

Too much spent on state leases

The National Treasury is concerned that R3bn a year spent on leasing properties for state departments was too high, according to a report on Wednesday. Treasury deputy director-general for public finance Andrew Donaldson told Parliament's appropriations committee on Tuesday that state spending on leases had grown rapidly, *Business Day* reported.



Finance Minister Pravin Gordhan. (Image: GCIS)

"That is a trend we would like to reverse. We would like a situation where we are spending more on investment and maintenance of government accommodation. We want to see this balance improved," he said.

Treasury had set up a team to try to reduce the leasing costs.

The department of public works manages the leases.

Join review

Finance Minister Pravin Gordhan and Public Works Minister Thulas Nxesi had agreed "to undertake a joint review of the validity and cost-effectiveness of all government property leases", Donaldson reportedly said.

Spending would be even higher than R3bn if leases for provincial departments were included.

The department of public works had come under fire for its handling of various leases. This included lease deals for new police headquarters in Pretoria and Durban worth R1.6bn.

Following a report by the Public Protector in October last year which found the leases were unlawful and that they amounted to maladministration, President Jacob Zuma suspended national police commissioner Bheki Cele and dismissed public works minister Gwen Mahlangu-Nkabinde.

Source: Sapa via I-Net Bridge



Public Works Minister Thulas Nxesi. (Image: GCIS)