

OVERSIGHT VISIT REPORT OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS, CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS CONDUCTED AT EMZINONI EXTENSION 13 AND 23 INTERGRATED RESIDENTIAL DEVELOPMENT PROGRAMME (IRDP) PROJECT, AT GOVAN MBEKI LOCAL MUNICIPALITY - DEPARTMENT OF HUMAN SETTLEMENTS – 12 AND 13 SEPTEMBER 2017

1. INTRODUCTION

The Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs (the Committee) conducted oversight over the Department of Human Settlements as mandated by Section 114 of the Constitution of the Republic of South Africa, to oversee the performance of the Department of Human Settlements (the Department), and hold it accountable through various measures.

The Taking Legislature to the People (TLP) project took place at Govan Mbeki Local Municipality from 12 – 13 September 2017.

2. PURPOSE OF THE SITE VISIT AND A PUBLIC HEARING

- ❖ The purpose of the site visit was to assess the progress made by the Department in providing quality housing project and adherence to policy prescripts guiding to Human Settlements.

- ❖ To obtain the views from the Govan Mbeki Local Municipality (Bethal) community on the provision of the basic services.

3. METHOD OF WORK

In preparation for the TLP, the Portfolio Committee after the approval of the Legislature programme, invited the Department to the TLP and be part of the oversight visits to be conducted on 12 and 13 September 2017. The invitations were also extended to South African Local Government Association (SALGA), the Executive Mayor for Govan Mbeki Local Municipality, the Councillors), Public Service Commission (PSC), Auditor General's Office, Provincial Treasury and Community Development Workers (CDWs).

The Committee then met on 12 and 13 September 2017 to conduct oversight over the Department of Human Settlements on service delivery. The Committee thereafter met on 04 October 2017 to consider the draft Committee report.

4. OBSERVATIONS

- ❖ The MEC for Department of Human Settlements, Mr SK Mashilo and his HOD, Mr K Masange were not in attendance during the oversight visit and in the public hearing.
- ❖ The Rhulani Projects contractor has handed over eighty six (86) houses to the rightful beneficiaries which were identified through the municipality; and was terminated on 30 July 2017 due to poor performance.
- ❖ Thirty one (31) remaining units will be completed by the new contractor which is XJR construction.
- ❖ The units are built in the already serviced sites with access to water, sewer and road networks.

5. PRESENTATION ON EMZINONI EXTENSION 13 AND 23 - INTERGRATED RURAL DEVELOPMENT PROGRAMME (IRDP) - (GOVAN MBEKI LOCAL MUNICIPALITY)

5.1. Brief background on the project of Ext. 13 and 23

The Acting District Director, Ms Charlotte Poulton gave a brief overview that the Department of Human Settlements draws its mandate from Outcome 8 of the National Development Plan which is Sustainable Integrated Human Settlements and Improved Quality of Household Lives. Furthermore, the Acting District Director reported that the project started in 2014, based in Emzinoni Township Ext 13 and 23 in Govan Mbeki Local Municipality. She also reported that the area is located in a formalised Settlement.

She also reported that the contractor (Rhulani Projects) was appointed to deliver one hundred and seventeen (117) planned units with approved beneficiaries. Its total allocated budget was R14 202 411.15. The total expenditure to date is R9 922 947 82 with a total number of 86 beneficiaries.

She further reported that Local laborers have also benefitted from Rhulani projects through fifty (50) jobs which were created before the contractor could be terminated (30 July 2017).

5.2. Challenges raised by the Department

- Beneficiaries have not received title deeds

6. COMMENTS MADE BY THE COMMITTEE

Title Deeds

The Committee wanted to know why the Department has not handed over the title deeds to the rightful beneficiaries. In its response the Department reported that the municipality together with the Legal Section of the Department will facilitate and ensure that the beneficiaries are issued with their title deeds.

