

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 2742 [NW3049E]**

**INTERNAL QUESTION PAPER NO.: No. 32 of 2017**

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**DATE OF REPLY: SEPTEMBER 2017**

**2742. Mr Y Cassim (DA) asked the Minister of Public Works:**

(1) (a) How many properties in terms of (i) land and (ii) any other form of property are currently owned by his department in each province, (b) by which department is each of the specified properties occupied and (c) how many of the specified properties are leased to each specified departments in each province;

(2) (a) what is the rental amount payable by each of the specified departments on a monthly basis in each province and (b) how is the rental amount determined in each case;

(3) of the total number of properties owned by his department, (a) how many buildings are currently (i) not being leased and/or (ii) not utilised in each province and (b) what rates, taxes and utilities are payable each month on each of the specified properties in each province;

(4) how much land is currently not being leased and/or not utilised in each province?

 **NW3049E**

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**The Minister of Public Works:**

**REPLY:**

(1) (a) (i) The National Department of Public Works is the custodian of 29 322
 State Owned land parcels; and

(ii) 93 944 State owned buildings and improvements.

(b) The specified properties are accupied by various User Departments. Please refer to “***Annexure A\_Improvements”*** *&* ***“Annexure B\_Land***” for the number of land and buildings per User Department and per province.

(c) The specified properties are let out to various client departments in the various
 provinces. Please refer to “***Annexure A\_Improvements”*** *&* ***“Annexure
 B\_Land***” for the requisite information.

(2) (a) The department issues quarterly invoices in advance to 25 National
 Departments as per devolved budget, which is equavalent to R372 355 708 per
 month.

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| **RENTAL AMOUNT PAYABLE EACH MONTH BY CLIENT DEPARTMENTS** |
| **REGION NAME**  | **TOTAL AMOUNT** |
| Agriculture, Forestry and fishing | R 9 515 336,00 |
| Arts & Culture | R 3 872 102,00 |
| Communications | R 96 425,00 |
| Correctional Services | R 89 301 833,00 |
| Defence and Military Veterans | R 85 377 333,00 |
| Environmental Affairs | R 1 944 032,00 |
| GCIS | R 3 105,00 |
| Health | R 1 503 132,00 |
| Health (Civitas) | R 7 581 052,00 |
| Higher Education | R 80 688,00 |
| Home Affairs | R 4 638 633,00 |
| Human Settlements | R 49 212,00 |
| Independent Police Investigative Directorate | R 33 167,00 |
| Justice and Constitutional Development | R 31 939 083,00 |
| Labour | R 5 450 380,00 |
| National Treasury (SARS) | R 3 194 905,00 |
| Public Service and Admin | R 28 595,00 |
| Public Works | R 6 048 443,00 |
| Rural Development and Land Reform | R 2 657 805,00 |
| Social Development | R 52 335,00 |
| SA Police Service | R 105 659 417,00 |
| Sports and Recreation | R 1 108,00 |
| Trade and industry | R 3 546,00 |
| Water Affairs | R 12 887 131,00 |
| Mineral Resources | R 301 248,00 |
| Statistics SA | R 135 662,00 |
| **Total** | **R 372 355 708,00** |

 (b) The purpose of accommodation charges, whilst engendering the culture of total
 cost of accommodation within user departments, is to collect enough revenue, at
 minimum, to sustain the entity’s portfolio at a specific level.

The current rate charged for state owned accommodation is based on the original calculations as performed in 2005 when certain accommodation budgets were devolved to Client Departments. In calculating the baseline information, the Department considered the different facility types in its property portfolio. It was not possible to calculate this amount on a per-property basis owing to the magnitude of the portfolio and the specific information that was not available at that time. This was done for all facility types which resulted in different rates proposed per facility type. The average rate was calculated at R23.74 per square meter (m2).

Although the average rate per facility was R23.74m2, the Department of Public Works could only devolve the funds it had in its Maintenance and Property Rates budgets baseline. The distribution of funds per Client Department had to be scaled down to fit into this baseline and was reduced on a pro-rata basis. The average of R23.74m2 was therefore reduced to R4.74m2 at introduction and has escalated to an approximate amount of R16.00m².

The amount devolved (and subsequently charged back) was not enough to cover the self-sustainable target level. As part of the devolution framework, it was indicated that the Department would have to receive at least a 15% growth on this amount to reach the desired funding level by 2017. At that point, it would be possible to maintain properties at its current level. During the time lapse from 2006 to 2017, the portfolio would further deteriorate except where specific intervention took place. This is referred to as “backlog maintenance” which would be funded separately.

While it is possible to indicate how much each department is currently paying, it is not possible to aggregate the information down per facility or per Province as the amount is paid on National level.

The abovementioned devolution and charge-back methodology is being reviewed currently with a view to align with operatinalisation of the PMTE.

(3) (a) (i) & (ii) A total of 4120 properties are currently not being let out in the various
 provices. Refer to **“Annexure C\_Unutilised Buildings”** for the breakdown per
 provice.

 (b) The rates payable in each province for unutilised properties are indicated in the table below:

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|  **RATES PAYMENTS ON UNUTILISED PROPERTIES2016 & 2017 FINANCIAL YEAR** |
| **REGION NAME**  | **TOTAL AMOUNT** | **NO OF PROPERTIES** |
| BLOEMFONTEIN | R 2 413 237,94 | 182 |
| DURBAN | R 6 279 285,98 | 169 |
| JOHANNESBURG | R 10 530 132,88 | 386 |
| CAPE TOWN | R 5 280 563,10 | 327 |
| MMABATHO | R 0,00 | 0 |
| NELSPRUIT | R 0,00 | 0 |
| KIMBERLEY | R 1 373 213,33 | 339 |
| PORT ELIZABETH | R 1 068 512,26 | 88 |
| PRETORIA | R 14 573 869,71 | 227 |
| POLOKWANE | R 1 275 382,07 | 8 |
| UMTATA | R 263 870,86 | 34 |
| **TOTAL** | **R 43 058 068,13** | **1760** |

 The municipal payments payable in each province for unutilised properties are indicated in the table below:

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|  **MUNICIPAL PAYMENTS ON UNUTILISED PROPERTIES2016 & 2017 FINANCIAL YEAR**  |
| **REGION NAME**  | **TOTAL AMOUNT** | **NO OF PROPERTIES**  |
| BLOEMFONTEIN | R 199 393,43 | 11 |
| DURBAN | R 2 359 451,36 | 133 |
| JOHANNESBURG | R 6 708 905,23 | 168 |
| CAPE TOWN | R 2 058 209,44 | 207 |
| MMABATHO | R 0,00 | 0 |
| NELSPRUIT | R 0,00 | 0 |
| KIMBERLEY | R 626 434,03 | 91 |
| PORT ELIZABETH | R 384 398,67 | 9 |
| PRETORIA | R 1 563 729,96 | 40 |
| POLOKWANE | R 399 600,84 | 14 |
| MTHATHA | R 94 052,37 | 4 |
| **TOTAL** | **R 14 394 175,33** | **677** |

(4) 12 357 land parcels are currently not being let out in the various provinces. Refer to
**“Annexure D\_Unutilised Land”** for the breakdown per provice.