



*Republic of Namibia*

**MINISTRY OF WORKS AND TRANSPORT**

**BUDGET**

**TECHNICAL DOCUMENT**

**FOR**

**VOTE 23: DEPARTMENT OF WORKS**

**BY JOHN MUTORWA, MP**

**Minister of Works and Transport (MWT)**

**Date: 20 April 2018**

**FINANCIAL YEAR  
2018/2019**

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## 1. INTRODUCTION AND MANDATE

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

It is my distinct honour to present to you Vote 23, being the Department of Works under the umbrella Ministry of Works and Transport, for the 2018/2019 Financial Year. From the onset, allow Honourable members to join others, in congratulating Honourable Calle Schlettwein, Minister of Finance and Honourable Obeth Kandjoze, Minister of Economic Planning and their team of experts for crafting a well-balanced budget under the current economic situation in which Namibia finds itself. The budget indeed endeavours to address the prevailing socio-economic challenges being experienced by our nation. As much as the country is experiencing high demand for infrastructure development and given the economic hardship we face as a nation, the Ministry will endeavour to forge ahead with the provision of the desired modern infrastructure.

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

The budget allocated to the Department of Works cater for the planning, provision, management and maintenance of government buildings and related infrastructure. In addition, it has a function to promulgate and regulate Acts related to the provision of Construction, Architectural, Quantity Surveying and Engineering Services to the public. It further caters for the provision of technical advice and services, regarding the implementation of Building Construction Capital Projects, to government Ministries and Offices; and further ensures proper administration of all immovable State assets within its mandate. It is under this vote that provision for standard stock, material supplies, and reproduction services as well as auction services to all OMA's is made.

Honourable members, the Department of Works budget caters for SIX (6) programmes which serves as the core responsibilities. These programmes are:

***Programme 01: Construction and Building Regulations (Government)***

***Programme 02: Provision of Office Accommodation Requirements***

***Programme 03: Maintenance of Government properties***

***Programme 04: Provision of Stores and Printing Services***

***Programme 05: Provision of Horticultural Services***

***Programme 06: Supervision and Support Services***

Honourable members, the mandate of the Department of Works is to develop, implement and regulate sectoral policy related to construction, ensure infrastructure development; and effective maintenance of fixed and non-fixed State assets. This mandate guides the Department's endeavours to ensure the provision of safe and well-maintained infrastructure which must be responsive to the socio-economic needs of our country. To address and achieve the Departmental programmes stated earlier, infrastructure development, Asset Management and ensuring responsive and compliant regulatory framework have been adopted as the Strategic objectives to be achieved through budgetary provisions that I have now, pleasure to present to this August house.

**Honourable Chairperson of the Whole House Committee, Honourable and distinguished members of this August house.**

## **2. VOTE23: WORKS ALLOCATIONS PER PROGRAMME 2018/19**

<b>PROGRAMME</b>	<b>DESCRIPTION</b>	<b>OPERATIONAL</b>	<b>DEVELOPMENT</b>	<b>TOTAL AMOUNT N\$</b>
<b>01</b>	Construction and Building Regulations (GRN)	80,310,000	5,395,000	<b>85,705,000</b>
<b>02</b>	Provision of Office Accommodation Requirements	212,815,000	200,000	<b>213,015,000</b>
<b>03</b>	Maintenance of GRN properties	226,892,000	12,421,000	<b>239,313,000</b>
<b>04</b>	Provision of Stores and Printing Services	32,620,000	1,717,000	<b>34,337,000</b>
<b>05</b>	Provision of Horticultural Services	13,821,000	0	<b>13,821,000</b>
<b>06</b>	Supervision and Support Services			
<b>06:01</b>	Office of the Minister	7,483,000	0	<b>7,483,000</b>
<b>06:02</b>	Administration	62,379,000	0	<b>62,379,000</b>
<b>06:03</b>	ICT	4,540,000	1,644,000	<b>6,184,000</b>
<b>GRAND TOTAL ALLOCATION FOR VOTE 23</b>		<b>640,860,000</b>	<b>21,377,000</b>	<b>662,237,000</b>

## 2. DESCRIPTION OF PROGRAMMES

### 3.1 Programme 01: Construction and Building Regulations (GRN)

<b>Budget Type</b>	<b>Amount</b>
Operational Budget	80,310,000
Development Budget	5,395,000
<b>TOTAL</b>	<b>85,705,000</b>

#### 3.1.1 Purpose of this programme:

The programme is responsible for the implementation of all capital projects (construction, renovation and upgrading of all functional and institutional buildings). The programme is also responsible to successfully plan, supervise, monitor and finally hand over completed capital construction projects; the programme is actively involved in regulating, coordinating and initiating building quality and technical standards. This programme administers and regulates the Acts on professional bodies involved in the construction industry (Architects, Quantity Surveyors and Engineers).

