



13 May 2026

SPEECH

MINISTER MACPHERSON TABLES PUBLIC WORKS & INFRASTRUCTURE BUDGET VOTE, VOWS TO DEFEAT FIGHTBACK AGAINST REFORM

(Note to editors: The following Budget Vote Speech was delivered by the Minister of Public Works and Infrastructure, Dean Macpherson, on the afternoon of Wednesday, 13 May 2026, at Committee Room M46 in the Marks Building of Parliament.)

- Public Works & Infrastructure Minister Dean Macpherson tabled the Department's R7.8 billion Budget Vote for 2026/27, outlining progress in unlocking infrastructure investment, stabilising the IDT, unblocking delayed projects, using public assets for public good, blacklisting non-performing contractors, and launching EPWP reform through the Working on Infrastructure pilot.
- The Minister warned that reform is facing organised resistance, particularly within the Property Management Trading Entity, and confirmed action on lifestyle audits, ghost employees, lease oversight, Telkom Towers, staffing concerns, and the broader fight against corruption, political interference and abuse of public money.
- The Minister announced three priorities for the year ahead: establishing the South African National Property Company to unlock value from state assets, deepening EPWP reform to create fairer access and pathways into permanent employment, and reforming small harbours to drive jobs, investment and local economic growth in coastal communities.

Today, I table Budget Vote 13 of the Department of Public Works and Infrastructure for the 2026/27 financial year.

The Department receives an allocation of R7.8 billion for the year ahead, within a medium-term allocation of R24.6 billion.

Of this year's allocation, approximately R6.4 billion is directed towards transfers and subsidies, including support to our entities and conditional grants to provinces and municipalities for the Expanded Public Works Programme.

The Property Management Trading Entity, which remains one of the most important areas of reform in this portfolio, has projected revenue of R18 billion for the 2026/27 financial year.

This Budget Vote is about continuing the work of reforming the Department, strengthening delivery, protecting public money, and turning Public Works and Infrastructure into an economic delivery unit of South Africa.

Over the past year, we have made progress in unlocking investment, restoring delivery and confronting corruption.

But we have also encountered resistance from those who benefited from the old way of doing things.

Today, I want to speak plainly about both progress and resistance.

1. Reflection on Past Successes

House Chairperson,

Through Infrastructure South Africa, we have strengthened the state's ability to prepare credible infrastructure projects and mobilise investment.

At the South African Investment Conference, ISA helped unlock a \$1 billion investment pledge, amounting to approximately R17 billion, linked to a large-scale bioethanol production facility in South Africa, which would be the first of its kind.

In support of this work, I am pleased to confirm that the Minister of Finance has approved the formalisation of Infrastructure South Africa, and that a draft Bill will be gazetted for public comment within the next month or two.

In Johannesburg, the new R769 million Deeds Office is rising in the inner city.

It is the first new high-rise in the Johannesburg CBD in over 20 years, is set to be completed in October this year, and will save the state millions of rands in rental payments while helping to restore confidence in our city centres.

Through the Strategic and Special Delivery Unit, we have also focused on unblocking stalled and long-delayed projects.

These are projects that should have been completed years ago, some more than 10 years delayed but were allowed to stall because of poor contract management, weak oversight and underperformance.

This work has supported progress on priority projects, including the handover of the Durban Forensic Science Laboratory to SAPS in 12 months, and the appointment of a contractor at the Sarah Baartman Centre of Remembrance after a decade of delays.

Public Works must play its part in the fight against crime and in completing long-delayed projects that matter to communities.

We have also begun to stabilise the Independent Development Trust.

When I took office, the IDT was largely non-functional and had become associated with corruption, instability and a loss of confidence among government, contractors and communities alike.

Under the new board and leadership, it is beginning to emerge as a key driver of social infrastructure delivery.

Its order book has grown by R2 billion to R6 billion in confirmed projects, and it has tripled its cash on hand each month from near bankruptcy.

In the 2025/26 financial year, the IDT completed 279 social infrastructure facilities, exceeding its target of 244.

That is the IDT we are rebuilding: an entity focused on delivery, social infrastructure, jobs, contractor development and proper governance.

