



GAUTENG PROVINCE

SPORT, ARTS, CULTURE AND RECREATION
REPUBLIC OF SOUTH AFRICA

STATEMENT

To: All Media

Attention: News Editors and Journalists

Date: 01 June 2021

Response on allegations that the Department paid R16,5 million to service providers to administer R13million COVID-19 relief funds to struggling artists and athletes

The Gauteng Department of Sport, Arts, Culture and Recreation notes the unfortunate trend by DA Member Chabalala to continuously spread unfounded and misleading information to the public, despite being given all relevant documentation. As per responses sent to questions SP017 and SP037.

The latest version of lies spread by Chabalala as released in his statement, is a claim that the Department paid two entities; the Business Arts South Africa (BASA) and the Gauteng Sports Confederation (GSC) R16,5 million for the disbursement and administration of R13,2 million. Further suggesting that the department has questionable relations with the two entities and does not care about artists and athletes.

Lies, he has intentionally crafted void of the truth. This is despite the Department submitting responses to him as below detailed. For purposes of assisting him with simple mathematical calculations, the amounts are broken down and simplified for easier comprehension:

In responses to SP017, we indicate the following:

- That a total amount of R16, 546 200.00 has been paid to both BASA and GSC.
- With BASA receiving R9,946,200 inclusive of their 10% administration fee for artists, and the GSC receiving R6,600,000 inclusive of their 10% administration fee for athletes.
- A simple calculation of the above would have revealed to him that $R9,946,200 + R6,600,000 = R16,546,200$ (combined to both entities).
- From which we indicated that; R13, 206, 000.00 was paid to 2201 beneficiaries for both sports and arts, at R6000 each.
- Resulting in a remainder R3, 340, 200.00. Out of which the entities were paid their 10% which amounts to R1, 654, 620.00 (combined). Resulting in a surplus of R1, 685, 580.00 which they were requested to

hold onto until the finalisation of the appeals process, for payment of additional beneficiaries.

SP037, outlines the additional beneficiaries added as per the appeal process. And the following was indicated:

- That due to appeals by artists and athletes, and them submitting outstanding documentation as required by the Gauteng Audit Services (GAS). An additional 799 beneficiaries were further added.
- Resulting in the Department increasing the funds to BASA by R805 800.00 and to GSC to R646 000.00 to accommodate the additional beneficiaries.
- This therefore means a total amount of R17, 998,800.00 was been paid by the Department to 3000 beneficiaries (artists and athletes combined)
- And the two entities in question have been paid R1, 799 880.00 inline with the Service Level Agreement the Department has with them, to receive 10% of the total amount for administrative and disbursement purposes.

It would be illogical for the Department to pay R16,5 million to two entities as a management fee for them to disperse R13,2 million. Member Chabalala should know better than to rush to writing a statement and doing a door to door to media houses on nothing else but misinformation. As an MPL who has sworn to act with integrity, he has gone against his call of duty. In this regard the Department through the MEC will be reporting Member Chabalala to the Ethics Committee of the Legislature for his continuous gross misconduct.

Further disappointing is for journalists Kgothatso Madisa of Times Live and Botho Molosankwe of IOL to publish a story they have not verified, either through engaging the Department or reading through responses Chabalala has misread. This smacks of poor and gutter journalism, the Department will be requesting an apology accordingly from their media houses.

For media enquiries and more information, please contact:

Nkosana Mtolo
MEC's Spokesperson
Cell: 076 764 8442

Nomazwe Ntlokwana: Departmental Spokesperson
Cell: 083 507 8068
Email: nomazwe.ntlokwana@gauteng.gov.za

Issued by the Gauteng Department of Sport, Arts, Culture and Recreation