#### 3.1.2 Main activities under this programme:

- To supervise the design, tendering of the (construction, renovation and upgrading of all functional and institutional buildings) and construction work for Government Buildings including approving drawings and specifications.
- To monitor consulting firms on construction work.
- Administers and regulates the Acts on professional bodies (Architects, Quantity Surveyors and Engineers).

#### 3.1.3 Achievements to date

- The Ministry has employed thirty two (32) Namibian Graduates additional to the staff establishment on contract for three years. The graduates will contribute to the execution rate of the implementation of capital projects as well as preparing them for professional registration with Councils (Architects and Quantity Surveyors and Engineering Council of Namibia).
- The Ministry has developed a document for an understudy programme to be finalized in consultation with professional statutory bodies for approval by the Permanent

Secretary. The aim of this programme is to ensure that every foreign expatriate employed by the Ministry is understudied by a Namibian.

- An average implementation rate of 85% on construction projects was achieved for the financial year 2017/18
- The Ministry has revived the in-house Design Office which was dormant for 20 years, where the planning and design of some projects are dealt with by its own professional and technical staff as a way to strengthen the Directorate, thus reducing the cost of outsourcing all projects design to the private sector.

This project **activity under this programme** were planned, designed and implemented by the in –house design office:

*Oshana Regional Council*



Fig.1 Construction of Oshakati Constituency Office, Oshana Region



Fig.2 Construction of Oshakati Constituency Office Water Tank, Oshana Region



Fig.3 Construction of Oshakati Constituency Office Guard House, Oshana Region

### 3.1.4 Challenges:

- Attracting and retaining Namibian professionals remains a challenge because the remuneration packages are very low compared to the SOE's and private sector.
- With the 47 existing staff establishment of which 16 are technical staff, it is difficult to implement and monitor all the 250 construction projects under the supervision of the Directorate, that requires an additional 62 technical/professional staff, as the implementation rate on capital projects will be compromised and would not meet the expectations of the O/M/A's. In order to strengthen the Directorate Capital Project Management, all the vacant positions need to be filled.

*For this program, I request an amount of eighty-five million, seven hundred and five thousand Namibia dollars (N\$ 85 705 000) to be allocated to the Construction and Building Regulation GRN programme.*

## 3.2 Programme 02: Provision of Office Accommodation Requirements

Budget Type	Amount
Operational Budget	212,815,000
Development Budget	200,000
<b>TOTAL</b>	<b>213,015,000</b>

### 3.2.1 Purpose of this programme:

- To assess office accommodation requirements of all line ministries.

- To purchase buildings, land or rent office space on behalf of all Government institutions, and allocate them to the line ministries;
- Settle all rental payments on behalf of all O/M/A`s timeous and accurately.
- Settle all Rates and Taxes payments on behalf of the Government timeous and accurately

### **3.2.2 Main activities under this programme:**

- Rendering Property Management Services (office accommodation) to all O/M/A's
- Ensure timely rental payments
- Ensure timely rates & taxes payments
- Allocation and management of office accommodation
- Allocation and management of residential accommodation
- Acquiring Land and distribution of land to O/M/A`s for official use
- Evacuation of illegal occupants

### **3.2.3 Achievements to date:**

- The Ministry successfully developed a computerized Fixed Asset Management System, data capturing of fixed asset is finalised and is currently busy with the verification process.
- The sale of non-assigned government houses is ongoing from the implementation of the scheme (1998); a total of **1256** houses were sold countrywide totalling to an amount of **N\$332 million**.
- Terms of Reference to engage the services of a Consultant to call for an expression of interest to source out the management of government flats was finalised, and is due for advertisement.