We have also used public assets for public good.

In the past financial year, the Department made more than 46 state-owned properties available for shelters for victims of gender-based violence and femicide, as well as skills development centres.

We are also proceeding with the disposal of 801 properties that the state no longer needs.

Through the Construction Industry Development Board, we are strengthening accountability in the construction sector.

In 22 years, only two contractors were blacklisted; in the last 22 months, 52 contractors have been removed from the Register of Contractors for fraudulent activity.

Contractors who fail, abandon projects or defraud the state can no longer expect to return to business as usual.

We have also begun the reform of the Expanded Public Works Programme, another key delivery promise.

Earlier this month, we launched the Working on Infrastructure pilot programme following nine EPWP Listening Tours, where close to 4,000 participants and community members spoke about political gatekeeping, manipulated lists, ghost beneficiaries, unfair access, abuse and sex-for-jobs.

That is not public employment.

That is exploitation.

Working on Infrastructure responds to two urgent realities: South Africa has an unemployment crisis, and South Africa has an infrastructure maintenance crisis.

The pilot provides longer and more structured work opportunities of between eight and ten months, linked to skills development, mentorship, workplace experience, possible pathways into the private sector, and digital application processes to remove gatekeeping by ward councillors.

2. Challenges Being Faced

House Chairperson, these successes matter.

But they have also taught us that reform in this Department will not happen without resistance.

From day one, there has been deliberate fightback against the reform of this Department - and nowhere is that resistance more entrenched than in the Property Management Trading Entity.

When we introduce oversight where there was none, those who operated without accountability resist.

When we ask questions about leases, contracts, ghost employees, inflated costs, lifestyle audits and underused state assets, those who profited from dysfunction will try to stop us through proxies at various levels.

They will leak and distort information.

They will brief people in secret, or so they think.

But let me be clear: we know how they work, and we are onto them.

We have seen a similar fightback at the IDT, where efforts to act on serious corruption allegations were met with fake call logs, AI voice notes, fabricated claims, manipulated narratives and even allegations that a journalist had been offered R60,000 in cash to suppress negative reporting.

That showed us what happens when corruption is threatened: it organises, attacks, misleads and tries to intimidate.

But we will not be intimidated, and we will not back down.

We will not allow this Department to go back to the “good old days”.

There are many good officials in the Department who want to deliver and who want reform to succeed.

I want to thank them for their hard work, long hours and resilience in the face of pressure and obstruction.

But there are also officials who do not want change.

There are people who are more loyal to private interests, patronage networks and political factions than to the Constitution, the PFMA and the people of South Africa.

We will not negotiate with those who treat public office as a private business opportunity, and who believe public money is their God-given right to loot.

It is therefore wholly unacceptable that senior officials have so far refused to undertake lifestyle audits.

Honest public servants should not fear accountability, especially in a Department responsible for billions of rand in assets, leases, projects and procurement.

The ghost employee audit is also nearing completion.

We have so far identified 60 individuals paid salaries for years while not being in our employ, with the majority of possible ghost employees in KwaZulu-Natal.

We will finalise these audits and report non-compliance to the Portfolio Committee.

House chairperson,

The clearest example of why this reform is necessary is the Property Management Trading Entity, which remains the most urgent area of reform in this portfolio.

The PMTE should be managing one of South Africa's greatest public assets.

Yet it has too often been associated with weak systems, inflated leases, underutilised buildings and financial pressure.

It has never achieved a clean audit since it was established in 2014, reflecting deep governance, financial management and operational failures.

The state owns thousands of buildings and millions of hectares of land, yet government continues to spend approximately R6 billion a year on private leases, which are often inflated above market value.

We have seen lease submissions that lack the basic information required for lawful oversight, submissions returned with guidance only for that guidance to be ignored, and leases allowed to lapse to manufacture emergencies in order to bypass proper scrutiny.

That is why there has been resistance to the concurrence process, which was initiated at the suggestion of the Head of PMTE shortly after I took office.

Let me repeat: I do not sign leases.

I provide oversight to ensure leases comply with GIAMA, the PFMA, the Constitution and basic value-for-money principles.

