

**Minister of Public Works
Ms Stella Sigcau
16 August 2001**

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Media conference on the disposal of strategic property

Members of the Media
Ladies and Gentlemen

What we are sharing with you today is of significance within the development and delivery framework of responsive and responsible governance. As media representatives, you are indeed the eyes and ears of our people and I appreciate your interest.

UNLOCKING VALUE

At the core of our mandate as Public Works lies the fixed property assets of the State - in total almost 375 000 units of property, of which 142 383 are managed by the national Department of Public Works, only within the RSA, with a conservative locked value of R120 billion. These properties have to "work" for the State.

As indicated on 20 January 2000, on the five year plan for Public Works delivery, we are today reporting achievement in respect of the disposal of underutilised or redundant State properties.

We have disposed of 231 fixed properties of the extent of

55 090 ha for non-commercial purposes between 1 April 1995 and 31 March 2001. Of this land, 52 592 ha went for land reform purposes, 2 337 ha for the provision of low-cost housing and related infrastructure and 161 ha for educational and religious purposes.

Currently, Public Works has 7 houses and 29 vacant residential erven in the Western Cape and 18 vacant residential erven as well as 12 smallholdings in and around Johannesburg on the market for sale. All 66 of these properties are superfluous state-owned properties. Independent valuers are currently assessing the properties. As soon as the Land Affairs Board has determined the open market value of the properties, the Department will be in a position to consider and award the tenders. The process should be finalised by middle September 2001.

In terms of large tracts of land, we initially identified five properties for disposal:

- **Midrand** - 125 ha for which we are announcing the successful tenderer today.
- **Silvermine** - ±30 ha on which the adjudication has been done and an announcement will be made soon.
- **Waterkloof Extension 7** – 32 ha that is out on tender with a closing date of 9 October 2001.
- **Brooke's Hill** – 7 000 m² sold to Sisanda Development Services for R630 000.
- **Pietermaritzburg, on College Road** – 11 148 m² currently being negotiated for provincial use.

In terms of progress on the military base disposals, we have already got three tenders out, on:

- **Toothrock** and **Langfontein** in the Western Cape, with a closing date of 28 August 2001, and
- **Bourke's Luck** in Mpumalanga with a closing date of 23 October 2001.

Four other former military bases are going out on tender within this year. These are:

- Zwartkops
- Mmbatho
- Camden
- ThabaNchu.

Today we are focusing on the disposal of the valuable 125 ha of land at Midrand (the remaining extent of Portion 442 of the farm Randjesfontein 405 JR Midrand, Gauteng). It has been lying vacant, and as disposed of now, will accrue R25 million to the State coffers over three years. This amount falls within open market

value set between R20 million and R27 million. Valuation was done by three independent valuers.

The adjudication criteria scored 40 points on price, 10 on the concept plan, 10 on financial viability, 10 on the tenderer's experience and expertise, 10 on socio-economic objectives and 20 on economic empowerment. Whether we procure or dispose, the principles are aimed at increased economic participation by previously disadvantaged individuals and groups, black professionals and women. Skills development and transfer through training are important considerations.

The successful tenderer scored the highest points on all the criteria except price, which is a clear indication that socio-economic considerations count. Their proposal was well prepared and finance has already been secured in principle. The proposal also fits in well with the strategic development vision of the Johannesburg City Council, according to the Integrated Development Plan (IDP) and will stimulate growth and empowerment opportunities in the area.

The successful tenderer proposes to establish an IT Park on the premises, including facilities for manufacturing computer hardware, develop software, do research and development, training, conferences, offices and accommodation.

The development of an IT Park will create more opportunities and will empower more individuals and organisations than the other proposals, as the latter lean more towards office accommodation, where indications are of sufficient supply.

Ladies and gentlemen, it gives me great pleasure to announce to you today that our successful tenderer is Top Di-Computa (Pty) Ltd, with 55% shareholding by South African Businesses and 45% shareholding by Top Group International, a Chinese Based IT Company.

Top Di-Computa (Pty) Ltd has indicated further investment in the provinces with regard to IT and training of people, to the extent where they are prepared to make this offer part of the formal agreement that should be signed within a month.

The Company will engage black business in IT so that they do not compete but complement their efforts. All people engaged in the project can be assured of their personal development through a detailed skills development and transfer programme. They have plans to grow the company to be one of the leading computer manufacturers and suppliers in the country, with branches in all nine provinces.

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