**NATIONAL ASSEMBLY:**

**QUESTION FOR WRITTEN REPLY:**

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**Ms H Ismail (DA) to ask the Minister of Tourism:**

Whether, in order to better understand the financial implications and underlying reasons for the non-completion of the tourism projects, she will (a) furnish Ms H Ismail with a detailed analysis of the initial financial allocations to each contractor, (b) disclose the specific reasons behind the failure to complete each specified project within the original scope, budget and timeline, (c) specify the additional funds allocated to the Development Bank of Southern Africa for the completion of each project and (d) outline any measures taken to mitigate such issues in future tourism-related contracts; if not, why not, in each case; if so, what are the relevant details in each case? NW2076E

**REPLY:** I have been informed by the Department that the initial implementers budgets allocated to each project are as tabulated below:

| **Prov** |  | **Project Name** | **(a) Initial allocation to each contractor** | **(b) Reasons behind the failure to complete each project within the original scope, budget and timeline** | **(c) Additional funds allocated to the DBSA for completion of each project (construction value)** |
| --- | --- | --- | --- | --- | --- |
| **EC** | 1 | Qatywa Lodge | Budget:  R 23,750,000  Exp: R 23,288,668 | Incomplete chalets, restaurant and conference centre due to budget depletion. | R 32,802,163.00 |
|  | 2 | Western Tembuland Lodge | Budget:  R 10,449,156  Exp: R 10,382,358 | Incomplete chalets, entrance guard house due to budget depletion | R 23,437,638.25 |
|  | 3 | Maluti Hiking and Horse Trail | Budget:  R 4,750,000  Exp: R 4,749,987 | Poor workmanship on the river crossing bridges | R 18,160,388.15 |
|  | 4 | Mthonsi Lodge | Budget:  R 28,215,000  Exp: R 27,531,883 | Incomplete chalets, restaurant and conference centre due to budget depletion. | R 31,072,567.60 |
|  | 5 | Nyandeni | Budget:  R 7,600,000  Exp: R 7,546,800 | Chalets completed however not furnished. Lack of maintenance over time. | R19,023,014.80 |
| **FS** | 1 | Qwa Qwa Guest House | Budget:  R 34,234,974  Exp: R 34,001,662 | Incomplete chalets due to budget depletion. | R21,120,795.06 |
|  | 2 | Vredefort Dome Interpretation Centre | Budget:  R 3,009,453  Exp: R 2,927,652 | Interpretation Centre completed however there were structural defects due to geotechnical instability. | R24,160,892.96 |
|  | 3 | Monontsha Access Road | Budget:  R 12,629,500  Exp: R 12,548,922 | Incomplete access road due to budget budget depletion. | R6,726,894.01 |
| **KZN** | 1 | Muzi Pan | Budget:  R 12,447,480  Exp: R 11,887,690 | Chalets completed however with some defects/ poor workmanship. | Contractor not yet appointed |
|  | 2 | Isibhubhu | Budget:  R 15,000,000  Exp: R 14,889,708 | The project was completed however it could not be handed over without occupation certificate. | R29,918,570.53 |
| **LP** | 1 | Phiphidi Waterfall | Budget:  R 29,477,099  Exp:  R 23,264,771.67 | Incomplete chalets. Contractual disputes with the Implementing Agent whose contract lapsed. | Contractor not yet appointed |
|  | 2 | The Oaks | Budget:  R 26,550,216  Exp: R 25,483,869 | Incomplete chalets and restaurant due to Contractual disputes with the Implementing Agent whose contract lapsed. | R25,807,207.29 |
|  | 3 | Ngove | Budget:  R 20,133,951  Exp: R 19,993,013 | Some chalets not completed due to budget depletion. | R29,988,483.30 |
|  | 4 | Tisane | Budget:  R 18,810,000  Exp: R 18,299,799 | Incomplete chalets due to budget depletion | R27,463,083.70 |
|  | 5 | VhaTsonga | Budget:  R 9,185,000  Exp: R 9,068,064 | Incomplete rondavels and poor workmanship and budget depletion. | Contractor not yet appointed |
| **NC** | 1 | Kamiesburg | Budget:  R 5,100,000  Exp: R 4,815,074 | Incomplete ablution facilities, campsite and chalets due to budget depletion. | Contractor not yet appointed |
|  | 2 | Platfontein | Budget:  R 32,206,320  Exp: R 32,072,057 | Chalets and kitchen completed. Structural defects post completion due in part to geotechnical issues and drainage. | Contractor not yet appointed |
| **NW** | 1 | Manyane Lodge | Budget:  R 48,465,113  Exp: R 47,884,114 | Incomplete restaurant. Conference centre not done. Damages on the completed chalets from a fire and vandalism. And budget depletion. | Contractor not yet appointed |
|  | 2 | Lehurutshe Bird and Trophy Hunting | Budget:  R 2,827,500  Exp: R 2,809,808 | Completed, not ready to be handed over due to lack of Occupation Certificate . | Contractor not yet appointed |

**(d) Measures taken to mitigate such issues in future tourism related contracts**

I have been informed that the Department has aligned its processes to the Framework for Infrastructure Delivery and Procurement Management (FIPDM), and also partnered with the Development Bank of South Africa (DBSA) which has requisite built environment capacity and is assisting the Department with the following:

a) Provision of infrastructure delivery, including planning, design and construction through a multi-disciplinary team of professionals and technical specialists and

b) Exercising effective project controls, monitoring and reporting in line with applicable norms and standards.

c) I have met with DBSA to discuss the poor performance and advised the Department to establish a project management unit to conduct oversight.