

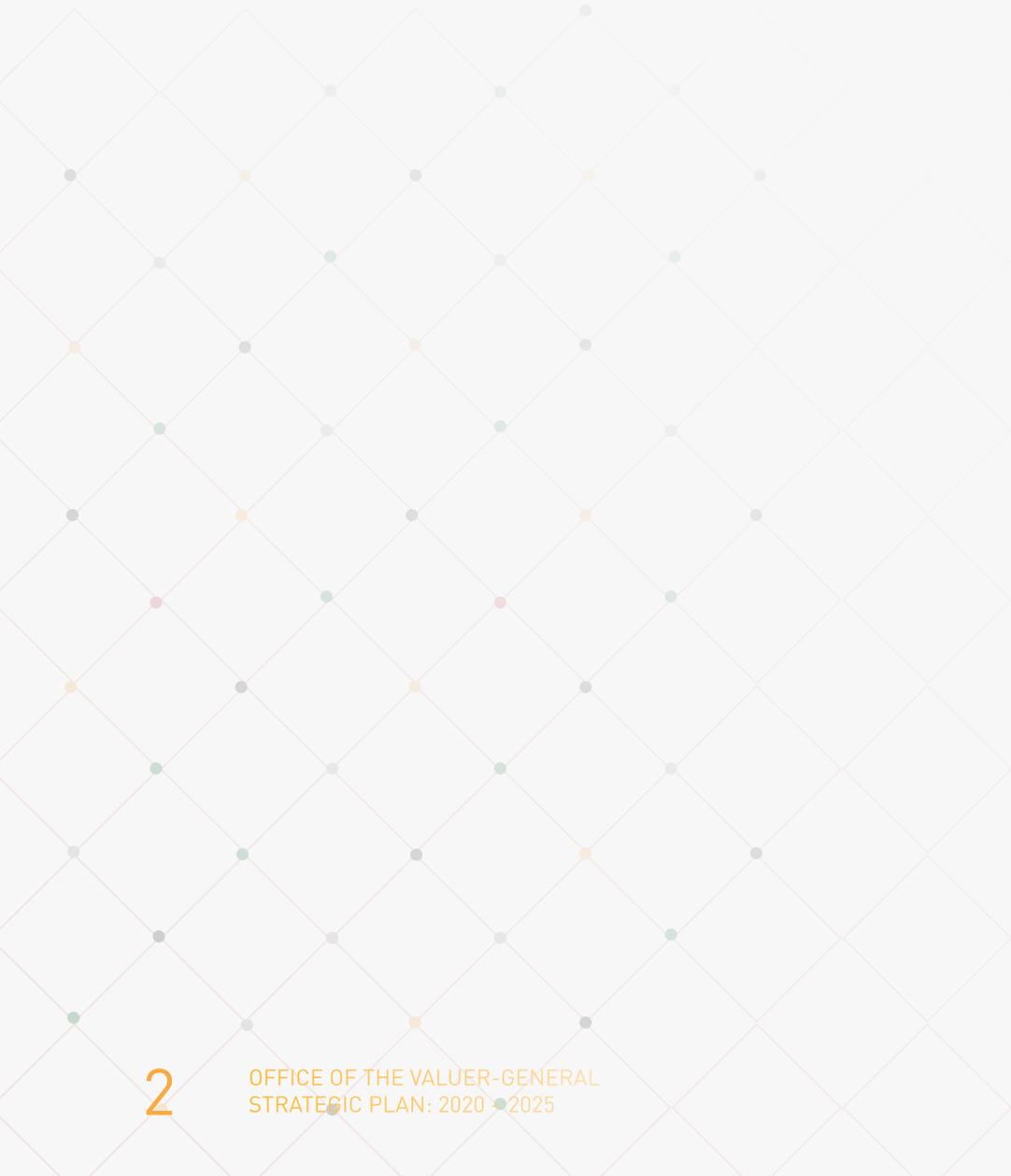
2020–2025 STRATEGIC PLAN

DATE OF TABLING:
20/03/2020



**OFFICE OF THE
VALUER-GENERAL**
SOUTH AFRICA





EXECUTIVE AUTHORITY STATEMENT



Mrs AT DIDIZA, MP
Minister of Agriculture, Land Reform and
Rural Development

The South African nation continues to endeavour to resolve its challenges using constitutional instruments at its disposal. In this sixth administration of the democratic state of our country, we will see a constitutional amendment aimed at clarifying how our nation should forge ahead in ensuring equality in land relations in our country. The amended section 25 of the constitution will be given effect by institutions of state created through statutes such as the Property Valuation Act (act no.17 of 2014) which, amongst others, establishes the Office of the Valuer-General (OVG). The OVG has the mandate of supporting the programme

of Land Reform through providing independent and credible property valuation services.

