Minister of Public Works Mr J Radebe 13 May 1999

## Presentation of the State's Property Asset Register to members of the Media Johannesburg

Ladies and Gentlemen of the Media

For some time now public and media interest in the Asset Register has been high. Almost on a weekly basis, my officials have been asked a variety of questions relating to the Register. On the strength of this interest, I decided to set up today's present ation to bring you all up to speed with developments, and in the process to expose you to the complexity of the task.

Shortly after my appointment as Minister of Public Works in 1994 I asked the then Director-General, Mr Theo van Roebroeck about the asset register. After a long song and dance, I stared in horror as the DG wheeled a large trolley into my office. It was pi led high with scruffy boxes, boxfiles, bound paper parcels, index card boxes and loose bits of paper. This disorganised pile, I was informed, was the Asset Register of the Republic of South Africa.

Later, I was presented with two separate collections of leverarch files that contained the national department's list of land parcels on the one hand, and a totally separate list of buildings and immovable property. There was no correllation between the t wo collections which meant that if I looked at a land parcel in collection one, I had no indication whether there was a building, an abbattoir, and aircraft hangar or a hospital on it. Furthermore, and equally disturbing, the information was entered in both english and afrikaans, so entries for example for the army, were recorded variously under different titles, making it a bit of a headache because the alphabetical list did not take cognisance of the different languages.

In short, I was appalled that a property portfolio as extensive and as valuable as we considered it ought to be was managed by a government department in such a manner. There was no obvious sense of order, little evidence of accuracy or of a basic methodo logy underpinning the whole exercise.

Thus, in November 1995, Cabinet mandated my department, by then under new leadership with a new DG, to compile a comprehensive, accurate and manageable National Register of State-owned Fixed Property that would include both national and provincial assets. At that time none of us engaged in the project could predict with any accuracy the size and complexity of the task before us.

Parliament took a keen interest in the project itself, and the portfolio committee has been kept up to date regularly over the years since 1996 when the compilation of the register began. I won't use this opportunity to give you a blow-by-blow account of the project as I have dealt with it in detail in various budget speeches and media briefings in parliament.

I do however want to highlight a few points that I hope will be of interest to you.

At the outset, my officials had to gauge the value of the information that the state had on record. We had to begin from scratch as there was no consistency at all, not even a consolidated address list of land parcels and buildings. The leasehold portfol io was in a mess. There was little or no record in any sensible retrievable form of important cadastral information. There was no indication whether the buildings were occupied or vacant. There was absolutely no indication of the state of repair of buil dings, their size, what facilities they contained, or even what they looked like. For all intents and purposes the so-called register, at that stage, could have been a record of "ghost buildings".

In the early stages of the project I took a decision to expand the concept of the Register from merely a consolidated address list to a comprehensive register of the all the state's assets. We needed a register that would serve as a property management tool. It would form the basis from which government could ensure that its massive property portfolio would be managed efficiently, effectively and with the greatest benefit to the tax payer and to the state. The new idea meant that alongside the address list we would be able to store and retrieve at the press of a button the following information:

Cadastral data; Photographs of the buildings; Foot prints of the sites; **Back** 

GPS location [that is, Global Positioning System data] Zoning information
Title deed information
Occupancy
Land use
Size in square meters or hectares
And so on.

With the revised format of the Register, our initial timeframes proved impossible to keep and we have had to postpone our completion date until this year. One problem that compounded the delays was the simple fact that the original documentation we inherited was incomplete. The pre-1994 data indicated that the state had 112 165 assets on its books. Little did we know that we would find, during the course of the compilation process, an additional 127 329 that were simply not registered at all. Today, I c an announce that the completed domestic address list contains a minimum of 239 494 assets. As the final verification of the last 2% of data takes place, that figure may increase slightly.

Today we have a complete record of the address list. We have also completed the verification and reconciliation of all out leaseholds, with the exception of the Western Cape provincial leases as the administration there has elected not to cooperate with m y department and have not provided the information requested. That is an outstanding issue that still needs completion.

An exciting aspect of the project has been the way in which the hard work of collecting all the information was conducted. We divided the country into 41 work packages and ensured that 17 out of 24 contractors are drawn from the ranks of previously disadva ntaged contractors and 130 students from Technikons and universities around the country. In this way we were able to ensure that we have been able to utilise new government procurement policies even in the compilation of this register.

The bulk of the project entailed physical visits to each and every land parcel and building in the country. We have received all the information from the contractors and my department is currently putting the final touches to the data base. The last batc h of reports reached us on 22 April. I am informed that 70% of the latter information has already been captured on the data base. Technical auditing of information, just checking that the information is entered correctly, is now 95% complete. Furthermor e, and this is a massive task, about 70% of the thousands and thousands of photographs have been scanned and delivered. I am assured that the whole data base will be wrapped and packaged by August 1999. At that stage Cabinet will be presented with the fi nal product and the National State Property Asset Register will be available for public scrutiny.

From the mountains of paper stuffed in boxes in dark offices, the final data base will be electronically stored and available through our website. All in all, it will comprise about 150 Compact Discs, or, translated into old-fashioned language: 93 000 pag es, with a print font of 8!!! [this is print font 8!]

DPW will now, for the first time in our country's long history, have all the necessary information on state-owned property at their fingertips. We will be able to continue the fight against fraud and corruption and bring an end to fictitious and/or unnece ssary maintenance programmes. Most important, we will be able to provide better management and service to our client departments and ultimately to the people of South Africa. The asset register will become part and parcel of the accounting system provided to control annual budget expenditure of the institutions responsible for procurement, maintenance and administration of the fixed property portfolio. In future DPW will be able to allocate and recover costs from client and user departments in line with accrual accounting practices. The Register will contribute enormously to good governance by assisting in promoting sound financial planning, budgetary control and the overall management of all state properties.

My officials with me today will take you through some of the details of the register shortly. Other information is contained in your information packs as well.

I thank you.