

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 713 [NW828E]**

**INTERNAL QUESTION PAPER NO.: No. 08 of 2016**

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**DATE OF REPLY: 26 MAY 2016**

**713. Ms D Kohler (DA) asked the Minister of Public Works:**

(1) (a) How many properties in terms of (i) land and (ii) any other specified 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 department 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 not being (i) leased or (ii) otherwise utilised in each province and (b) what (i) rates, (ii) taxes and (iii) utilities are payable each month on each of the specified properties in each province;

(4) how much land is currently not being (a) leased or (b) otherwise utilised in each province? **NW828E**

**REPLY:**

**The Minister of Public Works:**

(1) (a) (i) The Department of Public Works (DPW) is custodian of 31,310 land parcels as at end of March 2016. Please refer to Annexure 1(a) (i) for the detailed list per province.

(ii) The DPW is custodian of 95,587 buildings and other improvements. Please refer to Annexure 1(a) (i) for the detailed list per province.

(b) Government User Departments and other entities occupy properties under the custodianship of the Department of Public Works. Please refer to Annexure 1(a)(i) for the detailed list per User Department.

(c) 93,648 State-owned buildings on 18,267 land parcels are leased out to User departments and other entities. Please refer to Annexure 1(a)(i) for the detailed list per province.

(2) (a) The Department of Public Works issues quarterly invoices in advance to 26 national Government departments as per devolved budget, which is equivalent to R324,501,155.00 per month.

 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 at the National level.

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| **Client Department** | **Monthly R’** |
| Agriculture, Forestry and Fisheries |  7,194,961  |
| Arts and Culture |  2,927,866  |
| Communications |  72,912  |
| Correctional Services |  80,945,700  |
| Defence and Military Veterans |  76,259,000  |
| Environmental Affairs |  1,469,968  |
| GCIS |  2,348  |
| Health |  1,136,584  |
| Health (Civitas) |  6,747,110  |
| Higher Education |  61,012  |
| Home Affairs |  3,507,473  |
| Human Settlements |  37,211  |
| Independent Police Investigative Directorate |  30,000  |
| Justice and Constitutional Development |  28,887,083  |
| Labour |  4,121,270  |
| Mineral Resources |  227,787  |
| National Treasury |  426,574  |
| Public Service and Admin |  21,622  |
| Rural Development and Land Reform |  2,243,767  |
| SA Police Service |  95,563,167  |
| SA Revenue Service |  2,415,808  |
| Social Development |  39,724  |
| Sport and Recreation |  838  |
| Statistics SA |  259,603  |
| Trade and Industry |  2,682  |
| Water Affairs |  9,899,088  |
| **TOTAL** |  **324,501,155**  |

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

The current rates charged for State-owned accommodation are based on the original calculations of 2005 when accommodation budgets were devolved to User departments.

In calculating the baseline information, the Department of Public Works (DPW) 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 property-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/m2.

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

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 entity 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 their 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.

The above-mentioned devolution and charge-back methodology is being reviewed currently so as to align with the operationalisation of the Property Management Trading Entity (PMTE).

(3) (a) (i) and (ii)

1,939 buildings are currently not being utilised nor leased. Please refer to Annexure 1(a)(i) for detail per province.

(b) (i) and (ii)

Payable rates and taxes are treated as one expenditure item by municipalities and the DPW therefore treats payable rates and taxes as one expenditure item.

A total amount of R3,983,937.52, on average, is currently payable monthly on municipal rates and taxes through all regional offices in all provinces. Attached please find Annexure 3(b)(i) for detail per province in relation to unutilised properties.

(iii)

A total amount of R1,058,541.66, on average, is currently payable monthly on State-owned properties for municipal services through all regional offices in all the provinces. Attached, please see Annexure 3(b)(ii) for detail per province in relation to unutilised properties.

1. (a) and (b)

There are 13,043 unutilised land parcels under the custodianship of the Department of Public Works. Please refer to Annexure 1(a)(i) for detail per province.

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