

DA: tens of millions squandered on DTI Aerospace Project

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Tens of millions of rands have been squandered on the Centurion Aerospace Village (CAV), initiated by the department of trade and industry (DTI), with nothing to show for it, the DA says.



Darren Olivier via [Wikimedia Commons](#)

The Democratic Alliance's deputy economic development spokesperson, Patrick Atkinson, in a prepared statement delivered outside the CAV on Thursday morning, said the CAV was initiated by the DTI in 2006. It was reportedly meant to grow the country's aerospace and aviation industries.

The DTI had not responded to questions sent to them at the time of publication.

"Sadly, all that exists seven years later is a vacant plot of barren land, characterised only by a few piles of sand and enclosed by a rusted barbed wire fence," said Atkinson. He said he first became aware of the CAV after a parliamentary oversight visit to private aircraft components company Aerosud in January, where MPs were told of the adjacent CAV.

Following parliamentary questions to Trade and Industry Minister Rob Davies, it was revealed that between the 2010/11 and 2014/15 financial years, costs totalled around R95m.

Davies said that the first company to move into the village was Aerosud in January 2012, a claim a senior executive at the company has denied.

"The same reply revealed the existence of a DTI mandated forensic report following a forensic investigation by private company Nexus, into the financial and administrative irregularities at the CAV," Atkinson said.

PAIA application

"After an application in terms of the Promotion of Access to Information Act, the DA was furnished with a heavily redacted and censored forensic report." Despite the redactions, the report indicated "maladministration and unauthorised

expenditure running into the millions under the DTI's watch".

Among the report's findings, dated June 18 2014 were:

- A tender of R65m for bulk earthworks and infrastructure being irregularly awarded with 10 of 11 bidders disqualified for false reasons. The disqualification of the 10 bidders would "not withstand scrutiny if challenged in a court of law", the report stated.
- Approval by the CAV's board, executive committee and management could not be found for the appointment of five service providers to the approximate value of R84.99m.
- The report found a reasonable suspicion of fraud and corruption in total catering expenditure of around R1.142m. It recommended, in line with legislation, that the DTI report this to police.

A 'turn-around strategy'

"According to minister Davies, a 'turn-around strategy' has subsequently been put in place encompassing a strengthened management and financial framework, the imminent appointment of a suitable CEO, and the strengthening of the board," Atkinson said.

"It is thus incumbent on Minister Davies to present this turnaround strategy to a special joint committee on trade and industry and economic development in Parliament."

Atkinson said the CAV was often highlighted as a government success story at both the trade and industry, and economic development committees. This was "entirely disingenuous" as the project was a complete flop, he said.

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