

## **FIN24, 17 October 2018**

Public Works: We are reviewing R75 accommodation for DGs

Oct 17 2018 18:04 Khulekani Magubane

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Please explain R500 000 for ministers' braai areas - Scopa

Director generals have been receiving work accommodation at a monthly rate of as little as R75 in the City of Cape Town, members of Parliament's Standing Committee on Public Accounts have heard.

This emerged from the committee's meeting with the Department of Public Works on Wednesday. The meeting followed reports that plans were afoot to allow ministers to rent accommodation at rates as low as R1 200 per month in Cape Town.

The meeting with Scopa was a star turn for Inkatha Freedom Party MP Mkhuleko Hlengwa, who grilled the Department of Public Works delegation, slamming them for what he argued was decadent waste and allowing wealthy government officials low rates while ordinary South Africans battled financially.

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Public Works director general Sam Vukela told the committee that a rate of R75 per month for director generals for government departments had been uncovered.

Moreover, some of the properties have been vacant for years.

"That is the rate that is going currently. We applied a rate that is regulated through our own DPSA-Treasury framework and other considerations. It is a matter that we can look at going forward, but that is currently what we are paying," said Vukela.

Vukela said a standard nominal fee was in place for a ministerial house, which was calculated from 1% of the official's salary and multiplied by 12.

However, Vukela said that this approach was being subjected to a review to allow government to make savings and avoid losses on property.

"We need to ensure that through these properties, we generate sufficient financial resources for government. We are mindful of the concerns members are raising and we have a benefit that Property Management Trading Entity (PMTE) assists us in managing property in a way that does not drain the fiscus," Vukela said.

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Minister of Public Works Thulas Nxesi said the possible "re-organisation" of government announced during President Cyril Ramaphosa's State of the Nation Address was one of the processes that would give Property Management an opportunity to review how it handled properties.

"We must admit that we have been found wanting. The exposure from Prestige points to inadequate management at a construction and maintenance level.

"We have started a major initiative by the PMTE in asset management and leases to establish a high-performance centre," said Nxesi.