

**MINISTER**

**HUMAN SETTLEMENTS, WATER AND SANITATION**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1809**

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**Mr P Sindane (EFF) to ask the Minister of Human Settlements, Water and Sanitation:**

(a) What are the reasons that the Kwa-Masiza Hostel in Ward 17 of the Emfuleni Local Municipality is still incomplete despite the huge amount of funds pumped into the project by her department, (b) who were the appointed contractors for the specified project, (c) what budget has her department allocated for the project, (d) what are the reasons that the security company left the site unguarded and (e) what amount did her department pay the security company? NW2202E

**REPLY:**

(a) The Gauteng Department of Human Settlements refurbished the Kwa-Masiza Hostel under the CRU Program. The three (3) and four (4) bedroom units were upgraded to serve as rental stock for qualifying beneficiaries. Residents that did not qualify for the rental option were accommodated under the subsidy scheme upon the approval process.

The completed units were made available to qualifying beneficiaries but due to unaffordability, the hostel residents refused to take occupation of the units. In addition, the project was plagued by various implementation challenges related to service providers on site which led to subsequent delays in the roll out of the development and inevitably the project was stopped.

The Auditor-General found that the continued payment of security services from the Human Settlements Development Grant (HSDG) to guard the stopped project would result in irregular expenditure on the part of the Gauteng Department of Human Settlements (GDHS). Consequently, the GDHS took a decision to withdraw all the security services from the project, which led to invasion and vandalization of the properties.

The Gauteng Department of Human Settlements has established a steering committee comprised of MMCs, Project Managers and the Local Councillor with the purpose of reviving the project and finding solutions to challenges that caused it to come to a standstill.

(b) Honourable Member, I am constrained and prohibited by the document titled “*Guide to Parliamentary Questions in the National Assembly”* from providing the names of companies as requested. The document referred to states that:

***“****Questions are to be framed as concisely as possible. All unnecessary adjectives, references and quotations are omitted.* ***Names of persons, bodies and, for example, newspapers are only used in questions if the facts surrounding the case have been proven. As the mere mention of such names could be construed as publicity for or against them, it should be clear that this practice is highly undesirable.*** *If a question will be unintelligible without mentioning such names, the Departments concerned are notified of the name (-s) and this phrase is used:* ***".......a certain person (name furnished)”.***

(c) The Gauteng Department of Human Settlements plans to revive the development of the project and has set aside a budget of R4 000 000.00 (four million rand) for the initial assessment and repackaging of the project. The plan is to redevelop the hostel into walk-up family units.

(d) The GDHS was cautioned by the Auditor-General and the National Department of Human Settlements against the use of the Human Settlement Development Grant to pay for non-housing related costs. The Division of Revenue Act (DORA) is clear that the HSDG should only be spent on housing costs. The continued payment of security services from the HSDG exposed the GDHS to irregular expenditure. In 2018, the GDHS took a decision to discontinue payments for security services to guard the project and withdrew the security company from the site.

(e) The GDHS made no payment to the security company due to a lack of the Portfolio of Evidence on the part of the claimant.