A recent High Court judgment in the Unyuko Investments matter confirmed why this oversight is necessary.

The Court found that the PMTE failed to distinguish between materially different lease transactions, including an offer for 4,300 square metres that required a tender process, and that the Department's approach lacked clarity, coherence and consistency.

The Auditor-General's findings on Telkom Towers further show the consequences of poor asset management within the PMTE.

The Auditor-General identified a material irregularity relating to the underutilisation of the property, with most buildings remaining unoccupied or not used for their intended purpose.

The public cannot accept a situation where the state owns buildings, fails to use them properly, allows them to deteriorate, and then continues paying billions to private landlords.

That is why the Department is implementing a Facilities Management and Prestige Financial Recovery Plan to move from reactive crisis management to a proactive model where the state plans, budgets, maintains and manages its assets properly.

We are also taking action on staffing concerns within the Department, including writing to the Public Service Commission to investigate the inexplicable number of people who were made permanent employees before the 2024 elections.

We have also received tip-offs that officials have been forced to attend political party study groups.

The Department belongs to the people of South Africa; it does not belong to any party, landlord, contractor, official, private interest or criminal syndicate.

These challenges confirm why the year ahead must focus on reforms that are structural, measurable and difficult to reverse.

3. Priorities for the Year Ahead

House Chairperson,

In the year ahead, we will focus on three major priorities.

Priority One: Establishing the South African National Property Company

The first priority is the establishment of the South African National Property Company.

The President announced in the State of the Nation Address that this Department will lead the creation of this company.

This is one of the most important reforms in public property management since democracy.

The South African National Property Company will shift the state from passive ownership to active asset management by identifying valuable assets, structuring partnerships, unlocking private investment, retaining public ownership where appropriate, and using public property for public good.

Just this morning, I presented our model to BlackRock at a roadshow attended by the President.

The response confirmed real appetite for a professionally governed public property platform that can unlock value from the state's assets.

This is how we reduce reliance on expensive private leases, turn dormant assets into productive assets, and use well-located state land for mixed-use precincts, affordable housing, urban renewal and economic activity.

The PMTE, in its current form, cannot do this work at the scale, speed or discipline required, which is why the Property Company must be professionally governed, commercially capable, transparent, and built on a credible asset register.

To this end, I can announce that I will issue a directive in terms of Section 18 of GIAMA to devolve leasing to client departments under certain conditions, while the Department retains final approval and oversight as we continue the work of establishing our asset management capability.

This will reduce the number of costly month-to-month leases that many client departments currently find themselves in.

Priority Two: EPWP Reform through Working on Infrastructure

The second priority is to deepen EPWP reform through Working on Infrastructure.

Having launched the pilot in KwaZulu-Natal, with Limpopo next, our focus in the year ahead will be on strengthening digital recruitment, improving participant verification, investigating public bodies accused of abusing EPWP, and finalising the revised EPWP Recruitment Guidelines for consultation.

The goal is clear: to move EPWP away from gatekeeping and temporary relief, towards a programme that provides dignity through work, skills development and pathways into permanent employment.

Priority Three: Small Harbour Reform to Ignite Economic Growth

The third priority is small harbour reform to ignite economic growth in coastal communities.

South Africa's small harbours have enormous unrealised potential, but many have been neglected and their economic value has not been properly unlocked.

We are now developing a framework to determine the best-use model for each harbour, so that every site can be assessed according to its local economic potential.

Through this work, small harbours can support fishing, tourism, transport, small business development, local manufacturing and coastal regeneration.

This is how coastal public assets can create jobs where people live, attract investment into overlooked towns, and unlock local economies.

Conclusion

House Chairperson,

The year ahead will not be easy.

We face weak systems, old failures, vested interests, financial pressures, decaying assets and organised resistance.

But we will not slow down.

We will fight corruption, strengthen governance, stabilise our entities, reform EPWP, fix the PMTE, unlock public assets and drive infrastructure delivery.

That is how we will turn this Department into the economic delivery unit of South Africa.

I hereby table Budget Vote 13.

I thank you.

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