During the 5 year period of this Strategic Plan, government will review, clarify and deepen the role and mandate of the Office of the Valuer-General including its approach and value determination methods, in Land Reform matters and valuations in general.

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

A handwritten signature in black ink, appearing to read 'A.T. Didiza'.

Mrs. AT DIDIZA, MP
Ministry of Agriculture, Land Reform and Rural Development

ACCOUNTING AUTHORITY STATEMENT



Ms Motlatso Maloka
Office of the Valuer-General

It is my privilege and honour to, on behalf of the Office of the Valuer-General (OVG), South Africa, present this second strategic plan for the 2020-2025 period. Following a start-up period of the last strategic plan, in this 5 year period we are looking forward to strengthening the Office of the Valuer-General. This will come through strategic measures aimed at ensuring that we achieve and maintain organisational excellence.

The endeavours that we seek to undertake during this period are aimed at ensuring that we continue to facilitate Land Reform in our country through the timely provision of a credible valuation service.

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

A handwritten signature in black ink that reads "M.M. Maloka". The signature is fluid and cursive.

Ms Motlatso Maloka
Office of the Valuer-General

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Office of the Valuer-General under the guidance of Mrs AT Didiza(MP);
- Takes into account all the relevant policies, legislation and other mandates for which the Office of the Valuer-General is responsible;
- Accurately reflects the Impact, Outcomes and Outputs which the Office of the Valuer-General will endeavour to achieve over the period (2020-2025).



Signature: _____

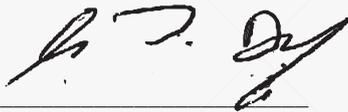
Mr Thapelo Motsoeneng: Chief Operating Officer (Acting)



Signature: _____

Ms Motlatso Maloka: Accounting Authority (Acting)

Approved by:

