Asset Register Enhancement Project
Risk Title (3)	Critical shortage of technical skills
Mitigation/ Treatment Plan	<ul style="list-style-type: none"> Expedite appointment processes Sign-off of the implementation of the generic Public Works Structure Develop & implement a retention strategy

9 PROGRAMME 3: TRANSPORT INFRASTRUCTURE

The main purpose of the Programme is to provide for roads infrastructure planning, design, development and maintenance that is sustainable, integrated and environmentally friendly and that supports and promotes socio-economic growth.

Activities undertaken in this regard include:

- Transport infrastructure planning and design
- Construction, rehabilitation and maintenance of the road network
- Implementing targeted emerging contractor development programme

The Programme contributes directly to the MTSF objective of investment in infrastructure as well as the objectives of job creation through the implementation of projects in EPWP mode.

The strategic objectives and activities undertaken under this Programme also contribute directly and indirectly towards the achievement of the following National Policy Outcomes:

- Decent and Sustainable employment through inclusive
- Economic Growth An efficient, competitive & responsive infrastructure network
- Vibrant, equitable & sustainable rural communities & food security for all

Transport infrastructure (road network) is strategic in providing mobility and access to socio-economic services and development. The Department is facing a challenge in ensuring that it maintains the road network at an appropriate and safe level but realistic targets are set in order for the Department to implement its mandate. The targets are informed by the S'hamba Sonke Programme. This programme focuses mainly on the upgrading and maintenance of the road network. Some of the key aspects related to this Programme are:

- Rehabilitating of key routes in support of the rural economy through labour intensive projects
- Prioritisation of the use of labour assertive construction methods
- Elimination of potholes
- Upgrading and development of access roads to schools, clinics and related public infrastructure

9.1 STRATEGIC OBJECTIVE

Strategic Objective 3.1	To reduce the number of kilometres of road network in a poor or very poor condition
Objective statement	To upgrade and provide preventative maintenance in order to reduce 1.6 % of the gravel and paved road network (15 936 km) that is currently in a poor or very poor condition. This translates to 255 km of road network to be improved to a higher category of condition per year
Baseline	A total of 15 936 km of the road network is categorised as being in a poor or very poor condition. Gravel: 14 259 km is in poor condition which constitutes 97% of the total gravel road network of 14 700 km Paved: 1 677 km is in poor condition which constitutes 33% of the total paved road network of 5 081 km
Justification	To enhance the demands of economic development and mobility of various communities i.e. business and all spheres of life.
Links	Directly to National Policy Outcomes 5, 6: <ul style="list-style-type: none"> • A skilled & capable workforce to support an inclusive growth path. • An efficient, competitive & responsive infrastructure network. Indirectly to National Policy Outcome 7: <ul style="list-style-type: none"> • Vibrant, equitable & sustainable rural communities & food security for all Chapter 3 of the PDP: Economy and Employment Chapter 4 of the PDP: Economic Development

9.2 RESOURCE CONSIDERATIONS

9.2.1 Trends in the numbers of key staff

The biggest challenge is the ability to attract and retain skilled and experienced staff

9.2.2 The Staffing Complement and Skills Required

The required skills are engineers, technicians, roads superintendents, plant operators/drivers, artisans, diesel mechanics etc. As a medium to long-term strategy to address the shortage of critical skills within the programme the Department awards bursaries on an annual basis to matriculants who intend to pursue careers relevant to the core functions of the Department. On completion of studies, students are compelled to work for the Department for a period same as the duration of their studies.

9.2.3 Trends in the supply of key inputs

The equitable share allocation towards the transport function is inadequate. The improvement in maintenance required for paved roads will require an allocation of R 8 779 000 000.00. This financial implication of R8.78 billion needs to be distributed over a period of 10 years. The required allocation for unpaved roads totals R5.86 billion.

The equitable share allocation available for upgrading or new road construction has declined over the previous Strategic Plan period. The allocation from the Provincial Road Maintenance Grant has increased but the Grant is intended for maintenance purposes and cannot be used to supplement the equitable share allocation towards capital projects.

Summary of payments and estimates by sub-programme: Transport Infrastructure

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support: Roads	18 402	12 199	15 729	23 502	15 502	22 652	41 493	41 053	56 599
2. Infrastructure Planning: Roads	64 508	16 829	36 841	39 295	21 295	21 295	4 439	5 385	5 654
3. Infrastructure Design: Roads	21 065	13 577	9 918	12 389	12 389	15 189	7 945	10 904	11 449
4. Construction: Roads	471 739	338 487	937 046	649 913	661 018	661 018	743 520	787 185	843 549
5. Maintenance: Roads	472 899	401 081	499 390	475 297	543 051	566 588	431 706	435 790	457 580
Total payments and estimates	1 048 613	782 173	1 498 924	1 200 396	1 253 255	1 286 742	1 229 103	1 280 317	1 374 831

