

Minister of Public Works
Mr J Radebe
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Parliamentary Media Briefing

In my last budget vote I gave an emphatic commitment that the transformation programme of the Department of Public Works would be pursued in all earnestness. That commitment, we have lived up to and in fact to such an extent that the Presidential Review Commission to which we presented our progress last month acclaimed our success as a department leading the transformation of government and clearly identifying the many challenges which we still face. A key element of repositioning our National Public Works Programme as the flagship of Public Works, has been how to infuse the socio-economic imperatives of the RDP into our core functions.

This briefing provides an overview of key developments in the Department of Public Works and highlights some areas of activity for the near future. Our three core strategic functions are:

- Property and facilities management
- Property development
- National Public Works Programme

1. PROPERTY AND FACILITIES MANAGEMENT

1.1 Register of state property assets.

We are making good progress with respect to the process of compiling a comprehensive register of State-owned properties. Since our last public announcement on this matter, the comprehensive address list which now stands at a total of 151 159. This includes 26 322 properties which had previously not been registered or were clandestinely owned and were only identified after the initial register had been compiled. This process had cost the department about R1,5 million, of which R867 652 had gone to black owned business enterprises who had participated in the process of verification and reconciliation. Some of these units identified are not necessarily related to title-deeds.

The 151 159 currently listed state property assets include the following:

- State owned Land parcels 69,283, Miscellaneous buildings (functional accommodation) 42,247, Official quarters 32,960, SUBTOTAL 144,490
- Leasehold Land parcels 266, Miscellaneous buildings (functional accommodation) 2,165, Official quarters 4,238, Subtotal 6,669, GRAND TOTAL 151,159

In terms of information not previously registered, this includes:

ACCOMMODATION TYPE	NUMBER OF PROPERTIES
Land parcels	2809
Offices	1644
Police Stations and Mortuaries	311
Halls/restaurants/Messes	1278
Hospital/clinics	5199
Miscellaneous Structures/stores/Farm Structures	13602
Court buildings	52
Parking	1272
Shops	24
Museum/Library	55
Hangers	5

Living quarters/housing	71
TOTAL	26 322

This additional information divided between national and provincial sources is as follows:

National Department of Public Works	8 488
Gauteng Province	4 701
Western Cape Province	116
Free State	1 991
KwaZulu-Natal	5 337
Eastern Cape	5 092
North West	559
Mpumalanga	15
Northern Cape	27
Northern Province	26
TOTAL	26 322

The asset register process is contributing to our objective of a lean and efficient department and will translate into substantial savings for government. This includes the benefits associated with timeous renewals of leases, computerised lease payments, accurate budgeting and the speedy identification of under-used areas. As part of the overall process we have published a tender for an inventory check of all identified assets. This tender, which was published last Friday and will close at the end of October, will be broken into smaller property asset parcels to make it possible to offer contracts to contractors from disadvantaged groups and aims at distributing the work evenly. The 41 smaller work packages cover the entire South Africa and was initially estimated to cost R150 million. However, due to the effective and efficient management systems now put in place, the project is currently estimated to cost in the region of R50 million. This project will impact significantly in its contribution towards the attainment of our socio-economic objectives. The entire process is scheduled to be completed by November 1998.

As regards upgrading the integrity of our data on the estimated 5484 leasehold properties the aim of the exercise was to ensure correct payments of rentals and effective financial control. This exercise has put us in the position to assess comparable market related rentals and to ensure that the state is getting optimum value for its money. We have finalised this project and data is in the process of being captured. A number of leaseholds indicated as terminated is largely as a result of the natural consequence of the lapse of contract period. The results per regional office is as follows.

- a. Bloemfontein - 459 = 374 active leaseholds and 85 terminated.
- b. Kimberley - 353 = 311 active and 42 terminated leaseholds.
- c. Johannesburg - 1356 = 411 active and 945 terminated leaseholds.
- d. Port Elizabeth - 773 = 596 active and 177 terminated leaseholds.
- e. Pretoria - 1983 = 1498 active and 485 terminated leaseholds.
- f. Cape Town - = 1040 leaseholds

The total cost for this auditing phase is R1 950 000.

