

Issued: 05 June 2025

## **MEDIA STATEMENT**

### **STATEMENT BY THE DEPUTY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE SIHLE ZIKALALA ON PERTINENT ISSUES AFFECTING THE INDEPENDENT DEVELOPMENT TRUST.**

#### **INTRODUCTION**

We have convened this media engagement to address a number of issues relating to one of the entities of the Department of Public Works and Infrastructure, which is the Independent Development Trust (IDT).

To recap, the IDT is a South African public entity that supports the government in implementing development programs, particularly in social infrastructure. Its primary role is to manage and deliver integrated social infrastructure projects on behalf of government, focusing on areas like education, healthcare, and community development. The IDT is also key to the implementation of the government's mass employment programme known as the Expanded Public Works Programme (EPWP).

In recent weeks I have noted with deep concern and extreme outrage, slanderous stories which appear to have been deliberately planted and arranged to defame and tarnish my image, disguised as concerns about issues of governance in the IDT.

While I draw so much from a maxim by Gorge Bernard Shaw that "we must always avoid wrestling with wrong people because you both get dirty and the wrong ones like it more". I felt it important to open up about the issues in the public interest.

I have witnessed an extra-ordinary endeavour by a media house to advance spurious allegations against me and spread falsehood on the actions we have taken

on the IDT matters. I will not allow the persistent onslaught and smear which masquerade as a journalistic endeavour, sophisticated as it may appear to blackmail us. When closely inspected it is an escalated long standing battle for the soul of the IDT with hidden private and business interests. While we will fight against any form of corruption and will not shield anyone implicated, we will also fight the agenda to capture and liquidate the IDT so that it is diverted from its mandate of delivering social infrastructure and empowering the poor in favour of big business interests.

I see it as unfortunate that a media house has joined the chorus that seek to present a false narrative that trivialises the work of previous government administrations but appropriate other gains achieved during the previous administrations to others without giving due credit. I warned against this unpleasant tendency during the debate of the State of the Nation Address. The 7<sup>th</sup> administration is building on the work of previous administrations.

Members of the media will be aware of the matters related to the appointment of the CEO of the IDT and the series of media articles that have followed thereafter. I recently received a set of 24 questions which I responded to (see attachments), after my initial response, I received another set of questions which I also duly responded to in detail. However, my responses were deliberately distorted to mislead and advance a sponsored narrative that I misconducted myself in the process that led to the appointment of the CEO of the IDT. In this instance no facts could be allowed to stand in the way of a good story as this would defeat the intention to demonise me, turn the public opinion against me and eventually my political home. I am deeply saddened that this respectable media house has wilfully mislead, manipulated facts and distorted information to honour its bargain in this passionate crusade against me.

**I WISH TO PRESENT THE FOLLOWING FACTS ON ALL MATTERS THAT LED TO THE APPOINTMENT OF THE CEO OF THE IDT.**

When I was appointed as the Minister of Public Works and Infrastructure in March 2023, the memorandum for the appointment of the CEO had already been processed by the board that I found, with the concurrence received from my predecessor at the time, Minister Patricia de Lille. The recommendation to appoint

Ms Tebogo Malaka as the CEO of IDT, had already been submitted to Cabinet for final processing. As the new Minister, I decided to withdraw the matter due to issues that were emerging at the time about the entity and had to deal with issues of due diligence. Also informing my decision to withdraw the matter were allegations related to the office lease at the IDT. I must also mention that the office lease allegations were in the public domain long before my arrival in the department.

I am the first Minister to task the board of the IDT to investigate the matter of the office lease and to give a report after six months. Instead the IDT board got plagued by challenges and infighting among board members which defocused the entity from its primary mandate of delivering social infrastructure to communities. There were serious concerns on the governance affairs of the Independent Development Trust, and despite numerous attempts to assist from the department, there was little improvement. As the Minister at the time, I held a number of meetings to refocus the board to its governance and fiduciary oversight duties. These efforts to focus the board on governance issues did not yield expected results.