Summary of payments and estimates by economic classification: Transport Infrastructure

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	551 882	398 463	521 039	510 711	570 465	603 952	463 560	472 787	496 426
Compensation of employees	231 735	221 272	237 410	277 956	262 956	269 020	274 594	278 630	292 562
Goods and services	320 147	177 191	283 629	232 755	307 509	334 932	188 966	194 157	203 865
Transfers and subsidies to:	4 149	3 630	3 588	4 702	4 702	4 702	4 969	5 233	5 495
Households	4 149	3 630	3 588	4 702	4 702	4 702	4 969	5 233	5 495
Payments for capital assets	492 582	380 080	973 442	684 983	678 088	678 088	760 574	802 297	872 910
Buildings and other fixed structures	486 739	338 487	937 046	649 913	661 018	661 018	743 520	787 185	843 549
Machinery and equipment	5 843	41 593	36 396	35 070	17 070	17 070	17 054	15 112	29 361
Payments for financial assets	-	-	855	-	-	-	-	-	-
Total economic classification	1 048 613	782 173	1 498 924	1 200 396	1 253 255	1 286 742	1 229 103	1 280 317	1 374 831

9.3 RISK MANAGEMENT

The following risks and mitigation plans thereof have been identified:

Strategic Objective 3	To reduce the number of kilometres of road network in a poor or very poor condition
Risk Title (1)	Roads infrastructure backlogs that result in further deterioration of the provincial road network
Mitigation/ Treatment Plan	<ul style="list-style-type: none"> ▶ Consider alternative funding strategies ▶ Consider Public Private Partnerships ▶ Review and re-prioritization of the business plans (B5 capital project list)
Risk Title (2)	Lack of internal technical capacity which results in an over-reliance on consultants for project management
Mitigation/ Treatment Plan	<ul style="list-style-type: none"> ▶ Develop plan for capacity strengthening ▶ Transfer of skills by consultants ▶ Expedite appointment processes ▶ Develop & implement a retention strategy
Risk Title (3)	The lack of appropriate capacity on the part of certain consultants also leads to poor quality of work performed
Mitigation/ Treatment Plan	Continuous monitoring of consultants by managers
Risk Title (4)	Community protests
Mitigation/ Treatment Plan	Departmental plan for deliberate and continuous community engagements on the Department's infrastructure plan and funding

10 PROGRAMME 4: COMMUNITY-BASED PROGRAMME

The main purpose of this Programme is to lead, direct, implement, coordinate, monitor and report on the Expanded Public Works Programme (EPWP) both in respect of the Department and the entire Province. The EPWP is a programme that is aimed at providing poverty and income relief through temporary work for the unemployed to carry out socially useful activities.

The Expanded Public Works Programme Phase 3 was launched in April 2014 and the goal of EPWP Phase 3 is to create 6 million work opportunities for poor and unemployed people in South Africa. Public bodies from all spheres of government and the non-state sector (supported by government incentives) are expected to deliberately optimize the creation of work opportunities for unemployed and poor people in South Africa through the delivery of public and community services.

Activities undertaken in this regard include:

- Development and consolidation of an integrated, provincial EPWP Plan
- Provision of advice and support to Provincial Departments, NGOs and Local Municipalities
- Identify new programmes and activities to be included in the EPWP Plan

10.1 STRATEGIC OBJECTIVE

Strategic Objective 4	To mitigate the impact of unemployment and reducing poverty levels through the creation of 242 348 labour-intensive work opportunities in the Province
Objective statement	To reduce poverty levels among the unemployed and unskilled members of communities.
Baseline	Number of work opportunities created
Justification	To implement labour intensive programmes that contribute towards poverty alleviation and skills development
Links	National Outcome 4: Decent employment through inclusive economic growth National Outcome 5: A skilled and capable workforce to support an inclusive growth path. Indirectly to National Policy Outcome 7: ▶ Vibrant, equitable & sustainable rural communities & food security for all Chapter 3 of the PDP: Economy and Employment

10.2 RESOURCE CONSIDERATIONS

10.2.1 Trends in the supply of key inputs

The budget for the Programme has increased over the past five years, with specific reference to the 2013/14 and 2014/15 financial years which saw an increase of 500% through budget adjustment processes.

The Department of Public Works and Roads is expected to lead and coordinate the North West Provincial Expanded Public Works Programme. The resources required to fulfil this function remain limited to the extent that the impact of the Department's role is not as effective as required. The Department has to make resources available to meet the job creation needs and the resources required to fulfil the mandate.

During the EPWP Phase 1 period (2004 - 2009), the provincial infrastructure expenditure rates were very high, particularly for roads and transport infrastructure (where there is the most potential for creating EPWP employment). However, the figures indicate that there

was an ongoing problem of under-expenditure in relation to infrastructure budgets at municipal level.

