



Province of the  
**EASTERN CAPE**

Roads & Public Works

# Small Town Revitalization Programme

## Disposal of government-owned properties as an enabler in small towns' regeneration



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# HISTORICAL LEGACY



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# Socio Economic Context

- Land Reform , Dispossession as a result of Native land act 1913
- African simply unable to own in economically viable properties
- No Formal Property ownership , limited wealth creation avenue
- Black people could not own property nor could they effectively trade on properties.
- In practice skewed patterns of ownership, participation and benefit remain.
- Administrative, legal and financial constraints restrict the ability of black people to participate in the property market



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SOURCE : PROPERTY CHARTER

# Current SA Property Portfolio

- Commercially, property ownership is dominated by government, collective investment schemes, property loan stocks and listed property companies.
- Limited participation of black people and black women in ownership & control of these companies.
- Inadequate implementation of preferential procurement and only in response to client's requirements.
- Enterprise development support is virtually non-existent.
- There is a lack of investment in underdeveloped areas.
- There is little investment in skills development and limited commitment to workplace training.



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SOURCE : PROPERTY CHARTER

# SMALL TOWNS PORTFOLIO IN EASTERN CAPE

TOWN	PWFMS	PMIS	PUBLAND
Mthatha	156	767	836
Bhisho	55	41	54
King Williams Town	233	145	239
Mt Frere	67	35	314
Mt Ayliff	47	40	44
Cofimvaba	75	8	84
Cala	126	87	145
Somerset East	36	52	38

- As the ECPG is a significant land owner in small towns, we must support the creation of a favourable business environment and related infrastructure to enable private enterprise however to deliver prosperity.
- This can only be done by supporting the Local government as it has a key role in creating a favorable environment for business development and success. As we implement the intention is to encourage and foster partnerships between the business sector, community interests and municipal government.