### **3.2.4 Challenges:**

- The Division experiences a severe shortfall of funds to honor contractual commitments with regard to the leasing of office accommodation on behalf of Offices/ Ministries/ Agencies and Rates and Taxes. An amount of approximately N\$185, 5 million still needed to cater for 2018/19 financial year.
- Illegal occupation of Government flats still remains a thorny issue despite the fact that eviction Court Orders are issued every now and then, and has to be resolved as soon as possible by the office of the Attorney General. The Office of the Attorney General takes long to resolve cases which make illegal occupation a dragging.



*For this program, I request an amount of two hundred and thirteen million, and fifteen thousand Namibia dollars (N\$ 213 015 000) to be allocated to the Provision of Office accommodation requirements programme.*

### **3.3 Programme 03: Maintenance of GRN properties**

<b>Budget Type</b>	<b>Amount</b>
Operational Budget	226,892,000
Development Budget	12,421,000
<b>TOTAL</b>	<b>239,313,000</b>

#### **3.3.1 Purpose of this programme:**

- To administer and maintain government buildings and related infrastructure to the best possible standard, to improve working conditions for staff members of O/M/A's of Government in order to operate more efficiently.
- To improve living conditions in both rural and urban areas in all fourteen regions by providing sound environment management to government facilities at far off remote places where municipal services are not provided.
- To ensure sustainable and reliable maintenance and rehabilitation of existing Government properties and related infrastructure to the best possible standard according to the availability of funds and priorities set by the Government.

#### **3.3.2 Main activities under this programme:**

- Supervise the repair and maintenance of government properties to the best possible standard
- Carry out minor maintenance work
- Supervise the servicing of specialised installations

#### **3.3.3 Achievements to date:**

- Facilitated the replacement of sewer line at Ngweze Primary School in the Zambezi Region to the amount of N\$ 227 000.
- Facilitated the construction of manhole and installation of catcher and submersible pump at Kizito Senior Secondary School in the Zambezi Region to the amount of N\$ 298 000.

- Facilitated the erection of a shade net structure at Government Central Gardens in the Khomas Region to the amount of N\$ 272 000.
- Facilitated the replacement of roof and electrical wiring at Eastern Court Old Age Home in the Khomas Region to an amount of N\$ 562 000.
- Electrical & Civil Annual tender rates completed and shared with all fourteen regions
- Facilitated the repairing of various burst water pipes in the Khomas Region to an amount of N\$ 1 300 000.



Fig.1 Sewer line at Ngweze Primary School in the Zambezi Region

### 3.3.4 Challenge:

- The Regional Councils are experiencing a huge challenge to maintain buildings due to fact that the funds, which they receive, are limited and as a result they are not able to address all the needs. The limited budget which the Regions receive is due to the ceilings received from the Ministry of Finance.

*For this program, I request an amount of two hundred and thirty-nine million, three hundred and thirteen thousand Namibia dollars (N\$ 239 313 000) to be allocated to the Maintenance of Government Properties programme.*

### 3.4 Programme 04: Provision of Stores and Printing Services

<b>Budget Type</b>	<b>Amount</b>
Operational Budget	32,620,000
Development Budget	1,717,000
<b>TOTAL</b>	<b>34,337,000</b>

#### 3.4.1 Purpose of this programme:

To facilitate the provision of goods and services and supplies through the central stores and delivery services to government Offices/Ministries/Agencies (O/M/A's). In addition, provide reproduction services (reproducing and producing office stationaries) and auction services to all OMA's.

#### 3.4.2 Main activities under the programme:

- Administer the procurement and delivery of standard stock supplies such as office furniture, equipment and materials through Government Stores to Offices/Ministries/Agencies (O/M/A's)
- Produce (printing) and reproduce (copies) of documents; binding of official documents, books (budget books) and examination question papers for Government Schools. However, these services are rendered free of charge to O/M/As, as they only provide photocopy papers. The Ministry is working on introducing tariffs for copy charges
- Auctioneering of redundant/obsolete goods/items on behalf of all OMA's

### 3.4.3 Achievements to date:

- Under this programme, plus 46 million copies including budget books for 2018/2019 were reproduced for Offices/Ministries/Agencies (O/M/As) and Regional Councillors.
- The revenue generated from auctions conducted countrywide for 2017/2018 was **N\$ 6 933 129**