It was against this background that as the then Minister, in line with my oversight responsibilities, I wrote to the board and requested explanations and representations from board members over serious lapses in the management and administration of the IDT.

I wish to state that the IDT Board, during the tenure of board Chairperson Mrs Zimbini Hill, was tasked by myself as the Minister at the time to investigate the matter of the office lease. I put the process of the appointment of the CEO on hold due to among other reasons, the need to give the board time to conduct investigations on allegations that were in the public domain.

The following Board members were responsible for the appointment of Ms Malaka as Acting CEO since 2021 and later interviewing and facilitating the permanent appointment of Ms Malaka in 2023. The Chairperson in 2023 was Ms Zimbini Hill. It is the recommendation of this Board that I requested Cabinet to keep in abeyance to allow for investigations to conclude.

1. Ms. Zimbini Hill (Deputy Chairperson later confirmed Chairperson), resigned October 2023

2. Mr. Timothy Sukazi - Ministerial Appointee resigned June 2023
3. Michael Sutcliffe - Ministerial Appointee resigned June 2023
4. Ms. Lerato Kumalo - resigned October 2023
5. Prof. Raymond Nkado, - resigned October 2023
6. Ms. Karabo Siyila
7. Ms. Prudence Mkhwanazi
8. Mr. Mpilo Mbambisa
9. Mr. Krishen Sukdev
10. Adv. Lufuno Nevondwe,
11. Ms. Rehana Parker
12. Ms. Tebogo Malaka (I was advised had stepped down as Chairperson and during the period of my joining the department she was Acting CEO),

**FOR EASE OF REFERENCE, I WISH TO DRAW THE FOLLOWING  
CHRONOLOGY OF EVENTS:**

- Around February/March 2023 – then Minister Patricia de Lille submitted the recommendation of the appointment of the CEO to the Cabinet.
- In March 2023, Minister Zikalala is appointed to lead the Department of Public Works and Infrastructure
- April 2023 – Minister Sihle Zikalala withdrew the submission for the appointment of the CEO in Cabinet and put it in abeyance pending a full investigation due to issues that were arising about the IDT including the office lease.
- The Board led by Ms Zimbini Hill as the Chairperson (which interviewed and recommended the CEO), is given six months to complete the investigation. Instead the Board got submerged into perpetual internal conflicts
- They fight over the approach and other contact Treasury and others deem the process flawed (remember Minister is not in Board meetings nor part of board decisions)
- The Minister calls the Board for accountability and the board gets into internal ructions once more. Requests are also made to the Minister to fire some board members.
- Following infighting and the dysfunctionality of the board, in early October 2023, as then Minister I wrote to all board members for representation why

they should not be removed for failure to perform fiduciary oversight on the IDT.

- Also in three board members responded by resigning, some board members made representations
- In the process to fill vacancies on the board is taken through a public process
- On 3 November 2023 the new board is constituted and hold its meetings
- On 05 December 2023 the department receives a request to investigate from the new Board
- In March 2024 the investigation report by the department is concluded and given to the Board
- The recommendations and the report is shared by the Internal Audit with the Risk and Governance Branch where the Anti-Corruption Unit is located.
- The Internal Audit report recommended deeper investigations by the Anti – Corruption Unit.
- On the 12<sup>th</sup> July 2024, I gave the handover report to the Minister Dean Macpherson. On the 16<sup>th</sup> July 2024, I met with the Minister at our Cape Town offices to present the report. The purpose was to facilitate a smooth handover and to appraise the Minister on the state of the department and for issues that require follow up to be pursued.

As all these matters were unfolding, I on the side-lines faced a legal challenge by the then Acting CEO who had initiated a grievance on the outcome of the permanent appointment of the CEO. Before me, there was no report with any verdict or adverse finding against the Acting CEO, who already had been recommended to be CEO before I kept the process in abeyance for a year.

