###### National Assembly

Question Number: 787

**Mr C H H Hunsinger (DA) to ask the Minister of Transport:**

(a) What are the full details of the reasons that the construction of the Dunnottar train manufacturing facility in Ekurhuleni, Gauteng, has been delayed, (b) what financial losses have been experienced due to the delay in construction of the specified facility, (c) how have the financial losses incurred been recouped, if at all, and (d) (i) who has been censured in this regard and (ii) what are the further relevant details? NW906E

**REPLY**

1. The construction of the Local Factory at Dunnottar Park, Ekurhuleni was delayed due to conditions arising from the requisite Environmental Authorization and obtaining a Water Use License for the site before commencement of the construction activities. Both causes of the delay were due to wetland area that surrounds the site. In August 2014, PRASA applied for the Environmental Authorization and the approval was granted by the Department of Environmental Affairs on the 27th March 2015. However, the approval was granted on condition that PRASA amend the factory site plans due to the wetland area that surrounds the site. PRASA and Gibela made the requisite adjustments and submitted the revised application to the Department of Environmental Affairs for the final approval. This final approval was received on the 17th August 2015.

PRASA was required to obtain a Water Use License before commencement of the construction. PRASA submitted an application to the Department of Water and Sanitation for the Water Use License (WUL) after the environmental authorization was granted. The original target date for obtaining the WUL was the 29th September 2015. However, PRASA obtained the WUL on the 1st December 2015.

1. As it currently stands, PRASA has not experienced any financial losses. In line with the contractual agreement, PRASA and Gibela are currently assessing the exact nature of the financial impact of the delay. PRASA and Gibela are undertaking a rigorous process to interrogate any claims of financial impact to the programme, including an independent audit of the claims. Once the assessment has been conducted and the necessary reviews completed, PRASA will notify all stakeholders of the status and nature of the claims.
2. As stated above, PRASA has not sustained any financial loses.
3. i) No censuring is required as the delay was beyond PRASA’s control and is managed though the provisions of the contract.

ii) On the 8th December 2015, PRASA provided Gibela with access to the Factory Site to commence construction. Gibela has since appointed Trencon (a black owned construction company, based in Ekurhuleni) to perform plant rescue and relocation, build a nursery and maintain rescued plants and Bulk Earth Works. The plant rescue and relocation was a key condition from the Environmental Authorization.

To date, Gibela has performed site setup for the first set of activities and have performed plant rescue. Furthermore, Bulk Earthworks commenced in mid-February 2016 and is expected to be completed by end of May 2016.

On the 4th March 2016, the Department of Transport, PRASA and Gibela lead by the Minister of Transport performed the Sod Turning for the Local Factory.