



**MINISTRY: HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

**SPEECH BY L N SISULU, MINISTER OF HUMAN
SETTLEMENTS ON THE OCCASION OF THE BUDGET VOTE
OF THE MINISTRY OF HUMAN SETTLEMENTS
18 MAY 2017
NATIONAL ASSEMBLY, PARLIAMENT**

Speaker,

Ministers and Deputy Ministers

Honourable Members of the Portfolio Committee on Human Settlements

MECs here present from Gauteng and KwaZulu-Natal

Members of Parliament and invited guests

I would like to acknowledge representatives of our Entities gathered here. I would like to recognise our stakeholders; our SMMEs and with the advantage of technology, to acknowledge our viewers and especially those who still wait for houses. I trust that through our deliberations today, we can reignite that dying flame of hope and set it alight, anew. We understand the fervent desire to get yourselves out of your circumstances. Through what we say today, may you believe in our attempts; that together we will continue to build a better world, a better future and a better nation.

Today is an auspicious day in my calendar, as it just happens to be the birthday of a humble man who gave all he could to the cause of freedom and gave me life, values and passion. I dedicate this Budget Vote to him – the late Comrade Walter Sisulu.

We have with us here today a young, outstanding, very special and brave seven year old boy, fighting against cancer for the past four years of his little life. A beautiful soul called Junaid. He is a special guest of mine and has become a passion as I join millions of others affected by the effects of this dreaded cancer.

Marie Curie, a double Nobel prize winner and well known to all of us for her pioneering work on the X-ray and in her attempts in the fight against cancer, observed in a sobering moment, in a conversation with a friend, the following remark:

“One never notices what has been done. One can only see what remains to be done.”

This is as true of cancer, with all the advances in its cure, as it is in our case in the issue of housing for our people. Working very hard, we are number one in the world in the delivery of subsidised housing for the poor, having now delivered close to 4.5 million houses and subsidies. And yet it is not that achievement that we see – it is that which still needs to be done – the millions who still live in appalling conditions.

Our communities are waging many struggles for better service delivery from their elected government and are continuously holding us to account on the promises that we have made to them. They wage a new struggle for self

expression and self actualisation when they take to the streets to demand better service from us. We have to give them the benefit of the doubt and attend to their expression of anger.

Last week we experienced a wave of protests around some areas in Johannesburg, notably Ennerdale, Eldorado Park and Joe Slovo Park. After gathering what information was available and bringing together all three spheres of government, we met with representatives of the protesting communities at the University of Johannesburg Soweto Campus on Sunday. The lady that all of you would have seen on television furiously spouting fire, her name is Marge, is a sober minded citizen who made it clear at our meeting that, though the protest was geographically located in previously Coloured areas, that the protests were not a Coloured problem – she herself being a Swazi.

The nub of the problem, she said, was that “here we are dealing with a huge problem of drug addiction, criminality, land invasion and overcrowding.” On hearing this well articulated statement, our first reaction to this was – but this is not purely a housing matter – it is a social dysfunction issue. But we soon realised our worst case situation.

That meeting, for us, put into perspective the reality of our situation: that the provision of decent human settlements is an essential first step towards a solution to address most of our social ills. It is no longer only about a constitutional right, a Freedom Charter directive and the basis for dignity. It is now more than ever about the restoration of normalcy in society, where so many social ills thrive in conditions of poverty, homelessness and squalor. That indeed the environment determines the consciousness of a people and

that a decent environment creates a different perspective, a different affirmation of self.

The full extent of our work was brought down to its lowest level of abstraction. So this is what human settlements is about: from cradle to the inevitable grave, every family must be settled in relative dignity, security, and access to opportunities that allow them to realise and fulfil the full potential, and the entire spectrum of that which would take us to a transformed society.

We left the university, having managed a difficult meeting of angry people to the end, and we went away very sober about the enormity of our task, but also very glad we responded to our people. Whatever our misgivings about the value of responding to the violence, whatever our distrust that these may have been engineered protests.

We were there, not only to provide solutions to real problems, but to show that we care and that we are a responsive government. What's more, it was all three spheres of government and their officials united in a common purpose. My gratitude to MEC Mashatile, Mayor Mashaba and Mayor Msimanga, for showing that whatever our differences, our people come first.

We have already, as of yesterday, started a process of registration of the people in affected areas, using mobile units so that we can update our data base. This we will replicate in all such areas. I will come back to the matter of the solutions we offered, because they are of general application. The plight of the people of Ennerdale is replicated country wide. It is the plight of backyarders, the plight of the excluded, the plight of those who live in compromised circumstances. It is about the restoration of their humanity.

