



Republic of Namibia

MINISTRY OF WORKS AND TRANSPORT (MWT)

BUDGET MOTIVATION

STATEMENT

VOTE 23: DEPARTMENT OF WORKS

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**FINANCIAL YEAR
2018/2019**

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1. INTRODUCTION

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 of the Ministry of Works and Transport, for the 2018/2019 Financial Year. From the onset, allow me 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. I also want to express my gratitude to staff members of our Ministry for having devoted much of their time and expertise to craft this budget. 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 most desired modern infrastructure.

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

Honourable members, the mandate of the Department of Works is to develop, implement and regulate sectorial policies related to construction, ensure infrastructure development; and effective maintenance of fixed and non-fixed State assets. In addition, it must promulgate and regulate Legislative Acts related to the provision of Architects, Quantity Surveyors and Engineering Services to the public. It further provides technical advice and services, about the implementation of Buildings Construction Capital Projects, to government offices and ensure proper administration of all construction works being performed by Contractors. The Department also make provision for standard stock, material supplies, lithographic services, reproduction and auction services to all OMA's. The programmes under this vote are therefore built around these core responsibilities.

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.

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: Policy Co-ordination and Support Services

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

On behalf of our Ministry, please allow me to introduce the total budgetary requirements for the Department of Works for the financial year 2018/2019.

The total amount of **Six hundred sixty - two million, two hundred thirty - seven thousand Namibia Dollars (N\$ 662 237 000)** is budgeted for 2018/2019 financial year, from which the total amount of **Six hundred and forty million, Eight hundred and sixty thousand Namibia Dollars (N\$ 640 860 000)** representing **96.8%** of the total budget will go into operational activities.

The remaining **Twenty one million, Three hundred seventy seven thousand Namibia Dollars (N\$ 21 377 000)** which represents **3.2%** of the total budget will be spent on capital related investments.

PROGRAM 01: CONSTRUCTION AND BUILDING REGULATIONS (GRN)

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

The purpose of this programme is to successfully plan, supervise, monitor and finally hand over to Line Ministries completed capital construction projects, renovated and upgraded Government buildings and properly maintained electrical and mechanical systems in buildings. The programmes further monitors the construction work by contractors on Government projects including office buildings and service centres.

The Program is actively involved in regulating, coordinating and initiating building quality and technical standards to an average of 350 projects, running concurrently during any given financial year.

During the period under review, the Ministry once again successfully managed a variety of ongoing capital construction projects on behalf of line Ministries worth more than N\$2.5 billion. The Ministry has now introduced the building construction project cycle to guide the budgeting process by line Ministries. The building project cycle approach successfully contributed to realistic and balanced implementation of capital projects and programmes on the development budget for the 2017/18 financial year.

This program supports Photo-Voltaic Systems, allowing for basic power; lights and hot water, are installed and / or refurbished in existing Government schools and clinics in remote areas where the National electrification grid does not reach. Provision has been made in the 2018/19 financial year for the installation of photo-voltaic systems at government facilities without connections to the national grid in the Oshana, Ohangwena and //Karas Regions. Beneficiaries of the photo-voltaic systems are determined by means of engagement between the Ministry of Education - Regional Councils, Ministry of Works & Transport and Ministry of Mines & Energy.

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.

PROGRAM 02: PROVISION OF OFFICE ACCOMMODATION REQUIREMENTS

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

This Program provides for the office accommodation requirements of all Ministries/Offices/Agencies. It also includes the acquisition, management and control of accommodation through assigning of government houses for the use by ministries, as well as the provision of staff housing of government officials.

The Ministry handles the transactions pertaining to the procurement, expropriation, exchange and disposal of property on behalf of Government, under this programme,

Cabinet Decisions No 23rd /23.08.98/001 and 9th /20.04.99/005 wherein Cabinet resolved that some Government houses be alienated to sitting tenants under specific modalities, rules and regulations was expected to run for a period of three (3) to five (5) years; However, the gradual sale of non-assigned government houses is still ongoing, even though it was supposed to have lasted five (5) years maximum.

Since the implementation of the Alienation scheme, the Ministry sold **1256 houses** and **generated N\$331 883 624 up to 31st March 2018**. The valuations of these properties are conducted by the valuers in the Ministry of Land Reform. It is interesting to note zero valuations of these properties were carried out during the 2017/19 FY. The Ministry is also addressing the issue of government properties which were either erroneously transferred to Local Authorities or simply taken over without Treasury Authorisation.

This Program is inclusive of the operational budget (of the utilities vote) meant for paying rates and taxes to service providers for all Government Owned Properties, an amount of *Thirty-five million Namibia dollars (N\$35 000 000) will be allocated while a fifty-five million Namibia dollars (N\$ 55 000 000) will be short to meet the service obligations.*

Similarly, for the (Property Rental and Related charges- vote) still under the operation budget of this programme; used for the financing of the rental of offices accommodation on behalf of Offices/ Ministries/ Agencies, only One hundred and sixty-nine million, four hundred and ninety-eight thousand Namibia dollars (N\$ 169 498 000) will be allocated while an amount of One hundred and thirty million, Five hundred and two thousand Namibia Dollars (N\$130 502 000) will be needed to meet contractual obligations for the FY 2018/19.

The program further includes the facilitation on land purchasing for development and property assessment studies on behalf of OMA's.

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

PROGRAM 03: MAINTENANCE OF GOVERNMENT PROPERTIES

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

The purpose of this program is to ensure sustainable and reliable maintenance and rehabilitation of existing Government properties and related infrastructure to the best possible standard. The servicing, maintaining and overhauling of water pumps and generator sets as well as the rehabilitation of other existing specialised installations such as the installations of boilers, lifts, cooling and sewer plants. The maintenance of Government properties and installations ensures the sustainability thereof.