DISPOSAL OF REDUNDANT STATE-OWNED RESIDENCES IN SOUTH AFRICA

At the last Public Works MINMEC meeting, MEC's from the 9 Provinces indicated the latest statistics on state owned residences. This total now stands at 63 738 of which 44 985 were national and 17 000 provincial. A total of 834 were identified as redundant and thus for consideration for disposal. The breakdown of these figure is as follows:

1. In the Eastern Cape a total of 3904 of which 2804 were national and 1100 provincial. 450 of these were identified for consideration for disposal.
2. In the Free State 4112 were identified, 3981 national and 131 provincial with 291 identified for consideration for disposal.
3. In Gauteng 24 335 residences were identified, 17 145 of these are national and 7190 provincial. 38 have been identified for consideration for disposal.
4. In KwaZulu-Natal 4936 were identified, no statistics for provincial residences are available yet and none were identified for consideration for disposal.

5. In Mpumalanga 2495 properties were identified, 2320 national and 1175 provincial. Three were identified for consideration for disposal.
6. In the North West Province, 3924 were identified, 2638 national and 1286 provincial. None of these properties have been identified for disposal yet. The Provincial administration however indicates that the number could be quite large.
7. In the Northern Cape 2298 were identified as, 1856 National, 442 provincial. None of these have been identified for disposal yet but current indications are that the number will not be substantial.
8. In the Northern Province there is no asset register but 4885 residences were identified as redundant, 2995 national, 1890 provincial and 35 residences were identified for disposal.
9. In the Western Cape 11849 residences were identified as redundant, 7309 national, 4540 provincial, 17 were identified for disposal.

In terms of the cabinet's decision, the following policy guidelines will operate:

- state-owned residences occupied by public servants who are required to reside in state housing should not be sold;
- public servants, who, by the nature of their responsibilities and duties, are required to reside in official housing, should not be given an option to purchase the residences they occupy, as accommodation for their successors will still be required;
- public servants who currently occupy state-owned residences, although they are not eligible for state housing, should be given an option to purchase such residences at market value. Public servants who do not wish to exercise this option should be given a reasonable notice period [maximum 6 months] to vacate the residence, after which it will be sold;
- The National and Provincial Departments of Public Works should continually consider one another's accommodation needs in order to prevent the injudicious disposal of residences where such accommodation is urgently required for the purposes of national or provincial governments;
- all redundant state-owned residences should be disposed of by the National Department of Public Works;
- The disposal or redundant residences should proceed in a manner which
 - a. prevents prospecting,
 - b. promotes the participation by those sections of South African society who have previously been disadvantaged, both in the selling and the purchasing of redundant residences; and
 - c. fosters the integration of South African society by enabling access to individuals who were previously excluded from residing in "group areas";
- the national department of public works shall develop the criteria which will be used in the adjudication process when disposing of redundant state-owned residences.

The Minister of Public Works will consult with the Minister of Health and for Welfare and Population Development on the possible utilisation of state-owned accommodation for, inter alia, certain categories of health workers and victims of child and/or sexual abuse respectively. The Department will also extend its current investigation to ensure that the existence of state-owned farms, guest houses, flats and residences also receive attention. At all times, sensitivity will be shown when dealing with residences located on land which is in dispute. Discussions are taking place with the Department of Finance to ensure that the funds received by the central exchequer from these sales is channelled to the most appropriate areas of state funding.

Roster for Town and Regional Planners

In addition to the roster for other professional services and expertise which the state draws on from the private sector, such as that for quantity surveyors and architects, Public Works has now also setting in place a roster for Town and Regional Planners. This project is aimed at drawing on specialised expertise in the private sector in the area of Capital and feasibility studies which will enhance our capacity in this area. This project is costed at approximately R2 million per annum.

Investment Analysis Unit

Another area in which Public Works is beefing up its expertise is in investment analysis. This unit will primarily be aimed at strategic investment decisions in the area of building, leasing, disposing and purchasing of property. It is geared at meeting the accommodation needs of client departments in a cost effective and efficient manner. Through thorough investment analysis patterned on international best practice principles we

could save the state millions of rands and thus contributing substantially to our larger macro-economic objectives. In addition the investment analysis unit will also translate into social benefits as it is informed by a holistic development framework.

MAINTENANCE BACKLOG

In order to effectively address the enormous 20 year R8.8 billion maintenance backlog backed by the state, my department has adopted the new Facilities Management approach. This will see the backlog addressed incrementally and managed at a cost of approximately R1 billion per annum of the next 10 years. The facilities management approach is a concerted effort from Public Work to develop and implement a management system and approach that will ensure the efficient and effective management and maintenance of the State's property assets, with a view to meeting the aims and objectives of both landlord (State) and tenants (national government departments).

Public works as part of its contribution to the National Crime Prevention Strategy is tackling the working conditions at Police Stations and Magistrate Courts as a matter of priority.