We commend the leaders of the various communities for a very frank and robust engagement. We urge other communities to establish their own steering committees that will, together with their local councillors bring to the attention of government their urgent needs rather than resorting to violence to be heard. Beyond demystifying the perception of government as the sole deliverer of services, we were able to engage the communities about their own responsibilities. For every right in the Constitution, each citizen of this country has a responsibility. We should all use every opportunity to empower our people to understand that their own constructive efforts are an essential part of their own development.

In March, we were confronted in Cape Town by the tragedy of the annual fires in Imizamo Yethu in Hout Bay. A large section of Imizamo Yethu was devastated by fires that killed an entire family of three and it took us a whole week to find the burnt out remains of the child of the family. It destroyed 3 500 homes and displaced 15 000 people. Since then, there have been more deaths in that informal settlement, a vicious cycle of poverty, fires, destruction and death. Again my gratitude to MEC Madikizela and Mayor De Lille for the cooperative way in which the matter was dealt with.

In both engagements the most important undertaking we walked away with is the commitment that the communities will work with government and will abide by our laws. Land invasions will have to stop so that we can use the land to benefit the greatest number of people and that violence is not an acceptable form of protest.

Out of all of these experiences we have had to find quick solutions and we have had to think on our feet. We will introduce several policy initiatives that we have developed on the hoof, which will enhance our delivery range.

Policies and ideas grow and develop as we ourselves mature as a government. We in the Department are much clearer now about the scope of our own work. When we introduced the idea of Human Settlements in 2004 that was far and away the most radical policy we had had. But it gets more radical. The intent was to reverse Apartheid spatial damage, creating human settlements with all the social amenities. We piloted these in several provinces and we more or less have a blueprint of the fundamentals of this policy directive. But with experience we are beginning to define and put life into these fundamentals and through every hurdle we have experienced, through every difficulty, it has been a learning curve that we are glad we experienced and found solutions to.

At this point I would like to announce that we have put together a team to craft legislation on human settlements. And the time it has taken us to get to this point has been worthwhile because the policy is richer now than it was last year and the legislation will be a much more solid legal instrument.

Our quest to return to our people their cherished dignity is on course. Among our key priorities has been the provision of housing to **Military Veterans**. Our delay in rolling out this programme has been due to the fact that there has been no credible database from the Department of Military Veterans. I have established a Task Team to work around the clock to solve this. The team has had success in breaking the back of our problem. Within three weeks they have verified 1 440 military veterans and placed them in houses. To reach quick solutions we have offered the indigent the option to take up available 40m² houses.

Honourable Members, we come here every year to reconfirm our undying determination to offer every indigent citizen a fair chance at living in settlements that offer dignity, homes and viable communities.

We have to hasten the pace of delivery on an urgent basis. The use of **innovative material** is an absolutely essential response to our solution to build more houses right now. It is quicker and on scale cheaper. We'll have a phased-in approach to remove people from the most appalling conditions to decent temporary shelters before their final allocation. It will also help us weed out beneficiaries of the system and those who are double dipping. A Temporary Shelter Policy, as opposed to TRAs, which are disaster-linked, was approved by Cabinet in 2007 as a fast-tracking process with clear specifications.

This, coupled with the use of innovative material is the way we would like to go, because the one-track system of building is no longer sustainable. We need to diversify and time is not on our side.

We are now concentrating on serviced sites. The HDA has identified land for our purpose, ensuring that it is serviced. It will be partitioned and people would be able to move to their own stand and build their own houses, through a monitored PHP programme, managed by the Deputy Minister. These are now our urgent interventions for massive roll-out.

Secondly, I am of the opinion that we need clear cut responsibilities for metros and provinces, within the framework of the law, and insist on the monitoring of these. Part of what causes agitation is the disconnect between the two spheres.

Having completed the USDG policy, the responsibilities of the municipalities are very clear cut. They have to put the necessary infrastructure in place, maintain it, provide additional amenities required for human settlements and provide all the services that government is expected to provide, strictly monitoring adherence to the by-laws, which will help us cut down on the multiplication of informal settlements and keep our human settlements and cities clean. They also manage the allocation from the centralised database. We are putting in place time frames for all these processes.