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# LEGISLATIVE CONTEXT

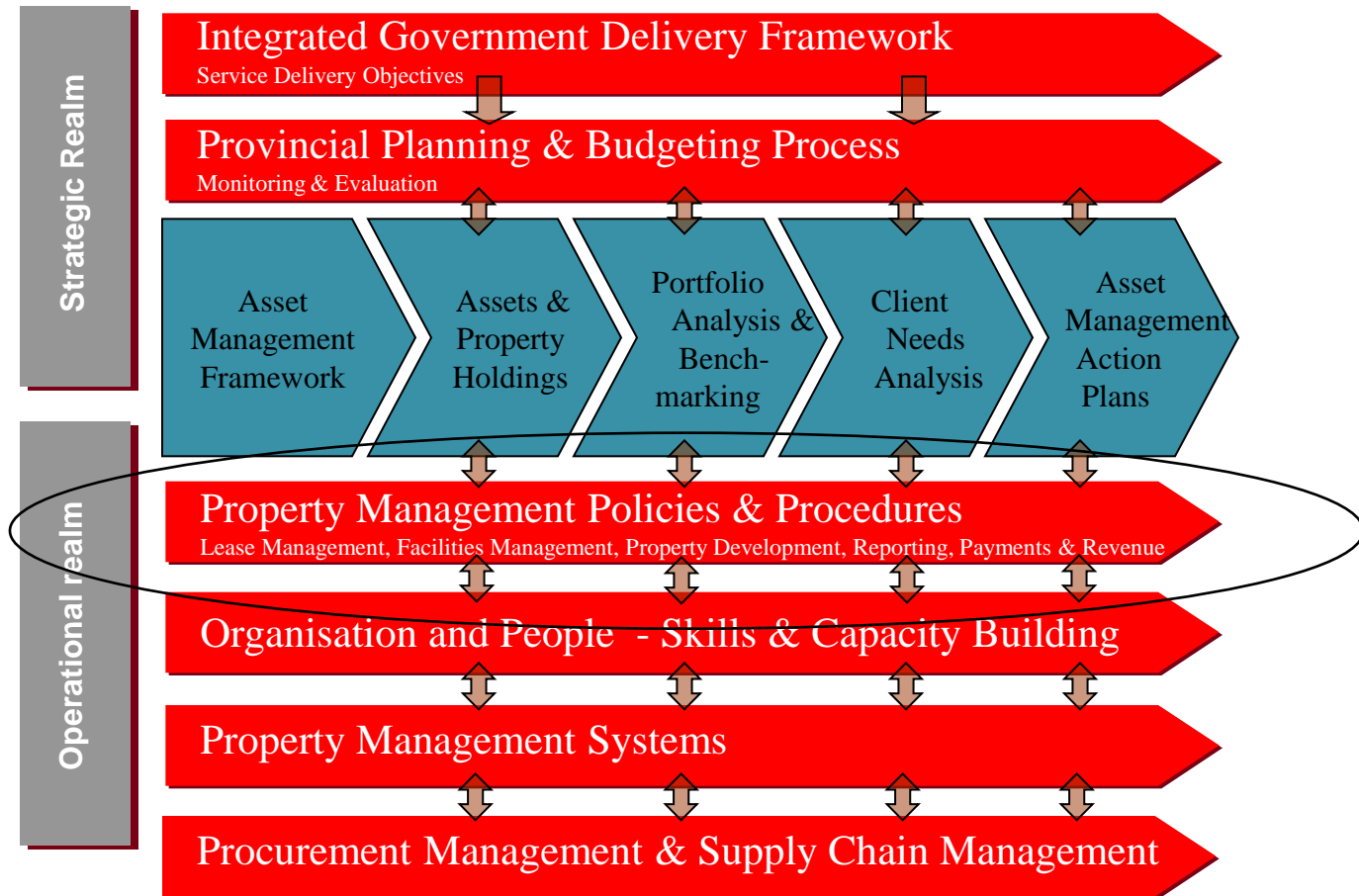


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# Custodian of provincial government immovable assets and provider of sustainable infrastructure of for service delivery

## ASSET MANAGEMENT MODEL





# Legislative Context

The administration and management of provincial immovable assets is guided by two pieces of legislation:

- Eastern Cape Land Disposal Act, Act 7 of 2000
- Government Immovable Asset Management Act, Act 19 of 2007

## Eastern Cape Land Disposal Act, Act 7 of 2000

- Governs the acquisition and disposal of land owned by the ECPG
- Give right to the Premier or Delegated MEC right to dispose
- Rights and limitations to sale
- Delegations to MEC
- Financial Provisions
- Policy Guidance