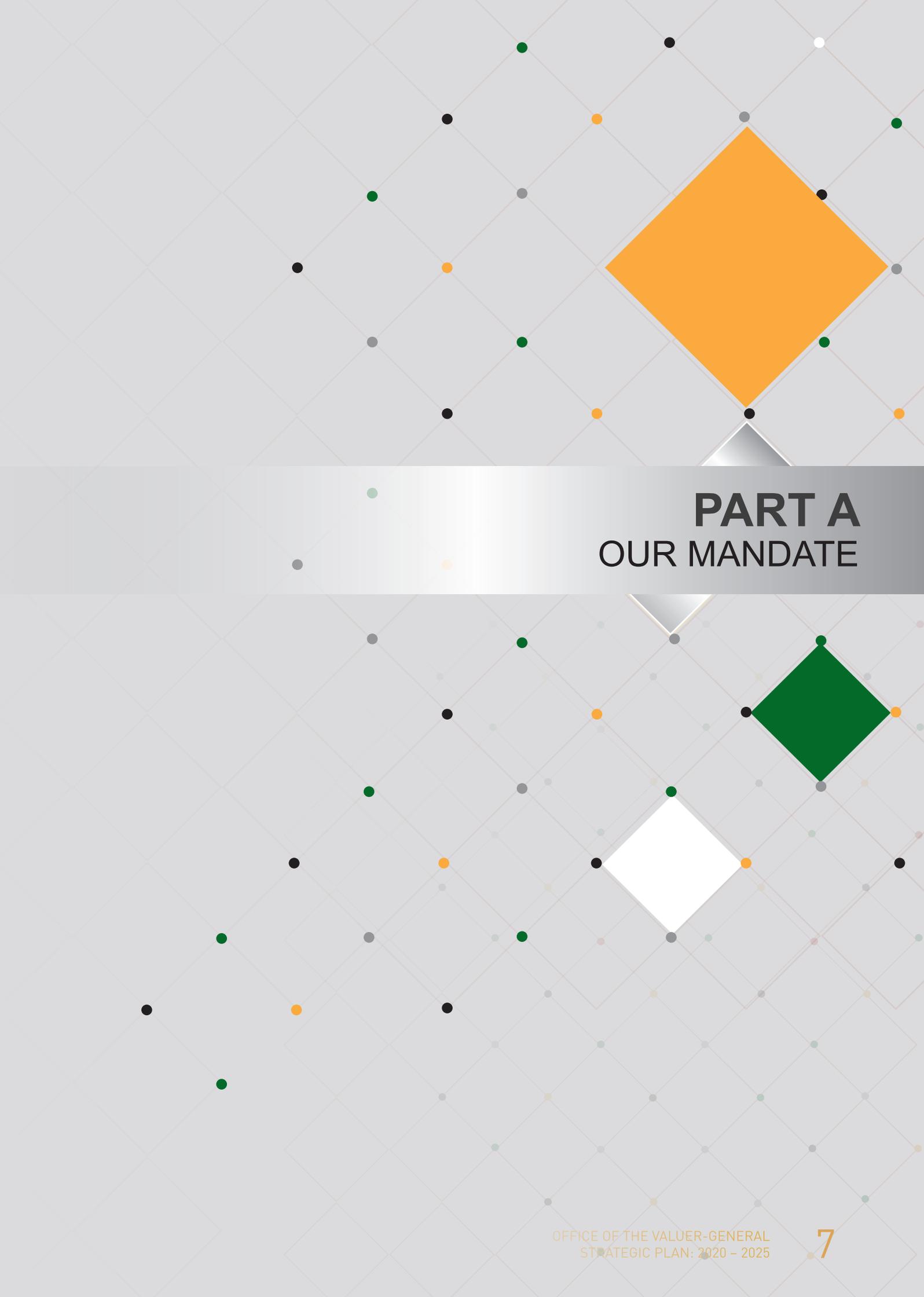


Signature: _____

Mrs AT Didiza: Executive Authority

TABLE OF CONTENTS

PART A: OUR MANDATE	7
1. CONSTITUTIONAL MANDATE	8
2. LEGISLATIVE AND POLICY MANDATES	8
3. INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE YEAR PLANNING PERIOD	9
4. RELEVANT COURT RULINGS	10
PART B: OUR STRATEGIC FOCUS	11
5. VISION	12
6. MISSION	12
7. VALUES	12
8. SITUATIONAL ANALYSIS	13
8.1. EXTERNAL ENVIRONMENT ANALYSIS	13
8.2. INTERNAL ENVIRONMENT ANALYSIS	15
PART C: MEASURING OUR PERFORMANCE	16
9. INSTITUTIONAL PERFORMANCE INFORMATION	17
9.1. MEASURING THE IMPACT	17
9.2. MEASURING OUTCOMES	17
9.3. EXPLANATION OF PLANNED PERFORMANCE OVER THE FIVE YEAR PLANNING PERIOD	17
10. KEY RISKS	18
PART D: TECHNICAL INDICATOR DESCRIPTION (TID)	19



PART A OUR MANDATE

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

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

2. LEGISLATIVE AND POLICY MANDATES

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

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

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

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

- Abolition of Certain Title Conditions Act, 1999 (Act 43 of 1999)
- Communal Property Associations Act, 1996 (Act 28 of 1996)
- Conversion of Certain Rights into Leasehold Act, 1988 (Act 81 of 1988)
- Deeds Registries Act, 1937 (Act 47 of 1937)
- Distribution and Transfer of Certain State Land Act, 1993 (Act 119 of 1993)

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

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

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

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

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

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

- National Development Plan (2011): Chapter 6 (an Integrated and Inclusive Rural Economy) provides, in respect of land reform, amongst others, for a model that will enable the more rapid transfer of agricultural land to black beneficiaries and the establishment of an institution that must monitor land markets against instances of corruption, speculation and undue opportunism.
- White Paper on South African Land Policy (1997): the land reform programme consists of three components: restitution, redistribution and tenure reform. A fourth component, land development, was subsequently added by Government.
- Green Paper on Land Reform (2011): In order to attain the long-term goal of development, defined as shared growth and prosperity, relative income equality, full employment and cultural progress, provision is made for the establishment and operationalisation of the statutory office of the Land Valuer-General that would be responsible for the determination of fair and consistent land values for land reform purposes.

- Policy Framework for Land Acquisition and Land Valuation in a Land Reform Context and for the Establishment of the Office of the Valuer-General (2012): The protection of the public interest in land acquisition and property transactions is the overarching rationale for the establishment of the Office of the Valuer-General, whose broad mandate includes both land reform valuations as well as valuation and property advisory services across the entire government system.
- The Office of the Valuer-General must comply with all national and provincial policies that provide in one way or another for matters that impact on the operationalisation of, and the exercise of powers, performance of functions and the execution of responsibilities, by the Office of the Valuer-General. These include, but are not limited to, policies that are administered by the Department of Rural Development and Land Reform and the Department of Public Works.

4. RELEVANT COURT RULINGS

The following court cases may impact on the operations, exercise of powers, performance of functions or execution of responsibilities by the Office of the Valuer-General:

- Vriendschap Boerdery & Others / Emakhasaneni Community claim: Case No LCC 03/ 2009
- KBG Estate (PTY) LTD & Others/ Entembeni Community claim: Case No 230/ 2009
- Nico Willem Harris & Others: Case No LCC 82/ 2011
- Moloto Community Restitution claim: Case No LCC 204/2010



PART B OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

5. VISION

To be recognised in the market as the centre of excellence and innovation in respect of all property valuation with primary focus on land reform

6. MISSION

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

7. VALUES

- Professionalism and accountability
- Respect and integrity (ethics and honesty)
- Courtesy and compassion
- People centred service standards
- Effective communication and transparency
- Efficiency
- Delivery focus

