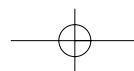


## PART 4

# ASSET MANAGEMENT PLAN



## INTRODUCTION

It is the a priority of the Department to effectively meet its office and residential accommodation needs. The Department is also responsible for providing the same accommodation for the partner Departments. Residential accommodation and facilities are provided in such a way that allows all South African transferred staff to best perform their official activities.

Three types of accommodation requirements can be identified for missions abroad:

- Chanceries or office accommodation. This type of accommodation is mostly found in office blocks. In some instances houses or villas have been adapted to serve as offices.
- Official Residences are procured for Heads of Missions. These residences are normally located in suitable areas of the city in which the mission is located. Particular care is paid in the selection of these residences to ensure that the residence is representative and befits a Head of Mission. Attention is also paid to ensure that the residence can be used for representational duties and official entertainment.
- Staff housing is procured for all other transferred officials in areas identified by the Department in

consultation with missions according to set norms and prescripts.

The majority of these properties are leased or rented while a small number are State-owned properties.

## INVENTORY

Currently, South Africa is represented in 85 countries globally with 96 missions. This number will increase by 7 with the opening of new missions during the 2003/04 financial year.

The following is a summary of the asset inventory split between Chanceries, Official Residences, staff housing and redundant properties:

- **Chanceries:** The South African Government owns 22 Chanceries and rents 74 Chanceries..
- **Official Residences:** The South African Government owns 29 Official residences and rents 67 Official Residences.
- **Staff housing:** Approximately 415 properties (excluding partner departments) are rented to accommodate transferred officials. A further 57 transferred officials are accommodated in State-owned properties abroad.
- **Redundant properties:** There are currently 24 surplus or redundant properties abroad. There are 13 residences in Namibia, 3 resi-

dences in Malawi, a residence and chancery each in Madeira and Bonn, a residence each in London, Brussels and Zurich and one parking bay in Paris. The future utilisation of these properties, especially the ones in London and Brussels will have to be reconsidered while the others will be disposed of in consultation with the Department of Public Works.

The State-owned properties were valued during 2000/01 and will be re-valued during 2006/07.

## STRATEGIC REVIEW

Currently the Department is managing its property portfolio in consultation with the Department of Public Works. It is vital for the Department to reconsider the role it wants to play in the management of properties abroad.

During 1999 the Minister of Public Service and Administration instructed that with effect from May 1999, the Department of Foreign Affairs will be responsible for the management of the Department's properties and accommodation needs abroad.

Prior to the decision of the Minister of Public Service and Administration, the Department of Foreign Affairs was only responsible

for aspects regarding rentals, alterations, day-to-day maintenance, minor refurbishment, facilities in respect of fixed assets abroad. The decision of the Minister for Public Service and Administration resulted in the transference of the responsibility for the procurement and major refurbishment of State-owned immovable property abroad were added to the already existing asset management function of the Department of Foreign Affairs.

It has since transpired that the Department of Public Works is reviewing its role and functions regarding the management of properties. The proposed Government Wide Asset Management Strategy, which they are developing, makes provision for the management of properties abroad by them.

In terms of this strategy, Departments will determine their needs and priorities in an Asset Management Plan and the Department of Public Works will then evaluate the plans and priorities and include this in the government wide Asset Management Plan. The Department of Public Works will also be responsible to source funding from Treasury for implementation of the Departmental Asset Management Plan and will oversee the execution of these plans. Departments will pay

user fees and rent to the Department of Public Works for the services rendered.

Before the Department of Public Works initiated the Government Wide Asset Management Strategy the Department was in the process of developing a Foreign Property Act, which would have allowed the Department to manage the properties abroad. This would bring the Department in line with current trends abroad. Almost 95% of the countries polled by the Department indicated that their Foreign Ministry is responsible for the management of their property portfolios abroad.

### PROPERTY STRATEGY.

The Department will draw up its property strategy during the 2003/04 financial year. The planned property strategy will make provision for new projects and acquisitions as well as the implications that existing assets will have on the strategy.

### OPERATIONAL PLAN

#### 2003/04 FINANCIAL YEAR

The Departmental operational plan for the 2003/04 financial year entails the following:

- Completion of the Berlin Chancery project by August 2003.

- Completion of the Kinshasa Chancery and Diplomatic village project in May 2003.
- Refurbishment and emergency repairs at the Official Residence in Rome, the Official Residence and Chancery in Copenhagen and maintenance requests by mission as scheduled in the individual mission maintenance plans.
- Ad hoc maintenance request as per maintenance plans budgeted by missions.

#### 2004/05 FINANCIAL YEAR

The Departmental operational plan for the 2004/05 financial year entails the following:

- Commencement of Chancery addition project in Washington. Funds allocated on mission budget.
- Commencement of the planning phase for the construction project in Maseru, which will include a Chancery, Official Residence and staff village.
- Commencement of the planning phase for the construction project in Abuja, which will include a Chancery and Official Residence.
- Refurbishment and emergency repairs at the Official Residence and staff residences in Lilongwe.
- Refurbishment and emergency repairs at the Chancery, Official

Residence and staff residences in Windhoek.

- Ad hoc maintenance request as per maintenance plans budgeted by missions.

#### **2005/06 FINANCIAL YEAR.**

The Departmental operational plan for the 2005/06 financial year entails the following:

- Continuation of the construction project in Maseru, which will include a Chancery, Official Residence and staff village.
- Continuation of the construction project in Abuja, which will include

a Chancery and Official Residence.

- Refurbishment and emergency repairs at the Chancery and Official Residence and staff residences in Maputo.
- Refurbishment and emergency repairs at the Official Residence Vienna.
- Ad hoc maintenance request as per maintenance plans budgeted by missions.

#### **DISPOSAL OF REDUNDANT ASSETS**

The Department will continue

with the disposal of the redundant properties. During the 2003/04 financial year the 13 properties in Namibia, the three properties in Malawi and the 2 properties in Madeira will be targeted for disposal. During the 2004/05 financial year the 2 properties in Bonn, the property in Zurich and the property in Paris will be targeted for disposal.

A pro forma income statement from the sale of these properties will be prepared and attached as an Annexure to the strategic plan.