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# Legislative Context

## Government Immovable Asset Management Act, Act 19 of 2007

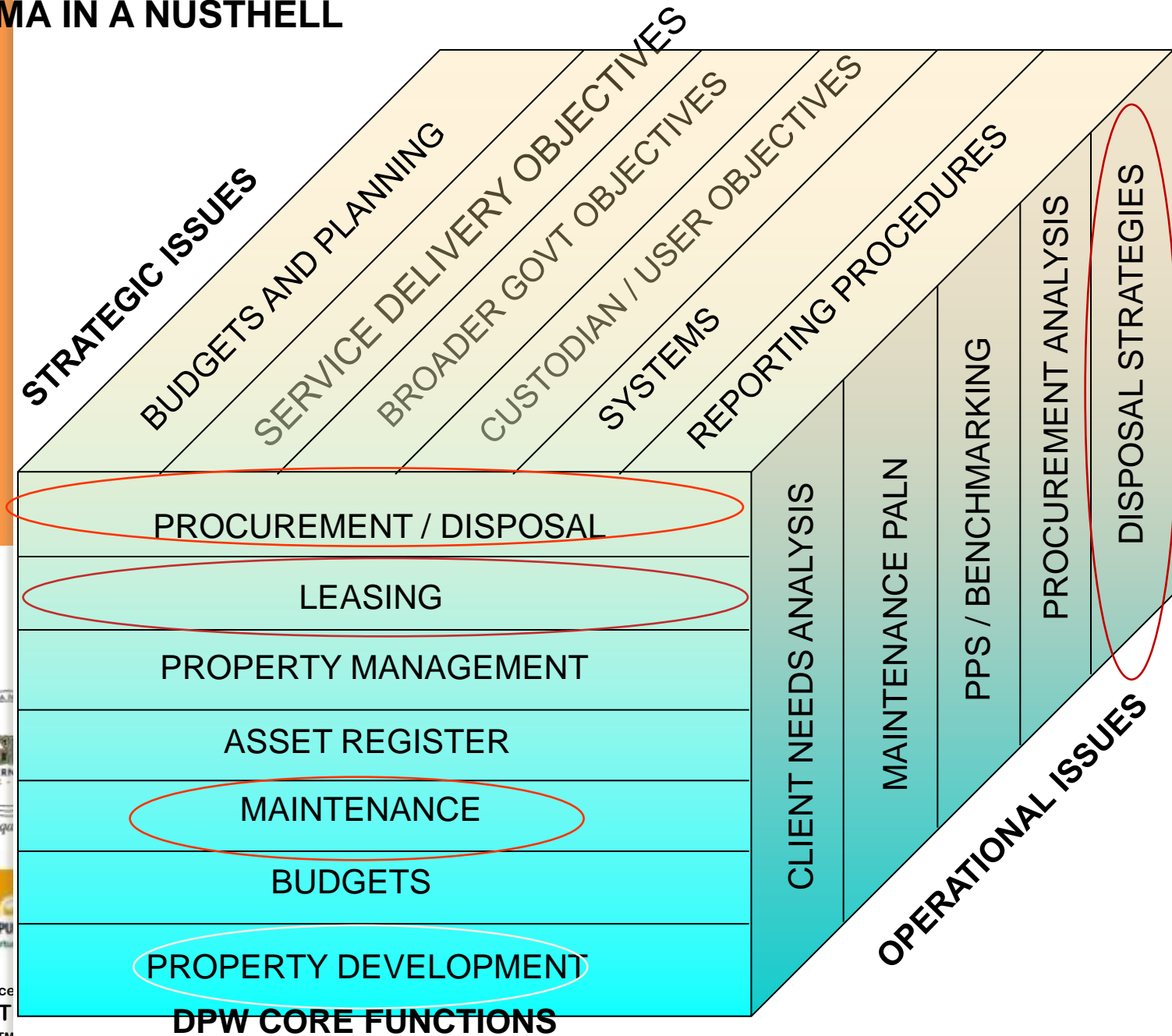
- to provide organs of state with guidance in respect of the management of immovable assets throughout their life-cycle;
- to establish uniformity and ensure the application of minimum requirements in managing immovable assets and the related delivery of services;
- to enable the whole of government to ensure demonstrable linkages between service delivery and immovable asset resource planning and co-ordination;
- to establish accountability for the effective, efficient and transparent management of immovable assets; and
- to ensure that decision-making by individual organs of state takes place within a government-wide common framework.



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# GIAMA IN A NUSTHELL



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# DISPOSAL POLICY CONTEXT AND PRINCIPLES



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# Policy Principles

To give effect of GIAMA and EC State Land Disposal Act created the Disposal of Immovable Assets as a Custodian

- To guide the activities of the *Custodian* to achieve the objectives of the legislation regulating the administration and disposal of immovable properties.
- To sketch the environment in which the *Custodian* disposes immovable assets based on the information supplied by the User Departments in their asset management surrender plans contained in the User Asset Management Plans (U-AMPs).
- To implement fair, transparent and competitive processes for disposal to enable maximum revenue benefit and to ensure that the socio-economic and transformation objectives of the Province are met.



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# Policy objectives

- Supports service delivery objectives
- Due consideration
- MEC disposes ito delegation
- Asset Disposal Strategy and Management Plan must take cognisance of Asset Surrender Plans
- No official or person employed by the Provincial Government
- Allows for Disposal to a different sphere of Government



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# Disposal Mechanism\*



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# Choice Of A Disposal Mechanism \*      Limitation On Disposal\*

- Satisfies transparency requirements
- Adequate and equal opportunity
- Best return
- Adverse environmental impacts
- Legal requirements
- Supports socio-economic objectives
- Address historically skewed ownership

- Strategic significance
- Heritage significance
- Environmental significance
- Socio-economic value
- Government objectives
- Legal status and the presence of encumbrances
- Can't dispose merely because it's old
- May have future value



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# SMALL TOWN POLICY FRAMEWORK



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# Small Town Policy Framework

Phase 1 : Setting the scene

Phase 2 : Establish the Task Team

- Signature of MOA

Phase 3 : Perform Land Audit and Develop SDF

- Signature MOU

Phase 4 : Implement Recommendations (Disposals)