8. SITUATIONAL ANALYSIS

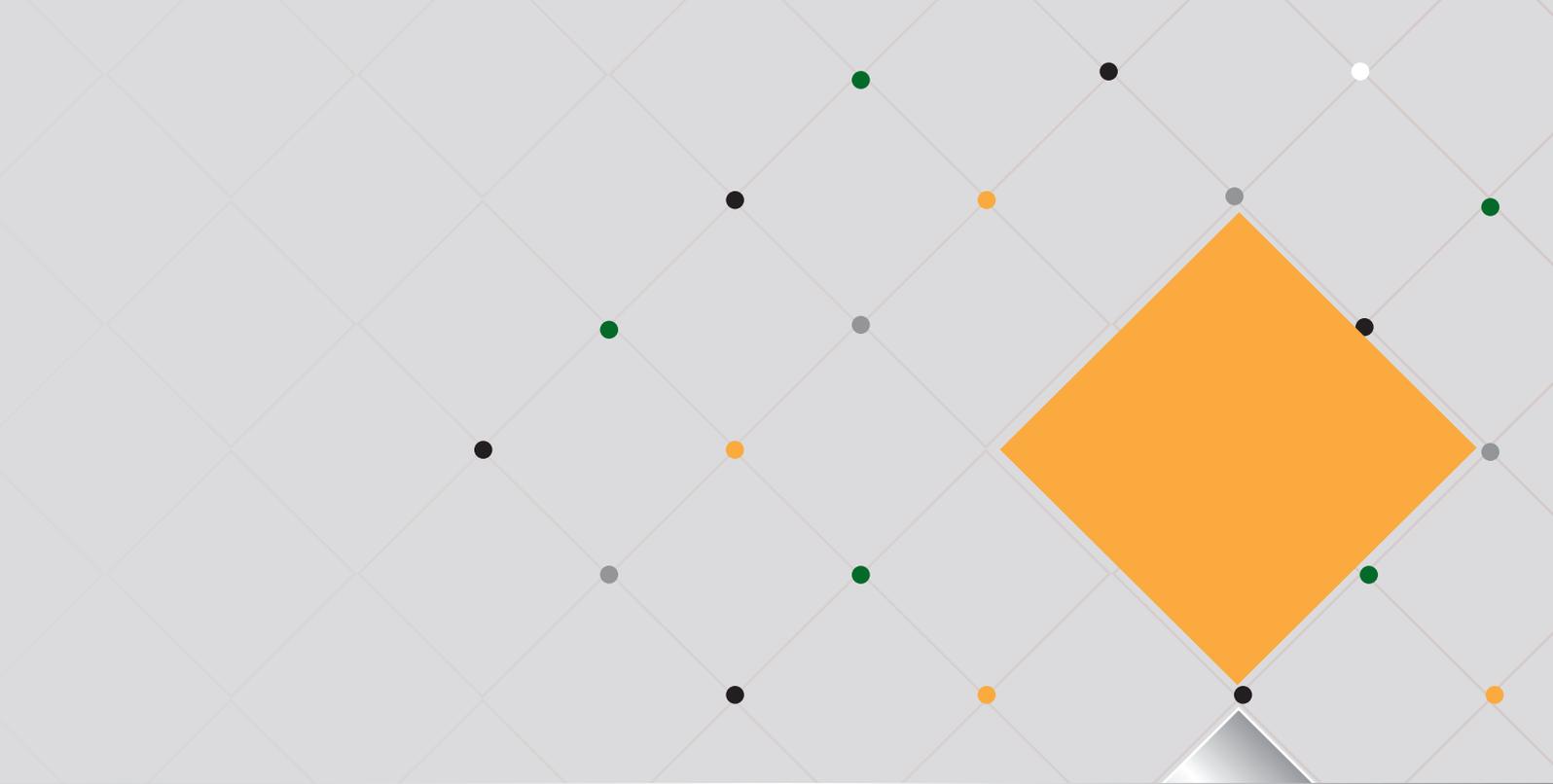
8.1. External Environment Analysis

Political environment	Technological environment
<ul style="list-style-type: none"> - Land reform is a politically charged and sensitive issue in South Africa, particularly given the slow pace and costs incurred by government to-date. 	<ul style="list-style-type: none"> - There is currently a lack of a centralized nationwide comprehensive, reliable and collated hub of property data, and the OVG is expected to address this need. Technology will need to support, for example, data management systems relevant to property valuations such as data mining functionality according to sales prices, land use per district.
<ul style="list-style-type: none"> - Land ownership patterns continue to be racially skewed, and a greater sense of urgency is building around the issue of land reform. 	<ul style="list-style-type: none"> - Availability of appropriate technology platform for data administration, storage, back up, disaster recovery for future use needs to be considered as this will be critical to creating an enabling and supportive business environment for the OVG.
<ul style="list-style-type: none"> - On the 27th of February 2018 a motion was adopted by the National Assembly to consider amending the Constitution with respect to expropriation of land without compensation. 	<ul style="list-style-type: none"> - The availability, relevance, adaptability and cost of a valuations system / software will be a factor in the OVG.
<ul style="list-style-type: none"> - Land ownership is a particularly emotive issue and there is a need to delicately balance the interests of the public at large and those of the country's economic stability. 	
<ul style="list-style-type: none"> - Increased scrutiny of valuation processes and outcomes can be expected given this context, and it becomes critical to ensure valuation outcomes are beyond reproach and professionally defensible, particularly where there may be a higher litigation risk. 	
<ul style="list-style-type: none"> - Legislation already provides certain key interpretations and definitions (for example the definition of "value" in the context of the PVA) that need to be factored into all valuations, some of which may be poorly understood by the general public. 	
<ul style="list-style-type: none"> - The South African Council for the Property Valuers Profession (SACPVP) will continue to regulate the profession as a whole, but close co-operation with the OVG will be necessary. 	

Economic environment	Transformational, governance and legislative environment
<ul style="list-style-type: none"> - OVG will necessarily be reliant on appropriations from National Revenue Fund (NRF) for funding of operations (administration) and the execution of its mandatory valuations (this is a direct consequence of the PVA provisions). 	<ul style="list-style-type: none"> - As an entity established and funded by government, the OVG will be subject to the provisions of the Public Finance Management Act (PFMA). The PFMA legal framework can be considered complex, with a high compliance requirement. There will also be a high degree of public scrutiny of audit outcomes. The Auditor-General will conduct the annual regulatory audit of the OVG.
<ul style="list-style-type: none"> - Slower SA economic growth has resulted in pressure on the fiscus, which is the source of the funds to be appropriated to the OVG. Therefore, the OVG will be sensitive to the levels of funding available from government, ultimately impacting on the extent to which the OVG mandate is achievable. 	<ul style="list-style-type: none"> - Legal interpretation of the PVA may result in different views / opinions with respect to the specific role and mandate of the OVG, potentially leading to exposure to court challenges.
<ul style="list-style-type: none"> - The property market is volatile and this may increase the risk that the OVG will be called upon to defend a valuation in the context of fluctuating and unpredictable economic circumstances 	<ul style="list-style-type: none"> - The PVA Regulations were gazette by the Minister in the 2018/19 financial year.
