

**MINISTRY**

**HUMAN SETTLEMENTS**

**REPUBLIC OF SOUTH AFRICA**

Private Bag X645, Pretoria, 0001. Tel: (012) 421 1309, Fax: (012) 341 8513

Private Bag X9029, Cape Town, 8000. Tel (021) 466 7603, Fax: (021) 466 3610

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: PQ 1699 (NW1940E)**

**DATE OF PUBLICATION: 12 MAY 2023**

**Mr J Engelbrecht (DA) to ask the Minister of Human Settlements:**

Whether she will furnish Mr J Engelbrecht with a comprehensive breakdown of the procurement allocation of (a) her department and (b) every entity reporting to her in terms of the percentages allocated to (i) small-, medium- and micro-enterprises, (ii) cooperatives, (iii) township enterprises and (iv) rural enterprises with a view to evaluating the effectiveness of the set-aside policy of the government in fostering an inclusive and diverse economic landscape in the (aa) 2021-22 financial year and (bb) since 1 April 2023.

**REPLY:**

1. The National Department of Human Settlement’s procurement allocations.

**(aa)** In respect of **2021-22 financial year**, the National Department of Human

Settlements procured over fifty five percent (55%) of goods and services

from suppliers and service providers who are on B-BBEE level 1-4.

i) The procurement allocation is R 60 988 816,96

ii) Procurement from co-operatives R 0,00

iii) Township enterprises R 2 154 021,48 and

iv) Rural enterprises R 2 162 825,54.

**April 2023**

In respect of **2022/23 financial year**, the National Department of Human

Settlements procured over ninety seven percent (97%) of goods and services

from suppliers and service providers who are on B-BBEE level 1-4.

i) The procurement allocation is R 23 334 019,86

(ii) Procurement from cooperatives R 0,00

(iii) Township enterprises R 2 162 825,54 and

(iv) Rural enterprises R 327 122,75.

1. **Entities Reporting to the Minister**
2. **Community Schemes Ombud Service:** The Community Schemes Ombud Service does not have specific targeted procurement spend allocations for the procurement categories mentioned by the honourable member. However, the Community Schemes Ombud Service has since determined that it spent (i) R42 374 176 (74%) on small-, medium- and micro-enterprises during the (bb) 2021/22 financial year.
3. **Property Practitioners Regulatory Authority:** The Property Practitioners Regulatory Authority has advised the Department that it did not record any percentage procurement spend for (i) small-, medium- and micro-enterprises (ii) Cooperatives, (iii) Township and (iv) Rural Enterprises during the (aa) 2021/22 financial year.
4. **Social Housing Regulatory Authority:** The Social Housing Regulatory Authority spent eighty-five percent (85.61%) on (i) small-, medium- and micro-enterprises during the (aa) 2021/22 financial year. No percentage procurement spent for (ii) Cooperatives, (iii) Township and (iv) Rural Enterprises has been recorded by the Social Housing Regulatory Authority during the (aa) 2021/22 financial year.
5. **Housing Development Agency:** The Housing Development Agency does not have specific targeted procurement spend allocations for the procurement categories mentioned by the honourable member. The Housing Development Agency targets procurement spend on women, youth and persons with disabilities in line with Government’s empowerment object. The results are as follows:
   1. Procurement spent targeted at businesses owned by women amounting to R536 025 527. 97 (8.12%) during the (aa) 2021/22 financial year.
   2. Procurement spent targeted at businesses owned by youth amounting to R334 757 829. 86 (2.92%) during the (aa) 2021/22 financial year.
   3. Procurement spent on businesses owned by persons with disabilities amounting to R124 981 016. 18 (0.53%) during the (aa) 2021/22 financial year.
6. **National Housing Finance Corporation:** The National Housing Finance Corporation does not have specific targeted procurement spend allocations for the procurement categories mentioned by the honourable member. However, during the (aa) 2021/22 financial year, the National Housing Finance Corporation targeted the procurement of goods and services from Broad Based Black Economic Empowerment (B-BBEE) firms level 1 to 4. Due to the nature of competition and service required it is not always practical to purchase goods and services from the targeted B-BBEE levels. The National Housing Finance Corporation procured over seventy five percent (75%) from suppliers and service providers who are on B-BBEE level 1-4, specifically:
   1. Level 1: R62 195 048.84 (66%)
   2. Level 2: R4 168 264.19 (4%)
   3. Level 3: R5 407 730.74 (6%)
   4. Level 4: R6 880 403.03 (7%)
7. **National Home Builders Registration Council:** The National Home Builders Registration Council does not have specific targeted procurement spend allocations for the procurement categories mentioned by the honourable member. However, the National Home Builders Registration Council can report actual procurement expenditure as follows:
   1. Procurement spent on businesses owned by women amounting to R4 187 541.17 (18%) during the (aa) 2021/22 financial year.
   2. Procurement spent on businesses owned by youth amounting to R1 261 913.85 (7%) during the (aa) 2021/22 financial year.
   3. Procurement spent on businesses owned by persons with disabilities amounting to (0.3%) R12 289.37 during the (aa) 2021/22 financial year.