### 3.4.4 Challenges:

- A huge challenge is the recovery of money owed to Stores Trade Account by O/M/A's.
- The money collected from the auctions in **cash** poses a huge risk for the State, staff working with it as well as the potential public buyers. Staff, handling cash and potential buyers are exposed to robbery, theft, personal attacks etc. Risk posed to the State can be counterfeited money received.
- Dilapidated buildings, an additional N\$ 6.5 million is needed to renovate Government Stores Ondangwa which was gutted by fire in 2015. Currently the staff members are operating in a small room and share one toilet which posed a health hazard.
- Limited appropriated budget for the rental and maintenance agreement of the reproduction machines; additional funds of N\$ 14 600 000 for 2018/19 are required to meet this contractual obligation.

*For this program, I request an amount of thirty four million, three hundred and thirty seven thousand Namibia dollars (N\$ 34 337 000) to be allocated to the provision of Stock and Reproduction services programme.*

## 3.5 Programme 05: Provision of Horticultural Services

<b>Budget Type</b>	<b>Amount</b>
Operational Budget	13,821,000
Development Budget	0
<b>TOTAL</b>	<b>13,821,000</b>

### 3.5.1 Purpose of this programme:

- To render horticultural services to Government Office Buildings; including landscaping, planning, layout, planting, watering, fertilizing, pruning, cleaning, general maintenance, supply and maintenance of pot plants and maintenance of swimming pools.

- To assist and provide advice pertaining horticultural decorations for National events and functions.

### 3.5.2 Main activities under this programme:

- Provide Garden Maintenance Services; gardens watered, plants and trees are planted and pruned for Offices, Ministries and Agencies (O/M/A's)
- Provide layouts of gardens of Government Office buildings and service centres

### 3.5.3 Achievements to date

- Landscaping and horticultural of the Independence Memorial Museum

### 3.5.4 Challenges:

- The Ministry has challenges of performing the labor-intensive task of cutting and uprooting of trees due to unavailability of specialized horticultural equipment resulting from limited funds
- Attracting and retaining staff with specialized skills to execute horticultural services

*For this program, I request an amount of thirteen million, eight hundred and twenty-one thousand Namibia dollars (N\$ 13 821 000) to be allocate to horticultural Services provision programme.*

## 3.6 Programme 06: Supervision and Support Services

Budget Type	Amount
Operational Budget	74,402,000
Development Budget	1,644,000
<b>TOTAL</b>	<b>76,046,000</b>

### 3.6.1 Purpose of this programme:

- To direct, coordinate and supervise the activities of the Ministry and SOE's under the Ministry
- To be accountable for the administration of the Ministry of Works and Transport.
- To render Management and Support Services.
- Provide reliable and sustainable System Administration, System Development and Technical Support Services

### 3.6.2 Main activities under this programme:

- Policy supervision
- Coordination and support services in auxiliary, finance and personnel affairs

- Acquisition and Maintenance of ICT hardware and software and Installation of IT (networking) Infrastructures

### 3.6.3 Achievements to date:

- Implementation of Public Procurement Act, 2015 (Act No.15 of 2015)
- Successfully conducted a three day Health testing Campaign for Ministry of Works and Transport
- During the financial year 2017/2018 the Ministry expenditure was 99.41% of its total allocation
- Stock taking and inspections at 105 stock taking points were successfully conducted
- Eight (8) labour related cases were successfully processed
- Establishment of Wellness Committees on capacity building in 14 regions
- Networks connections were installed and commissioned at Ministry Head Office – Old Roads Authority building.
- Development of the Fixed Asset Management System completed
- The development of the Annual Tender System is 85% complete