In order for us to be at one over the human settlements problems that we face and will continue to face, let me sketch out the terrain we have to cover. Urbanisation is a real and growing trend, growing, in our case, at the rate of 2.4% per annum with more and more people now living in cities, with increasing pressure on ourselves and municipal services. The infrastructure in our cities is not coping with the rapid increase of the population. Our cities are struggling to be integrated and accessible, so the poor continue to spend a great deal of money on transport and energy. The wisdom of working together to move South Africa forward has never been clearer than it is now. It is now more essential that Municipalities, Provinces and National Governments cooperate and collaborate with each other in the development of housing and human settlements. It is time that we shift gear and get into serious inter-governmental contracting to plan, fund, implement and maintain human settlements.

Honourable Members, I announced a number of key policy and programme priorities in the past. It is therefore my intention today to report that we have indeed accomplished those goals we set ourselves.

What we promised we would do, we have done. Where we have had problems, we have found solutions.

We now have our own Bank, the Human **Settlements Development Bank** which has been established and will be launched on Friday morning. Members of the Portfolio Committee are invited to attend this occasion.

Supporting effective transformation of the human settlements sector is a key focus and this will be enabled by the provision of equity finance especially for emerging black entrants in the property industry. The outcome of which will be in line with government transformation objectives. This would require a fundamental shift from the ordinary banking mindset.

The Bank will facilitate the scaled up delivery of FLISP to qualifying beneficiaries in the GAP market, including the Government Employee Housing Scheme. The strategic focus of the Bank will be to facilitate the increased provision of finance across the human settlements value chain, and the specific priority for the Bank in this respect is the mobilisation of and the provision of finance for all planned catalytic projects. The Bank would be the asset that our struggling Black entrepreneurs have been waiting for.

I indicated that we will establish an **Ombudsman** Office to deal with issues of conflicts between contractors, Provinces and Municipalities and the perception of corruption in the sector. With the Ombudsman Office, we are setting up a structure that will mediate, work with all stakeholders to resolve disputes and cut through red tape for the best interests of the human settlements sector as a whole.

We have completed the process of appointing a Human Settlements Ombudsman, who is Mr Themba Mthethwa. He was previously the CEO in the Office of the Public Protector and CSOS. He has been laterally transferred into the post of Human Settlements Ombudsman. We will advertise for the position of a Deputy Ombudsman because of the enormity of the responsibilities. He will prioritise the complaints of our entrepreneurs that are going bankrupt because of the non-payment from the Provinces.

With our new approach of moving into **Catalytic Projects**, the cooperative approach I spoke of earlier will assist greatly. I can confirm that we have already embarked on 46 government led catalytic projects approved by MinMec on 24 November 2016. We are also currently scanning 86 project proposals received from 68 private sector companies, which offers land. Our contractual obligation will be the time frames and adherence to specifications. Our promise to deliver on scale will be fulfilled. After this allocation of the budget, South Africa will be turned into a construction site.

The successful delivery of the Catalytic Projects will make a substantial contribution to urban renewal and will be a huge job creation boost, both during and post development as we are going to change the environment in which our people operate as well as the complexion of the construction industry. The selection will encourage and support black and women owned contractors and construction companies that can produce on their own. There is no longer a need for female contractors to have a surrogate to reach their full potential. Finally we will have produced an industry that reflects the demographics of this country and will generate huge possibilities for SMMEs.

Transformation and inclusivity are the impetus behind this and it is through this vehicle that we are going to change the landscape in which our

urban population lives and works. Our aim is unashamedly radical spatial transformation through Integrated Development Planning, empowering the previously disadvantaged.

I have spoken about the challenge of the fair allocation of houses to people who qualified for housing benefit. I said that “We have investigated this matter of the waiting lists and have found that there is no credible data list against which a municipality can verify the waiting list and make appropriate allocations.”

I committed my Department to creating a **credible centralised database** of those legitimately waiting for a house. This will protect the integrity of the database and the system. It will also protect Councillors who are often accused of corruption in the allocation of houses. Citizens will be able to apply in designated areas for housing assistance and check their own details and place on the waiting list.

Since I made this commitment, my Department has worked tirelessly to build this database and made sure that it links through to transparent processes of applying for a housing opportunity. The information system, built on a web-based platform, is called the National Housing Needs Register (NHNR). The Housing Needs Register has 2.22 million records, and each record represents a household that registers a housing need over the last seven years. This places the Department in a stronger position to address people’s needs.

