



public works
& infrastructure
Department
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

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Enquiries: Thami Mchunu 079 519 6997

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MEDIA STATEMENT ON THE INSURANCE AND VALUE OF BUILDINGS

The Department of Public Works and Infrastructure (DPWI) manages an extensive property portfolio of 29 632 registered and unregistered land parcels on which 82 114 improvements (buildings and structures) are located.

The thousands of State properties are leased to 52 client departments countrywide. The National Department of Public Works and Infrastructure does not insure the movable assets of its client departments (tenants). Treasury Regulations (section 12.1.2) permits the Accounting Officer of the relevant institutions to insure their institution's movable assets.

As at 31 March 2021, the total value of properties under the custodianship of DPWI was estimated at R141 billion. The State cannot afford to insure such a massive property portfolio. In terms of Treasury Regulations (section 12.1.1) pertaining to the Management of Losses and Claims (as published in terms of section 78 of the Public Finance Management Act) *"the State will bear its own damages and accident risks and be responsible for all claims and losses of state property."*

With regards to the fire this week in the Parliamentary Precinct, we do not yet know the full extent of the damages caused by the fire.

Our engineers and architects only gained access to the fire-damaged areas on Tuesday afternoon. This team of multi-disciplinary experts and professionals is underway with an assessment of the damages.

With regards to building valuation, in many cases historical cost records are not available for state properties and comparable property values may not be available in the case of specialized buildings. The DPWI applies municipal valuations, comparative sales and/or replacement cost as an estimation of deemed cost of the buildings to estimate the value of buildings for its immovable asset register.

The Deemed Cost of the affected buildings is in the region of R221 million.

A copy of the National Treasury regulations can be found at:

http://www.treasury.gov.za/legislation/pfma/regulations/gazette_22141.pdf

ENDS

Issued by: Imtiaz Fazel

Acting Director-General

Department of Public Works and Infrastructure