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MEDIA STATEMENT

- **Minister Zikalala welcomes Beitbridge Judgement**
 - **Public Works and Infrastructure is no home to unscrupulous developers.**

The Minister of Public Works and Infrastructure, Mr Sihle Zikalala, has welcomed the decision by the Gauteng High Court in Johannesburg in dismissing the appeal brought by Caledon River Properties Pty, Ltd and Profteam cc against an order made by the Special Tribunal in March 2022, to strip them of the multimillion-rand profits earned from the construction of the Beitbridge border fence between South Africa and Zimbabwe.

The Minister believes this is a special Christmas present to the South African Tax Payers and will send a strong message to those developers who are fleecing government coffers through shoddy workmanship.

The Special tribunal ruled that the service providers had to pay back more than R40m profit they had made after constructing the Beitbridge border fence in March 2020 at the start of the Covid-19 national shutdown. Even though the contractors had agreed to the declaration of invalidity of the contracts due to irregularities, they appealed the order depriving them of the profits made from those contracts. The appeal to the High Court has been dismissed with costs.

The Minister said that the judgement of the High Court vindicates the Department's determination to recoup all the illegally paid monies to contractors. The Minister says the Department of Public Works and Infrastructure is on an irreversible warpath to correct all the ills that bedevil the construction industry and to put it as a flywheel to job creation and economic growth.

"All contracts that have a whiff of corruption will be subjected to scrutiny. If any is found to have illegally awarded, will be cancelled and consequence management will be applied to all involved including service providers," says Minister Zikalala.

"We have conducted a number of road shows in the country, meeting contractors and other stakeholders in our industry this year. The important message that we have been preaching in these engagements has been: engage government honestly in this industry.

"We want contractors not to see government as an entity to be fleeced off. We shall go after anyone who defrauds the state: be it in price inflation, overcharging, shoddy work or inflated invoices."

The Department is undertaking restrictions of companies that have short-changed government.

The Minister says all the might of the state will continue to be wielded in correcting the mistakes that have been made in the past. He warns that the contractors will have to up their game and be willing to play by the rules to grow the construction industry.

Minister Zikalala has thanked the Special Investigating Unit for the work it has done and to build a water tight case that has led to these positive results.

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Issued by the Department of Public Works and Infrastructure. For more information contact:

Lennox Mabaso
Head of Communications and Marketing
And

Thami Mchunu
Director: Media and Stakeholder Relations
Contact: 079 519 6997