Social environment	Environmental factors
<ul style="list-style-type: none"> - In line with the political issues already mentioned above, the issue of land ownership is a social problem in that it affects citizens' perceived social status and rights. Although the OVG is not the main driver of land reform (this is the domain of the Department of Agriculture, Land Reform and Rural Development), it is worthwhile considering the social context in which the OVG will need to operate and how this might impact the strategy. 	<ul style="list-style-type: none"> - Marginal land, where it forms part of Land Reform, may come under increased pressure. Valuation of agricultural land will need to take into account the complexities of accelerating climate change and water scarcity.
<ul style="list-style-type: none"> - Land reform typically targets rural land and, if well-executed, has the potential to create many new jobs and improve the lives of communities previously excluded from land ownership. However, agricultural land reform, if executed poorly, can create new social problems such as food scarcity and increased food prices. Farming enterprises may undergo economic pressures, with a resulting knock-on social effect of job losses in the country. 	
<ul style="list-style-type: none"> - The OVG's role in this context will need to constantly be carefully managed and considered in order to protect the organisation and demonstrate a positive impact on society as a whole. 	

8.2. Internal Environment Analysis

Strengths	Weakness
<ul style="list-style-type: none"> - Importance of mandate is indisputable and will provide great momentum. 	<ul style="list-style-type: none"> - Financial <ul style="list-style-type: none"> • Support functions capacity needs to be developed
<ul style="list-style-type: none"> - Existing market: <ul style="list-style-type: none"> • Mandatory valuations provide a guaranteed revenue stream 	<ul style="list-style-type: none"> - Only an interim organisational structure in place
<ul style="list-style-type: none"> - Financial stability guaranteed by the State: <ul style="list-style-type: none"> • Budget allocation / appropriation from NRF. 	<ul style="list-style-type: none"> - New systems to be implemented, ensure adequate internal control in the meantime.
<ul style="list-style-type: none"> - Professional nature of services will support autonomy / impartiality: <ul style="list-style-type: none"> • Operational Efficiency; • No Government Influence in professional valuation outcomes; • Accountability 	
Opportunities	Threats
<ul style="list-style-type: none"> - Potential to grow market <ul style="list-style-type: none"> • Discretionary valuations, e.g. market OVG services to rest of the state (currently limited to departments by the PVA) 	<ul style="list-style-type: none"> - New institution: <ul style="list-style-type: none"> • Little known, needs to build reputation and standing with customers, suppliers, parliament and general public
<ul style="list-style-type: none"> - Opportunity to inform national and international policy & standards for valuations 	<ul style="list-style-type: none"> - Policy and Standards: <ul style="list-style-type: none"> • Will require cooperation from Government and SACPVP
<ul style="list-style-type: none"> - Newly developed policies and organisational structure can be tailored to best fit the new institution without the baggage of legacy systems and processes. 	<ul style="list-style-type: none"> - Reliance on government funding could impact perceptions about the OVG's impartiality.
<ul style="list-style-type: none"> - Opportunity to profile the OVG as an enabler of equitable land reform – currently a little known entity with a “clean slate”. 	<ul style="list-style-type: none"> - Land Reform process could be severely compromised if valuation bottlenecks continue, which will damage the reputation of the OVG



