

# Public Works to use state property for economic development in South Africa

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- Public Works to use state property and zero-tolerance stance to fraud and corruption for economic development. (Image Credit: Twitter)

Public Works Minister Thulas Nxesi says his department will this year use state property for economic development.

The Minister made the announcement at a media briefing on Tuesday morning ahead of his Budget Vote which will be delivered in Parliament this afternoon.

In addition to using state property to boost economic development, Minister Nxesi said he would return to the basics and use two pillars to bring change to his department.

The first pillar is to improve the department's workings and its zero-tolerance stance to fraud and corruption.

"At the core of improving the way we do business, as Public Works, is ring-fencing and fully operationalizing the Property Management Trading Entity (PMTE) to optimally manage the state's massive property portfolio over 93 000 buildings on some 29 000 land parcels under the custodianship of National Public Works," said Minister Nxesi.

The Minister said the department's priorities, are in line with the President's State of the Nation Address commitment to drive new investment in the economy to promote growth and jobs.

"We have identified unutilised properties with a deemed value of R7.4 billion – for disposal or letting out. This list will be advertised on open tender culminating in a National Property Marketing and Investment Conference to be held within the next six months," said the Minister.

In addition, the Minister said he would revive a process of engagement with the private property and finance sectors to identify opportunities for investment in state property for mutual advantage.

"The Small Harbours and Coastal Properties programme – part of Operation Phakisa: Oceans Economy - has already attracted expressions of interest to the value of R6.3 billion from the private sector and is generating R17 million in leases.

This programme has the potential to contribute R6 billion annually to GDP and to create 12 000 jobs by 2030," said Minister Nxesi.

According to the Minister, the department is beefing up its Joint Negotiating Team with National Treasury to review all leases and ensure that government does not pay above market rates.

“At the same time, we are moving away from reliance on leasing-in to utilising state-owned properties – starting with the security cluster,” said Minister Nxesi.

In the current year, the department is implementing infrastructure and maintenance projects to the tune of R3.2 billion which include police stations (R885 million), courts (R771 million) and correctional facilities (R657 million).

### **Zero tolerance of corruption**

In line with the second pillar of its turnaround strategy, which is zero tolerance of fraud and corruption, the department is set to announce outcomes of some of its investigations.

“We will shortly be announcing jointly with the Special Investigating Unit (SIU) some of the successful outcomes of investigations we started some years ago. Currently the SIU is seeking to recover R1.2 billion as a result of irregular or fraudulent transactions,” said Minister Nxesi.

In addition, the Minister said action has been taken with regards to the Independent Development Trust Board where there was a failure to act on the recommendations of forensic reports which found clear evidence of corruption.

“I have also announced that all senior managers and officials who occupy positions of high risk will undergo lifestyle audits, starting with myself,” said Minister Nxesi.

The Department of Public Works is committed to the attainment of a transformed built environment sector by providing strategic leadership to the South African construction and property industries and contributing to the national goals of job creation and poverty alleviation through Public Works Programmes.

It provides strategic direction for the integration of public works priorities while contributing toward economic and social development and transformation of the built environment