



public works

Department:
Public Works
REPUBLIC OF SOUTH AFRICA

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**MEDIA STATEMENT
IMMEDIATE RELEASE**

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MEDIA STATEMENT

**DEPARTMENT OF PUBLIC WORKS RESPONDS TO THE
FUNDS SPENT ON MINISTERIAL HOUSES RENOVATION**

The Department of Public Works would like to set the record straight regarding the expenditure on the renovation of the Ministerial houses.

The Department of Public Works is mandated to provide and manage accommodation needs of state. This legislative obligation enjoins the Department to plan, budget and executes work calculated to acquire, maintain, operate and eventually dispose of state immovable assets intended to accommodate the Executive, the Legislature, the Judiciary and certain classes of public servants. This is the core function of the Department's mandate.

It is important to note that it is not the responsibility of the individual Ministers to decide on the scope of renovation of state properties. This task is solely the responsibility of the Department of Public Works in line with its constitutional mandate.

Since late 2011, Minister Nxesi is on record about the poor financial management controls in the Department. This weakness has led to gross

inflation of quotations and prices for the work undertaken by the contractors. It also results into numerous requests for variation orders that tend to distort original prices and leave the Department facing exorbitant invoice claims. Appropriate actions will be taken against any companies or individuals where evidence of price fixing is proven.

In a bid to clean up the anomalies in relation to endemic collusion or corruption in the supply chain management processes as well as systematic operational inefficiencies, the Minister launched the Turnaround Strategy. This intervention has prioritised professional capacity building in the Department to develop more competent professionals to challenge some of the entrenched malpractices, including inherent poor quality management practices. The Minister has also ordered the formation of a Technical Team made up of engineers, architects and construction project management to investigate the prices and construction quality projects.

In line with these corrective measures, external service providers have been brought on board to promote compliance, eliminate corruption and improve efficiencies.

The Department has spent R65-m of its allocated budgets under its prestige portfolio effecting renovations and improvements to a number of state-owned houses in both Cape Town and Pretoria allocated to members of the Executive. Approximately 27 properties were involved with varying degrees of scopes of work.

The Designs, technical inputs and financial estimates were developed by professionals. These properties are in the main very old, extensive in size and are of heritage value, having been used by successive colonial and /or apartheid administrations in the modern history of South Africa, which of necessity makes them expensive.

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