



public works
& infrastructure

Department:
Public Works and Infrastructure
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

MINISTER MACPHERSON CONFIRMS TERMINATION OF LEASE AGREEMENT WITH MEDICARE 24 TSHWANE DISTRICT

- Public Works & Infrastructure Minister Dean Macpherson confirmed that the Department has terminated a lease agreement with Medicare 24 Tshwane District, a company linked to Vusimuzi "Cat" Matlala, following serious allegations relating to the manner in which the lease was awarded.
- An investigation found that the lease could not lawfully come into operation, as the hospital facility was never declared surplus by the South African Police Service, which remains the designated user of the property.
- The Minister said the Department acted to protect state assets and will launch an internal investigations to hold officials who were involved in authorising the lease accountable.

The Minister of Public Works & Infrastructure, Dean Macpherson, confirms that the Department of Public Works & Infrastructure on Friday morning terminated the lease agreement with Medicare 24 Tshwane District, which has been linked to Vusimuzi "Cat" Matlala, in respect of a hospital facility situated in Pretoria West. This follows allegations made in the Parliamentary Ad hoc Committee and an investigation by a South African media company which detailed how Medicare 24 Tshwane District - which was reportedly owned by Matlala and where he was formerly listed as a director - allegedly bypassed standard procurement processes to obtain the lease.

The Minister said that after learning of the serious allegations relating to the lease, he requested an internal investigation, which found that the lease agreement entered into with Medicare 24 Tshwane District in December 2023 could not lawfully come into operation, as the hospital facility was not declared surplus to the requirements of the

South African Police Service (SAPS). SAPS remains the designated user of the facility in terms of the Government Immovable Asset Management Act, 2007.

Departmental records indicate that SAPS requires the hospital facility for service-delivery purposes. The formal declaration of the hospital facility as surplus is a necessary precondition for any lease to take lawful effect. It was in light of these facts, and to ensure legal certainty as well as compliance with applicable legislation and governance frameworks, that the Department on Friday morning issued a notice of termination of the lease agreement with immediate effect.

“As soon as I learnt of the serious allegations raised, I requested a thorough investigation by the Department of Public Works & Infrastructure, which found that the property had not been declared surplus by SAPS and that the lease agreement could therefore not be implemented. In line with my commitment to ensure that public assets are used for the public good, I instructed that a termination of the lease be issued to prevent any wastage of public funds. As a Department, we can never tolerate the abuse of state resources,” Minister Macpherson said.

“We will now embark on an extensive internal investigation to ensure that any officials who played a role in authorising this lease are held accountable. We will also work closely with law-enforcement agencies and hand over any information relating to possible criminality to ensure that those responsible face the full might of the law. We are working decisively to rid the Department of Public Works & Infrastructure of corruption and abuse, and to ensure that it delivers meaningfully for the South African people.”

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