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## Government ready to do business with the private property sector – Nxesi

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The government is ready to do business with the private property sector to bring certainty to the market, says Public Works Minister **Thulas Nxesi**.

Delivering his Budget Vote in Parliament, on Tuesday, the Minister said market certainty would be based on market-related pricing, improved value and service to government, as well as broad-based black economic empowerment (BBBEE).

The Department of Public Works' (DPW's) budget allocation over the Medium Term Expenditure Framework is R23.7-billion, with about 87% (R20.5-billion) of this budget earmarked for Expanded Public Works Programme incentives for the creation of job opportunities and income support.

A further R700-million will be transferred to department entities, including the Construction Industry Development Board, the Independent Development Trust, Agrément South Africa and the Council for the Built Environment.

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The Property Management Trading Entity (PMTE) will receive R12.7-billion to fund its operations, while R3.2-billion will be allocated for the DPW's own operations and priorities.

Nxesi noted that professionalising the PMTE is being undertaken in alignment with other government priorities, including empowerment, transformation and job creation.

Land and properties continue to be identified for land reform and social housing, as well as student accommodation.

With regard to student accommodation, the DPW has supplied the Department of Higher Education and Training with a list of possible buildings and has established a joint task team to expedite the matter, with a focus on emerging entrepreneurs and cooperatives.

Meanwhile, 3 500 ha of land will be released to the Department of Human Settlements, while 22 000 ha have been set aside for restitution and land reform.

Nxesi further highlighted that the work of the PMTE will be guided by the recently adopted Property Management Empowerment Policy to empower formerly disadvantaged and designated groups. “We are targeting emerging entrepreneurs who offer a real value proposition and tangible benefits to government,” he said on Tuesday.

Referring to the DPW’s priorities for the year, Nxesi noted that the department will review the existing Public Works White Papers in order to refresh and clarify the mandates, roles and responsibilities of the department.

“In strengthening its inter-governmental coordination, the department is working with provinces to clarify aspects of the concurrent functions which need to be monitored and coordinated.” The concurrent functions and entities will be receiving priority attention in the coming months, he highlighted.

As part of the turnaround, the DPW has also undertaken to ‘grow its own timber’ in relation to built environment skills, as well as to provide technical capacity to the public service and built environment, in general.

Meanwhile, at the core of improving the way the department does business, Nxesi said, is the ring-fencing and fully operationalising of the PMTE to optimally manage the State’s property portfolio, which includes over 93 000 buildings and 29 000 land parcels.

The plans for the PMTE also speak to President **Cyril Ramaphosa**’s State of Nation address, in which he committed to driving new investment in the economy to promote growth and jobs, Nxesi added.

The DPW has further identified unused properties, with a deemed value of R7.4-billion, which will be advertised on open tenders culminating in a National Property Marketing and Investment Conference to be held within the next six months.

The Small Harbours and Coastal Properties programme has already attracted expressions of interest to the value of R6.3-billion from the private sector and is generating almost R17-million in leases, Nxesi added.

This programme has the potential to contribute R6-billion a year to gross domestic product and to create 12 000 jobs by 2030.

In the current year, Nxesi highlighted that the DPW will be implementing infrastructure and maintenance projects to the value of R3.2-billion. These will include police stations (R885-million), courts (R771-million) and correctional facilities (R657-million).

Further, Nxesi highlighted a zero tolerance of fraud and corruption.

“We will shortly be announcing, jointly with the Special Investigating Unit (SIU), some of the successful outcomes of investigations that we started some years ago.”

The SIU, he added, is seeking to recover R1.2-billion as a result of irregular or fraudulent transactions.

Investigations into the cost of maintenance by the Department’s Anti-Corruption Unit have uncovered over 16 000 suspicious payments to the value of R2-billion.

“We are calling for the extension of an existing proclamation to enable the SIU to investigate the matter,” Nxesi said.

About 1 300 State properties, which were wrongly transferred or occupied, will be verified and regularised during 2018/19, he said.

Nxesi further announced that all senior managers and officials who occupy positions of high risk, will undergo lifestyle audits, starting with the Public Works Minister, himself