

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1664 [NW1881E]
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1664. Mr H C C Krüger (DA) to ask the Minister of Finance:

- (1) What is the total investment made by the Jobs Fund to date in the Riversands Incubation Hub near Diepsloot in Johannesburg, which is a partnership between the Jobs Fund and Century Property Investments;
- (2) what additional funding has the Jobs Fund budgeted for the project;
- (3) what is the anticipated cost for each job created;
- (4) how does the cost for jobs created compare with other projects funded by the Jobs Fund?

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REPLY :

- (1) The total investment made by the Jobs Fund to date in the Riversands Incubation Hub near Diepsloot amounts to R383.47 million. The total amount approved for allocation to the project by the Jobs Fund is R405.97 million, and the matching contribution from Century Property Development amounts to R520.32 million. The total cost of the Riversands Hub project amounts to R926.29 million, comprising a hub facility investment of R855 million (92.3% of the total project budget), and R71.29 million in training, operations and management expenditure. The Hub is located within a commercial park of approximately 3 million m², with an overall development cost of R12 billion.
- (2) The balance of funding still available from the Jobs Fund for the Riversands Incubation Hub project is R22.5 million.
- (3) The Riversands Incubation Hub is expected to create 1372 new permanent jobs over the period 2013 to 2018, at a Jobs Fund cost per job of R295 000. This excludes temporary employment opportunities during construction and indirect job creation impacts. The location of the facility in a commercial park is intended to provide market linkage for SMMEs through partnerships with established enterprises and benefits associated with the growth in trade and business activity. The Incubation Hub will remain a centre of support for existing and newly-created SMMEs and informal enterprises beyond the time-frame of the Jobs Fund, and so its longer term employment impact is larger than this estimate.

- (4) The average Jobs Fund grant cost per permanent job commitment to date is R52 000. However, the cost per job in infrastructure projects such as the Riverside incubation Hub is typically considerably higher than this, partly because these projects have extended impacts on employment creation beyond the contracted employment commitments during the time-frame of the Fund.