PART C

MEASURING OUR PERFORMANCE

PART C: MEASURING OUR PERFORMANCE

9. INSTITUTIONAL PERFORMANCE INFORMATION

9.1. Measuring the Impact

Impact Statement	Effective land reform enabled by timeous and quality property valuations
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9.2. Measuring Outcomes

Outcome	Outcome indicator	Baseline	5 year target
Just and equitable valuations	Effective application of the Property Valuation Act (PVA) to all valuations	n/a	Just and equitable valuations
Organisational excellence	Improved organisational performance	Approved interim structure	Full staff compliment
Good quality data	Accurate management reporting	Centralised data repository	Centralised electronic database with data validation capabilities
Promote ethical conduct	Effective Corruption and Fraud prevention mechanisms implemented	n/a	Full implementation of Corruption and fraud prevention mechanism

9.3 Explanation of planned performance over the five year planning period

The issue of Land Reform is increasing in urgency. The Office of the Valuer-General is therefore, in line with its mandate, tasked to ensure that just and equitable valuations are completed with efficiency and at high quality standards. This will ensure that land reform transactions are fast tracked and consequently contribute positively to the National Development Plan (NDP), Medium Term Strategic Framework (MTSF) and the development priorities of government. This will ensure that timeous and quality valuations are delivered and will therefore contribute to the achievement of the intended impact.

The indicators put more emphasis on compliance with the PVA, organisational performance, accurate reporting and ethical standards. This is to ensure that the achievement of the indicators will result in the office realising the set outcomes. Funding from the NRF and the capacitation of the OVG will see the office achieve the 5 year targets.

10. KEY RISKS

Outcome	Key Risk	Risk mitigation
Just and equitable valuations	Failure to complete all valuation instructions from any of the OVG clients	The Service Level Agreement (SLA's) with each client will specify the maximum number of valuations instruction per quarter. This will be informed by the OVG's capacity to deliver on all instructions.
Organisational Excellence	Lack of guarantees on the Change Management impact	Implement continuous and proactive Change Management as part of a permanent functional structure and appoint Change Agents.
Good Quality Data	This is dependent on the successful implementation of a Data Management System, which is yet to be implemented	Ensure well defined and efficient business processes with supporting business rules, including sound data validation controls. Conduct a Data Cleansing exercise prior to system implementation.
Promote Ethical Conduct	There are no guarantees that unethical conduct can be eliminated.	Redefine OVG processes to reduce direct interaction with external stakeholders.



PART D

TECHNICAL INDICATOR DESCRIPTION (TID)

Part D: Technical Indicator Description (TID)

Outcome Indicator: 1

Indicator Title	Effective application of the PVA to all valuations
Definition	<i>This refers to all valuations that are compliant with the requirements of the Property Valuation Act and the related Regulations thereof. Effectiveness refers to compliance with the PVA compliance checklist</i>
Source of data	<i>OVG valuation records</i>
Method of Calculation/ Assessment	<i>Simple count of valuation compliance checklists</i>
Means of verification	<i>Valuation compliance checklists</i>
Assumptions	<i>Completion of compliance checklist,</i>
Disaggregation of Beneficiaries (where applicable)	<i>N/A</i>
Spatial Transformation (where applicable)	<i>Improve the delivery of land reform programmes in South Africa</i>
Reporting Cycle	<i>Annual progress against the five-year target</i>
Desired Performance	<i>just and equitable valuations</i>
Indicator Responsibility	<i>Valuer-General</i>