### 3.6.4 Challenges:

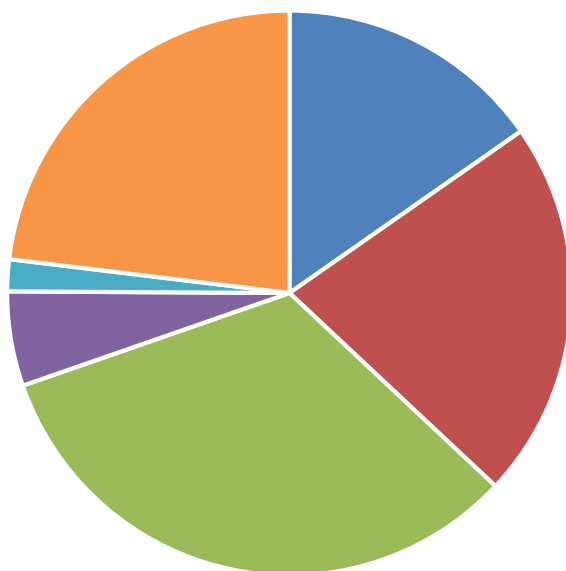
- Lack understanding audit protocol preparation
- Ministerial Budget cuts/ budget deficit- limit execution of responsibilities & non filling of crucial posts
  - Out of the 825 vacant positions, **222 positions are critical positions**. It is crucial that these positions are filled soonest as the absence of these expertise is posing service delivery/operational challenges. But as it stands, these positions were budgeted for up until the 1<sup>st</sup> Oct 2017; the money was then taken away by the Ministry of Finance. Out of the initial 222, only 45 positions are budgeted for, for the 2018/19 Financial Year.
  - The challenge of filling professions positions that were left vacant with the end of the MOU (between Namibia and Zimbabweans) remains, but this due to unregistered Namibian professionals.
- Lack of treasury regulations understanding
- OMAs owing the Ministry's GRN Garage & Stores trade accounts
- Human capital management system not yet fully operational
- Operational challenges with the implementation of the New Procurement Act especially the processes and bureaucracies

*For this program, I request an amount of seventy six million, and fourty six thousand Namibia dollars (N\$ 76 046 000) to be allocate to Policy Co-ordination and Support Services programme.*

### 3. Vote 23 - Budget Execution By Programme for 2017/18

Programme	P-Code	Budget Allocation - Operational	Budget Allocation - Development	Revised Allocation - Operational	Revised Allocation - Development	Actual - Operational	Actual - Development	Total Revised - Allocated	Total - Actual	Overall Execution Rate -%
GRN Construction Building Regulation, Coordination and Supervision	1	73 931 000.00	5 769 000.00	96 654 920.00	7 004 927.00	94 476 137.48	1 985 686.66	103 659 847.00	96 461 824.14	93
Provision of Office Administration	2	28 564 000.00	500 000.00	147 037 175.00	0.00	140 542 158.97	0.00	147 037 175.00	140 542 158.97	96
Maintenance of GRN Properties	3	219 656 000.00	12 395 000.00	213 691 391.00	7 875 760.00	215 749 635.35	8 297 219.93	221 567 151.00	224 046 855.28	101
Provision of Stores and Printing Services	4	33 160 000.00	4 984 000.00	33 404 168.00	3 284 000.00	33 334 380.52	312 883.42	36 688 168.00	33 647 263.94	92
Provision of Horticultural Services to GRN Offices and Services Centres	5	12 950 000.00	0.00	12 350 459.00	0.00	11 942 204.99	0.00	12 350 459.00	11 942 204.99	97
Supervision and Support Services – Office of the Minister	6	7 480 000.00	0.00	6 794 413.00	0.00	6 895 319.73	0.00	6 794 413.00	6 895 319.73	101
Administration	6	71 925 000.00	0.00	141 740 443.00	0.00	152 456 328.94	0.00	141 740 443.00	152 456 328.94	108
ICT	6	4 469 000.00	1 293 000.00	4 959 031.00	2 993 000.00	4 823 094.83	2 963 894.43	7 952 031.00	7 786 989.26	98
<b>TOTALS</b>								<b>677 789 687.00</b>	<b>673 778 945.25</b>	

#### Overall BUDGET Execution Rate % VOTE 23 - FY 2017/18



- 1 GRN Construction Building Regulation, Coordination and Supervision
- 2 Provision of Office Administration
- 3 Maintenance of GRN Properties
- 4 Provision of Stores and Printing Services
- 5 Provision of Horticultural Services to GRN Offices and Services Centres
- 6 Policy and Support Services

The Ministry is looking forward for this August House to support our budget for 2018/2019 financial year.