

Publication: Witness - Main

Title: R7 billion government precinct tender scrapped as court orders fresh process

Publish date: 10 Jun 2026

Page: 1

Reach: 6180

AVE:R 15694.47

Author: CHRIS NDALISO



R7 billion government precinct tender scrapped as court orders fresh process

CHRIS NDALISO

The long-delayed R7 billion Town Hill Government Precinct project has suffered another setback after the Pietermaritzburg High Court set aside its tender award, ruling that the procurement process was unlawful.

The judgment, secured through a legal challenge by KwaZulu-Natal Public Works and Infrastructure MEC Martin Meyer, found that the tender had been awarded irregularly during the previous provincial administration and ordered that the process be restarted.

The ruling is expected to delay the project further, but both the provincial government and Msunduzi Municipality insist the development remains a key economic priority for Pietermaritzburg.

Msunduzi Deputy Mayor Mxolisi Mkhize said the municipality supported the court's decision because it would ensure transparency, accountability and good governance. "This is a huge development for the city. It will significantly increase the municipality's rates base, which translates into increased revenue for Msunduzi," said Mkhize.

The proposed precinct is intended to consolidate provincial government departments into a single complex on Town Hill, reducing operational costs and creating a central government hub in the city.

Mkhize said Pietermaritzburg's strategic location along the N3 corridor positioned it to benefit from the development. "Having a government precinct in the city will benefit both local residents and people travelling from outside Pietermaritzburg to access government services. It also has the potential to stimulate property investment and increase demand for real estate within the municipality," he said.

Having a government precinct in the city ... has the potential to stimulate property investment and increase demand for real estate within the municipality.

He added that the project was viewed as a catalyst for economic growth, higher municipal revenue, property development and long-term investment.

Premier Thami Ntuli said the ruling would allow the project to proceed on a legally sound footing.

"While the government is mindful of the importance of accelerating infrastructure development and unlocking the economic benefits associated with the Government Precinct project, it is equally important to ensure that public resources are managed responsibly and in accordance with procurement legislation," said Ntuli.

The precinct is expected to save the provincial government an estimated R500 million a year by reducing office rental costs across multiple buildings.

Meyer welcomed the judgment, saying it validated concerns about the original tender award.

"It is never comfortable to overturn a decision taken by your own department, but it is the right thing to do," he said.
• chris.ndaliso@witness.co.za