Outcome Indicator: 2

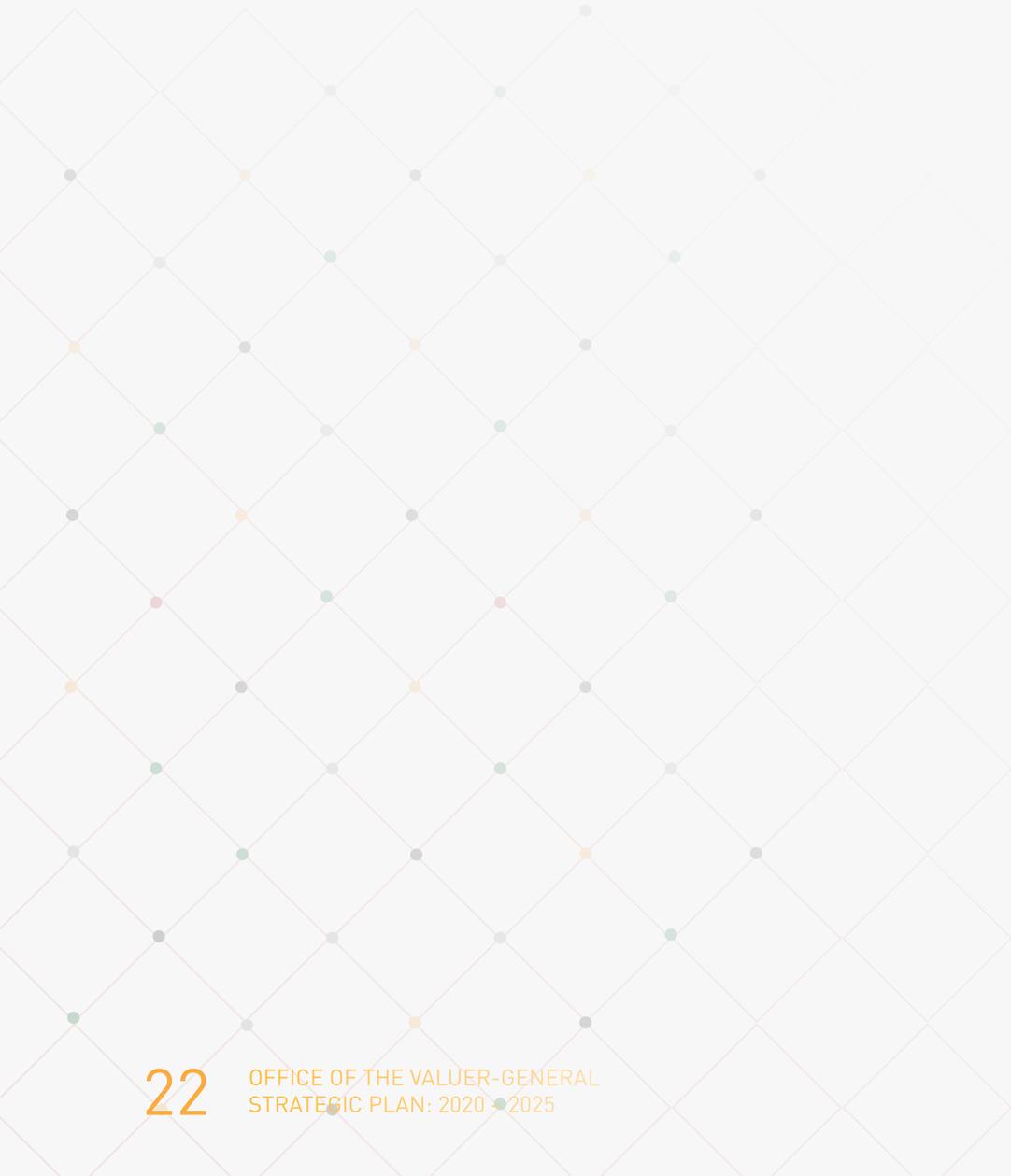
Indicator Title	<i>Improved organisational performance</i>
Definition	<i>This refers to improvement regarding the performance of the organisation from its current performance</i>
Source of data	<i>Performance reports, Approved structure</i>
Method of Calculation/ Assessment	<i>Simple count</i>
Means of verification	<i>Signed and dated Performance reports, Approved structure</i>
Assumptions	<i>Structure and project is approved, filled vacancies</i>
Disaggregation of Beneficiaries (where applicable)	<i>N/A</i>
Spatial Transformation (where applicable)	<i>N/A</i>
Reporting Cycle	<i>Annual progress against the five-year target</i>
Desired Performance	<i>Full staff compliment</i>
Indicator Responsibility	<i>Valuer-General</i>

