

'Prestige' projects probe will now extend to Cape Town

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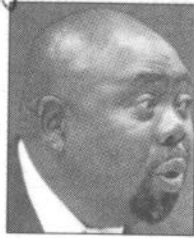
CAPE TOWN — The Department of Public Works' investigation of "prestige" projects such as the renovation of ministerial houses has been extended to Cape Town where about R100m was spent on renovating 11 houses.

The investigation of all prestige projects in Pretoria had been completed, Public Works Minister Thulas Nxesi said yesterday at a parliamentary media briefing ahead of his budget vote speech in the National Assembly today.

He also revealed that his department was finalising policy guidelines on the renovation of ministerial homes to prevent situations where ministers insisted on unnecessary and costly refurbishments to indulge their personal tastes. He hoped to present the policy to the Cabinet in about two months' time.

The Special Investigating Unit (SIU) had completed investigations into the renovation of ministerial houses — which in some cases cost more than the houses themselves — and had recommended that the officials involved be disciplined.

"SIU investigations together with recent findings of the Competition Commission tell the same story: overpricing and collusion between some officials and sections of the construction industry



Thulas Nxesi says the probe of projects in Pretoria is complete.

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— a timely reminder that it takes two to tango; that corruption and greed in the private and public sectors are mutually reinforcing each other," Mr Nxesi said.

The prestige projects constituted a "major area of collusion and irregular expenditure". The prestige unit in the department had been centralised to exercise tighter control.

When Mr Nxesi took office his department was in the midst of a scandal over overpriced leases on buildings for government departments. He said the department had worked closely with the SIU to investigate a number of irregular leases and projects. Of the 40 probes, 23 had been completed.

"This has resulted in successful disciplinary actions, the dismissal of six officials, including a deputy director-general, and court actions to recover monies wrongly paid by the department."

Mr Nxesi said the department's leadership had been stabilised with the appointment of a new director-general and a chief financial officer, and it had

embarked on a turnaround strategy which involved developing a credible register of immovable assets and conducting a comprehensive audit of leases. All leases in the portfolio of 2,788 leased properties had been reviewed, of which 1,316 required attention, revision or renewal. Of the latter, 365 leases had been addressed.

Addressing the scandal over the more than R200m spent on President Jacob Zuma's Nkandla residence, Mr Nxesi said many of the problems with the security upgrade were rooted in the failure of supply chain management processes, poor management and a lack of accountability. Both the SIU and Public Protector Thuli Madonsela were investigating.

He gave the assurance that "no stone is being left unturned" in the drive to uproot corruption. Action would be taken against any official where evidence of wrongdoing existed, Mr Nxesi said.

He also said the government's immovable assets register would be "substantially" completed by March 2015. "This is a real game-changer," he said.

State-owned property is estimated to be worth R300bn.

"With a sustainable register of state immovable assets in place, we will have at our disposal the tools to leverage this massive property portfolio for economic development," Mr Nxesi said.

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