There is no report or any concluded investigation by the board or any other body of the state against the appointment of the CEO that was before me as the Minister then. Even the much talked about Treasury investigation, I have never seen its sight nor was informed of its conclusion. It remained a board matter and the board as I understand it kept fighting and turning against its own decisions. The only available report was the one done by the department internal audit unit which recommended deeper investigations by the Auditor –General and the DPWI Anti-Corruption Unit. All these processes arises from the actions I took.

I granted the concurrence letter in a similar manner as my predecessors had done. The difference is that my process was not in haste and attempted to deal with investigations. I will share the Internal Audit report and I understand the Anti – Corruption Unit report arising from internal audit recommendation is complete. These reports are from a process initiated by me.

There is a deliberately concocted interpretation designed to create an impression in the public mind that there are mischievous dealings that happened under my tenure in the department leading to the appointment of the CEO of the IDT.

The truth is that the CEO was recommended and deemed suitable through a proper public process by the board that Ms Zimbini Hill led as the Chairperson. I must emphasise that this was prior to Minister Sihle Zikalala's arrival in the department. This appointment went to Cabinet with a concurrence letter of the then Minister. What baffles us is why the concurrence of Minister Zikalala become an issue when at least it is done after some measure of due diligence efforts.

I also wish to state that, as these matters were being processed, no one knew what the outcome of the elections would be. The Government of National Unity was not even in the lexicon of our discourse. In any event the work of government does not stop because there are elections. In our system of democracy, an administration hand over to the other.

But once the Minister was appointed, I gave a handover which amongst others outlined that there was a pending investigation in the IDT.

I note with deep concern false insinuations regarding my conduct and the actions especially on the matter related to the IDT CEO appointment which does not reflect the truth from this one media house. There are undertones of an attempt at a political smear campaign intended to undermine and discredit my reputation through false narratives. There is no investigation that was ever squashed, all investigations that we were requested by the board to pursue because of its contaminated processes were undertaken and the second of those investigative reports is complete and is still to be finalised by the 7<sup>th</sup> administration.

I have, therefore, resolved to subject this matter to the Public Protector for a thorough investigation. This will assist so that the truth is exposed and we avoid narratives that are laced with innuendos and speculation. In all my public life I have never and will never attempt to escape public scrutiny or inquiry. Equally we must protect journalism from some unacceptable behaviour and abuse by those who serve and control media platforms.

As you will notice (from the documents I will hand over), my responses to this media house were not properly reflected but quoted selectively, out of context and largely presented to maliciously comply with the requirements of fair and objective journalism. I do hope the media house is not an instrument in the hands of some powerful people and is not weaponised against us.

Media freedom goes with ethical journalism, and we cannot allow few journalists to become battalions in pursuit of nefarious agendas. I support every effort to build credibility and effectiveness of the IDT.

## **CONCLUSION**

My commitment has and always remain to serve with integrity, transparency and accountability. I am today giving you every document in my position regarding the process leading to the appointment of the CEO of IDT. Those who have followed my style of leadership in government would know that I do not hide issues, I am making available to you the internal audit report. I am aware that the second deeper investigation report is concluded as recommended by my internal audit report, that must be finalised by the 7<sup>th</sup> administration for which I am not the Executive Authority but a Deputy. If I had it with me I would have made it public and you would not need even a PAIA process. I have done so on many investigation in my tenure as MEC and Premier in KZN. In the interest of public accountability and transparency all my forensic investigative reports were also published on the official government websites.

The reports I will handover today will include:

- The investigation conducted by us through our Internal Audit which recommended the deeper investigation and the Auditor-General involvement.
- All questions posed to me and responses
- The legal opinion obtained by the IDT before finalising the appointment.
- The handover report, I gave to the Minister to facilitate a smooth transition.

Thank you

**ENDS**

**Issued by Public Works and Infrastructure Deputy Minister, Sihle Zikalala**

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