It may therefore be concluded that capacity to spend was not a constraint with regards to expansion of the programme in the infrastructure sector at a provincial level, but the extent to which it could expand at municipal level was limited to an extent by the challenges experienced by some municipalities to spend their infrastructure budgets.

During the EPWP Phase 2 (2009 - 2014), the capacity to spend became a major constraint at both provincial and municipal level.

10.2.2 Trends in the numbers of key staff

The Department currently does not have adequate capacity for the coordination of EPWP in the Province both at head office and district level.

Summary of payments and estimates by sub-programme: Community Based Programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
1. Programme Support	6 000	3 795	5 794	6 135	6 135	47 386	6 519	6 975	7 324
2. Community Development	36 000	5 801	115 509	403 250	558 050	558 050	111 388	97 486	104 468
3. Innovation And Empowerment	45 924	35 196	53 814	5 200	5 200	5 200	5 486	5 777	6 066
4. Epwp Co-Ordination And Monitoring	934	-	473	510	510	510	240	270	284
Total payments and estimates	88 858	44 792	175 590	415 095	569 895	611 146	123 633	110 508	118 141

Summary of payments and estimates by economic classification : Community Based Programme

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	54 858	39 320	138 392	375 008	427 808	469 059	79 073	63 585	67 859
Compensation of employees	5 006	3 431	4 882	5 610	5 610	5 612	5 960	6 385	6 704
Goods and services	49 852	35 889	133 510	369 398	422 198	463 447	73 113	57 200	61 155
Transfers and subsidies to:	-	-	231	35	102 035	102 035	20	22	23
Public corporations and private enterprises	-	-	-	-	102 000	102 000	-	-	-
Households	-	-	231	35	35	35	20	22	23
Payments for capital assets	34 000	5 472	36 967	40 052	40 052	40 052	44 540	46 901	50 259
Buildings and other fixed structures	34 000	5 461	36 896	40 052	40 052	40 052	44 540	46 901	50 259
Machinery and equipment	-	11	71	-	-	-	-	-	-
Total economic classification	88 858	44 792	175 590	415 095	569 895	611 146	123 633	110 508	118 141

10.3 RISK MANAGEMENT

The following risks and plans for mitigation thereof have been identified:

Strategic Objective 4	Mitigating the impact of unemployment and reducing poverty levels through the creation of 242 348 labour-intensive work opportunities in the Province
Risk Title (1)	Lack of commitment by public bodies in implementing EPWP guidelines
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Enforce EPWP Incentive Grant agreement • Monitor and manage the EPWP Protocol Agreements • Implementation of support mechanisms for public bodies (e.g. Steering Committees, targeted interventions etc.) • Provide supervision at District Offices
Risk Title (2)	Unfunded mandates/unplanned projects resulting in budget pressures
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Source funding from the Department of Finance, Economic and Enterprise Development • Quarterly meetings with the Department of Finance, Economic and Enterprise Development • Define clear EPWP targets for departmental projects (across all Programmes)
Risk Title (3)	Public bodies' earmarked funds are not fully utilised for EPWP requirements
Mitigation/Treatment Plan	<ul style="list-style-type: none"> • Training of public bodies/government officials on EPWP requirements



PART C: LINKS TO OTHER PLANS

11 CONDITIONAL GRANTS

Conditional grants supplement the Department's funding for specific purposes as indicated under each type of grant. The conditional grants are subject to the provisions of the annual Division of Revenue Act.

Name of grant	Provincial Roads Maintenance Grant
Purpose	To supplement provincial investments for preventative, routine and emergency maintenance and road rehabilitation of provincial road networks; ensure all roads are classified as per the Roads Infrastructure Strategic Framework for South Africa and the Road Classification and Access Management guidelines; to implement and maintain road asset management systems; to supplement provincial projects for the repair of roads and bridges damaged by declared natural disasters; to improve the state of the road networks serving electricity generation infrastructure; to construct rural pedestrian access bridges.
Performance indicators	Number of kilometres roads upgraded/rehabilitated/resealed
Continuation	Yes, the grant will continue
Motivation	Insufficient equitable share allocation. Lifecycle of the Grant is determined by National Treasury.

Name of grant	Expanded Public Works Programme Integrated Grant for Provinces
Purpose	To incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings, low traffic volume roads and rural roads, other economic and social infrastructure, tourism and cultural industries, sustainable land based livelihoods and waste management.
Performance indicators	Number of work opportunities created provincially
Continuation	Continuation is determined by the National Treasury and is dependent on performance of the programme in terms of output.
Motivation	Lifecycle of the Grant is determined by National Treasury.

12 PUBLIC ENTITIES

The Department does not have public entities that report to it.

13 PUBLIC-PRIVATE PARTNERSHIPS

The Department does not have existing public/private partnership projects but is exploring potential partnerships with the view of enhancing our capacity to respond and contribute towards the realisation of the objectives of the Provincial Development Plan.