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# HIERARCHY OF PLANS



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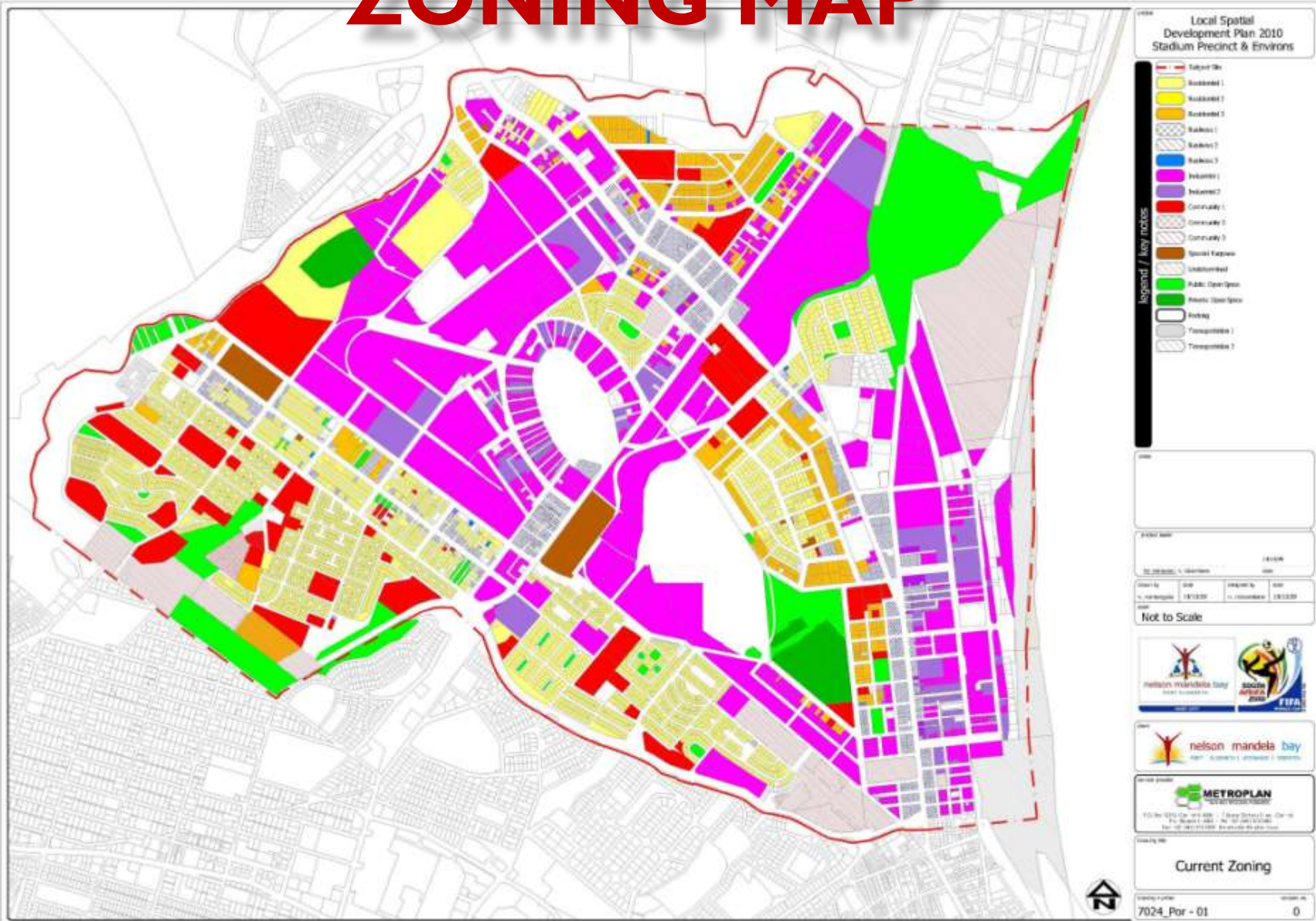


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# ZONING MAP



# INDENTIFIED TOWNS



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# Identified towns

Alfred Nzo	Mt Ayliff Mt Frere*
Amatole	Peddie * Hamburg Alice * Bhisho/King*
Cacadu	Alexandria Somerset East
Chris Hani	Engcobo* Cofimvaba* Cala
OR Tambo	Port St Johns* Bizana* Tsolo* Libode



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- Government investment across the space economy must be guided by the principles contained in the National Spatial Development Perspective (NSDP). This means that whilst investment in basic infrastructure and services should occur across the board, when it comes to economic fixed capital formation, limited resources should be applied strategically and investment should go into areas that will yield the highest impact in terms of economic output, employment creation and poverty reduction.



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# Questions and Thank You

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