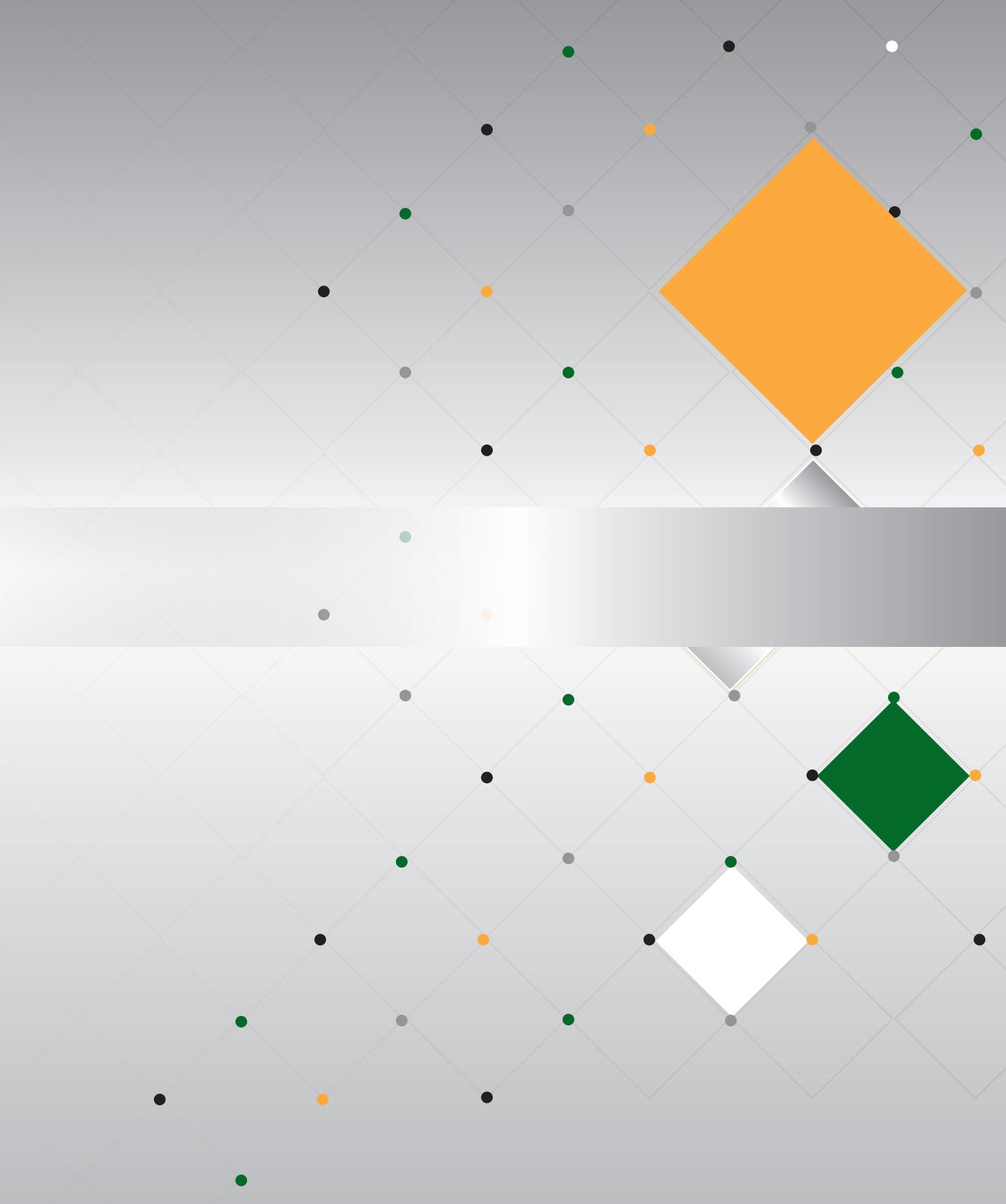
Outcome Indicator: 3

Indicator Title	<i>Accurate management reporting</i>
Definition	<i>This refers to the provision of complete, reliable and useful information</i>
Source of data	<i>OVG Records</i>
Method of Calculation/ Assessment	<i>Simple count</i>
Means of verification	<i>Approved reports</i>
Assumptions	<i>Data Standard Operating Procedures (SOPs) enforced</i>
Disaggregation of Beneficiaries (where applicable)	<i>N/A</i>
Spatial Transformation (where applicable)	<i>N/A</i>
Reporting Cycle	<i>Annual progress against the five-year target</i>
Desired Performance	<i>Centralised electronic database with data validation capabilities</i>
Indicator Responsibility	<i>Valuer-General</i>

Outcome Indicator: 4

Indicator Title	<i>Effective Corruption and Fraud prevention mechanisms implemented</i>
Definition	<i>This refers to ensuring that corruption and fraud prevention mechanisms are implemented</i>
Source of data	<i>The effective implementation refers to ensuring that corruption and fraud prevention mechanisms are fully implemented</i>
Method of Calculation/ Assessment	<i>Simple count</i>
Means of verification	<i>Report on corruption and fraud mechanisms</i>
Assumptions	<i>Corruption and fraud policy is approved</i>
Disaggregation of Beneficiaries (where applicable)	<i>A corruption and fraud policy is drafted and approved</i>
Spatial Transformation (where applicable)	<i>N/A</i>
Reporting Cycle	<i>Annual progress against the five-year target</i>
Desired performance	<i>Corruption and Fraud prevention mechanisms implemented</i>
Indicator responsibility	<i>Valuer-General</i>





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