PROPERTY DEVELOPMENT

1. Architectural design competition for the new Constitutional Court project.

There has been widespread interest in the International Competition for the design of a new Constitutional Court Building on the Old Fort site in Braamfontein Johannesburg. This necessitated the extension of the closing date for registration until the 10 September 1997. The competition which has three stages, with the top 5 successful entrants each winning R60 000 and the winner being granted the consultancy fees with the State Tender board approval. The competition has thus far attracted more than 600 entrants with approximately 200 international entrants ranging from Costa Rica, Sri Lanka, Australia, Malaysia, the UK, Canada, Jamaica, Sweden and the USA, Croatia, Botswana, Kenya and Turkey to mention but a few.

An information briefing/media conference is being organised on site on Monday the 15th September 1997, which will include a full update on the competition, a site visit and an exhibition of photographic material.

2. APOPS

The Asset Procurement and Operating Partnership System (APOPS) is now in the final stages of Request For Proposals (RFP's) which will see the 4 correctional services facilities pilot projects tender awarded to the successful four consortia after the due procedures. The two maximum correctional facilities, the awaiting trial facility and the youth rehabilitation facility is scheduled for occupancy by 1999/2000.

This pilot scheme has seen emerging local business entities, particularly from the disadvantaged sector enter into strategic partnership with established and international business entities and consortia. These projects with an initial capitalisation cost of R150-R200 million will amount to R10,5 billion over the next 25 years. This pilot APOPS is an alternate way of procurement of much needed infrastructure and builds the critical partnership between the public and private sector. It will also contribute significantly to relieving fiscal pressure and will have the added feature of a more effective and efficient private sector operation of a public asset.

NATIONAL PUBLIC WORKS PROGRAMME (NPWP) AND POLICY UNIT

The National Public Works Programme (NPWP) is one of governments key instruments of delivery in the Reconstruction and Development Programme and GEAR Strategy. As a targeted intervention it primarily aims at addressing unemployment and poverty through creating productive jobs and opportunities by using labour intensive methods. It mainly focuses on delivery of critical infrastructure such as clinics, schools, crèches and roads which helps to meet the basic needs of poor communities, particularly in the rural areas. In addition, the National Public Works Programme also stimulates broader economic activity and stimulates and generates sustainable economic development. An area of success of the NPWP thus far has been its ability to impart valuable skills and The latest information on the Community Based Public Works Programme (CBPWP) is that for technical training a total of 328 943 training days was achieved. This included 73 328 trained days for women and 93 467 training days for youth between the ages of 16-25. These technical skills included trades such as bricklaying, carpeting, electrical wiring, painting, plastering and plumbing. Administrative skills imparted include book-keeping, secretarial functions, storekeeping and supervising. These admin skills were imparted over 402 722 training days, 227 088 training days to women and 37 284 for youth. Lifeskills imparted

include negotiation, dispute resolution, numeracy and literacy. This was conducted over 25 551 training days of which 13 210 were for women and 4 455 for men.

a. Public Works Policy Paper Series.

As part of this initiative to lead public debate on key policy, to foster dialogue amongst key policy makers and to directly impact on the policy and operation of Public Works programmes, we commissioned a series of research papers focusing on:

1. Poverty alleviation and Public Works
2. Historical and current overview of Public Works in South Africa.
3. South African Government's Development Paradigm and the role of community Based Public Works Programme (CBPWP).
4. International Perspectives on Public Works Programmes
5. Targeting in Public Works Programmes.

We have also developed a departmental position paper on Public Works as a means of critiquing various elements of the research and to formulate a coherent strategy for repositioning the National Public Works Programme (NPWP). These papers will form the basis of our contribution at the jobs summit later this year.

b. White paper on Public Works - towards the 21st century

With regard to our White Paper on Public Works towards the 21st century, it has already been endorsed by the Portfolio committee on Public Works and following submissions to cabinet-subcommittees and cabinet later this month, it will be launched in October 1997 with its tabling in parliament.

c. Paper on an enabling environment for the construction industry

My department, as custodian of state property assets, plays a major role in the construction and property related industries. We regard this industry as fundamental to the country's development as it provides the physical infrastructure of South Africa. This sector therefore is seen as a major provider of jobs and business opportunities to those from formerly disadvantaged communities. What is critical is that a large percentage of infrastructure development is taking place in these disadvantaged communities, thus enhancing delivery, meeting basic needs and empowering emerging contractors from these communities. Public works, in conjunction with other departments involved in infrastructural delivery such as Transport, Water Affairs and Forestry, Housing, Labour, Education, State Expenditure and Trade and Industry, is therefore co-ordinating the policy initiative in creating an enabling environment in this Construction Industry.

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