Namibia inherited Government buildings infrastructure that has been left to dilapidate, some beyond their economic value and therefore not even fit for renovation, over a considerable time since independence. Time has come that, as government, we should have a serious consideration and pay urgent attention to renovation and maintenance of these infrastructure. Continuing to construct new infrastructure while the existing ones are left to deteriorate at alarming rate, it's shooting oneself in the foot. The government Garages have been turned into scrap yards while some government buildings are not inhabitable.

We appreciate the attention being given to school infrastructure maintenance, but hospitals and clinics/health centres and Regional Office for most Office/Ministries/Agencies equally require attention and necessary budget allocation.

As per Cabinet Decision No. 22nd/11.12.07/006; 1st/22.01.08/002 and 7th/06.07.10/002 Offices, Ministries and Agencies (OMA's) have established their own routine maintenance units, to cater for preventative maintenance. Various Ministries are therefore expected to ensure that there is appropriate maintenance budget under their budgets. The maintenance function, previously resorting under this Ministry, is delegated to the Regional Councils, who carry out the maintenance activities throughout the respective Regions.

A meagre Twenty-one million, six hundred and thirty eight Namibia dollars (N\$ 21 638 000) has been appropriated for the fourteen Regional Councils for this delegated Maintenance function, with a shortfall of **N\$ 113 000 000** which will be needed to carry out the delegated function effectively, of civil, electrical and mechanical infrastructure as well and mechanical specialist installations.

Alterations and renovations of regional/sub-regional maintenance offices as well as feasibility studies for construction, are included under this programme, which

will bring more services to rural community areas. During 2017/18, zero feasibility studies were carried out due to limited travel funds available (S&T). Three (3x) feasibility studies are planned for the 2018/19 financial year.

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

PROGRAM 04: PROVISION OF STOCK AND REPRODUCTION SERVICES

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

The purpose of this program is to facilitate the provision of standard stock, auction services and reproduction services to all OMA's. The revenue generated from auctions during the 2017/18 financial year was N\$ 6 933 129. There were 12 auctions conducted during the said financial year. A massive drop from the previous years of N\$17 369 400. The main contributing factor to this drop was the limited travelling funds available (S&T). To ensure an effective auction service for the 2018/19 financial year, an additional **N\$ 400 000 will be needed for travelling (S&T) by the auction services team.** The amount of **N\$ 2 400 000** has been appropriated for the rentals of the reproduction machines, with a shortfall of **N\$ 14 600 000** which will be needed to meet our contractual obligations for the 2018/19 financial year.

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.

PROGRAM 05: HORTICULTURAL SERVICES PROVISION

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

The purpose of this programme is to facilitate the provision of horticultural services at government office buildings and service centres; maintain existing landscape gardens and to create new ones where needed; as well as to promote greener environment to all existing and newly established government buildings.

The Ministry performs activities such as planning, layout, planting, watering, fertilizing, pruning, cleaning, supply and maintenance of pot plants, maintenance of swimming pools and provide plants for decorations during the commemoration and celebration of National events, under this programme.

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.

PROGRAM 06: POLICY CO-ORDINATION AND SUPPORT SERVICES

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

The purpose of this programme is to provide, direct, coordinate and supervise the activities of the Ministry including the Parastatals enterprises, as well as to provide support in auxiliary services, finance and personnel affairs, and be accountable for the administration thereof. As per the Ministerial establishment report dated 19th February 2018; the current total positions was 2879 positions. Out of these 2879 only 2054 positions are filled, representing a 71.3% of position filled. The remaining **825 (28.6%) positions remain vacant**. The reasons for these vacancies not filled was due to the directive to freeze all vacancies as per the Public Circular: No. 11 of 2017 to support the curbing of the wage bill. However, these vacant positions not filled are posing a huge impact on the Ministry's operations, crippling the service delivery.

Other activities under this Programme, are to provide and ensure stable, reliable, sustainable and cost-effective Information and Communication Technology (ICT) services, to establish and maintain a sustainable network infrastructure, computer hardware and software and technical support services.

This Programme also oversees the implementation of the Ministerial Wellness Programmes to ensure awareness of general health.

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

2. SUMMARY VOTE 23 – WORKS FINANCIAL YEAR 2018/19

PROGRAM	P-CODE	BUDGET ALLOCATION - OPERATIONAL (N\$)	BUDGET ALLOCATION - DEVELOPMENT (N\$)	TOTAL (N\$)
Construction and Building Regulations (GRN)	1	13 821 000	0	13 821 000
PROVISION OF OFFICE ACCOMMODATION REQUIREMENTS	2	32 620 000	1 717 000	34 337 000
MAINTENANCE OF GOVERNMENT PROPERTIES	3	226 892 000	12 421 000	239 313 000
PROVISION OF STOCK AND REPRODUCTION SERVICES	4	212 815 000	200 000	213 015 000
HORTICULTURAL SERVICES PROVISION	5	80 310 000	5 395 000	85 705 000
POLICY CO-ORDINATION AND SUPPORT SERVICES	6	74 402 000	1644000	76 046 000
TOTALS				662 237 000

For this VOTE 23, I am requesting a total amount of six hundred sixty-two million, two hundred thirty-seven thousand Namibia dollars (N\$ 662 237 000).

I thank you for listening, and your consideration and approval of the 2018/2019 budget for Vote 23: Department of Works.

3. Vote 23 – Budget Execution by Programme for 2017/2018

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
TOTALS								677 789 687.00	673 778 945.25	