Completion of 31 outstanding units

The Committee wanted to know when the new contractor would commence and complete the 31 units. The Department reported that the new contractor XJR construction is currently underway; the new contractor has been given two months to finalise the 31 units. The Department further reported that the contractor was due to commence on August 2017, but due to disruptions by the business forum of Bethal, he was told not to build on site as the business forum wanted jobs to be created within the municipality. The Contractor requested the Department to intervene and eventually it was finally agreed by both parties for the business forum to be given twenty (20) units. The Department indicated that the remaining units will not be allocated a new budget.

The Committee also wanted to know the whereabouts of the contractor; citing that the business forum would not have been interfered if the contractor was from Gert Sibande District or from Govan Mbeki Local Municipality. In its response the Department indicated that the contractor's offices are in Secunda and its head office is based in Johannesburg.

The Committee raised a serious concern which was also raised by the community in a public hearing held on 12 September 2017; that the contractor established an office in Secunda just for this project and he may close down once-completed building the units; the Committee further wanted to know if these contractors employ people within the communities.

The Department in its response reported that the new contractor established an office due to a number of projects is doing within Secunda. The Committee resolved that the 31 units should be finalised within two months and that no additional cost should be given for the project.

6.1. Findings made by the Committee

After thorough interaction with the Department, the committee found that:

- a) A new contractor by XJR construction has been appointed to finish 31 outstanding units.
- b) Beneficiaries of the 86 completed and handed over households have not been given title deeds.
- c) The project has not fully utilized its allocated budget.

6.2. Recommendations made by the Committee

After the findings, the committee recommended that the department must:

- a) Strengthen its monitoring system to ensure that the new contractor (XJR Construction) adhere to its deadlines of two months and ensure that the 31 outstanding units are completed. A progress report to be submitted to the Committee by 30 November 2017 and thereafter on a quarterly basis.

- b) Fast-track the process of issuing out of title deeds working together with the COGTA (Municipalities) a progress report must be submitted to the Committee by 30 November 2017 and thereafter on a quarterly basis.
- c) Ensure that the remaining Budget of R4 279 464.00 is utilized efficiently and effectively to deliver the remaining housing units.

7. PUBLIC HEARINGS

The public hearing was held at Emzisoni Stadium (Bethal-Govan Mbeki Local Municipality) and the comments were as follows;

- Ms Thoko Ntuli had applied for an RDP House; she never occupied the house as it was given to someone else.
- When appointing contractors /consultants for projects within an area, preference should be given to the community members within the local municipality.
- It is alleged that bribes should be paid for title deeds.
- For the past 20 years, it was raised that there was no development in Kanana Village
- There is poor management of beneficiary list.
- Title deeds are not handed over on time to beneficiaries

7.1. Recommendation on a public hearing

The Committee recommends that the Department of Human Settlements must attend to issues raised at the public hearing.

The Chairperson requests the House to adopt the Committee Report with the findings and its recommendations. The Department must submit a detailed progress report to the Portfolio Committee on or before 30 November 2017.

8. CONCLUSION

The Chairperson wishes to thank the Hon. Members of the Committee, for their participation and contributions during the deliberations on the TLP site visits and public hearing. The Chairperson further extends her appreciation to the HOD, Mr. K Masange, Senior Officials of the Department of Human Settlements, the Speaker of Govan Mbeki Local Municipality, Mr NG Zuma, representatives of House of Traditional Leaders (HTL) South African Local Government Association (SALGA), representatives of Auditor General's Office, CDWs, Contractors as well as the Councillors and officials of Govan Mbeki Local Municipality for supporting the programme of the Committee.

Lastly, she also wishes to thank the Legislature support staff for supporting the Committee during the TLP.

HON. P NGOBENI

DATE

**ACTING CHAIRPERSON: PORTFOLIO COMMITTEE ON
HUMAN SETTLEMENTS AND CO-OPERATIVE GOVERNANCE &
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17/10/2017
DATE