Chairperson, we have established a single national housing needs register (or database) that will be a single central reference platform and assist us in monitoring all housing programme planning and housing allocations. It is

possible to know and prioritise all persons in need of what type of housing, in which area and what they are able to contribute. In this regard, technological advances are proving to be the welcome wind in our sails. We are working together with Statistics South Africa and the Department of Science and Technology to build and govern the housing needs register.

I have since created a Task Team to expedite these processes so that we can have an efficient system of application and verification. In this we are joined by the CSIR, StatsSA and Black entrepreneurs.

We promised that we would upscale the delivery of **social housing**. The absorption capacity of the South African economy for good quality, high density, affordable rental housing (Social Housing) is 320,000 units. This need is outlined in the State of the Sector Report for 2016 published by the SHRA in March 2017. This demand for social housing is concentrated primarily around fourteen (16) urban areas where there is jobs growth and where the local economy is more buoyant (235,000 units in the Metros and 83,000 units in various Secondary Towns).

In order to enable large-scale development of social rental housing, I have approved and gazetted 138 restructuring zones across 38 municipalities. There are currently development applications for the SHRA to fund the development of 26,139 units spread across 54 projects.

We launched the biggest Social Housing development in the country with the President on 1 April 2017. On completion it will deliver one thousand housing units accommodating more than four thousand beneficiaries while improving their quality of lives through decent living.

On our **title deeds backlog**, a Ministerial Task Team of conveyancers and social mediators has been established to take over the project that had been transferred to the EAAB to clear the backlog. The provinces will deal with their current backlog, which is post 2014 and ensure that going forward the title deeds are processed on an ongoing basis. By the end of our term, no “happy letter” will be necessary. Title deeds will be handed out when houses are handed over.

Clearing the title deed backlog will stop the informal transaction of houses given as an asset in our poverty alleviation strategies. The result is a situation where in the past the absence of this resulted in the unregulated sale of houses. That has left us in a situation where houses meant for the alleviation of poverty of South Africans are now increasingly occupied by foreign nationals, creating distrust and alienation as opposed to creating integration.

From a municipal perspective, ownership obliges the owner to pay property rates and service charges for services received thereby contributing to the municipality’s ongoing sustainability. The responsibilities that come with formal ownership include paying the rates, where applicable, paying for services, maintaining the house and the plot, being considerate of neighbours, and ensuring that if the house is sold or if the owner dies, that the property is transferred to the next owner.

A Framework Agreement on the Establishment of a **Government Employees Housing Scheme** was signed in the Public Service Coordinating Bargaining Council under Resolution 7 of 2015 on 27 May 2015. The ultimate goal of the GEHS is to assist government employees to own homes. Accordingly, the GEHS seeks to realise the following objectives: Support,

educate and advise employees on housing options and opportunities; access to and purchase of houses on affordable terms; access to affordable housing finance including loans; and assist employees, and in some cases Departments, in rental housing solutions

The delay in fully implementing the scheme as agreed with Labour is regrettable. We would want to find common ground with the Unions and go past their frustrations as we implement this housing scheme that sets a benchmark in meeting employee housing needs.

Honourable Members, we must accept that there will always be pressure on the resources available to us to undertake the work before us. This propels us to seek greater efficiency and prudence in the use of allocated resources.

For the financial year 2017/18, the total budget available for the human settlements portfolio is R33.4 billion. I am certain Honourable members can appreciate that the budget available pales in comparison to the scale of the much needed human settlements interventions we seek to implement. We are therefore more determined to ensure that we create the necessary environment and shared understanding to blend public sector human settlements funding with private sector funding and investments.

The achievements of this department are enormous, even if I have to say it myself. These are too many to enumerate them now, but we'll package them in the form of a journal, so that there is a record of what this government has achieved in this sphere. To sum up our successes, our daily rate is truly amazing, measuring that we build 1 200 houses per day over 23 years, which means for every shack built, we have built ten houses. It is an amazing feat. But some of our successes are undermined by our people who

sell their houses. We are tightening our laws to make it impossible to sell a house before the prescribed eight year period and we will now include a clause to insist that this will be done only with approval from the State, because it is part of the State's safety net. We need to be convinced that the family no longer needs the safety net provided to them.

In line with tightening the laws around the sale of state subsidised houses there will be a clause that forbids the sale of subsidised houses to foreign nationals. Foreign nationals are urged to look to other forms of housing provided, such as social housing. The South African government would like all to understand that there are various housing options for everybody, but a free house is for an indigent South African.

Finally, it is always worth emphasising that the government is an enabler. We call on society to work with us to create their own future and help build their own houses. A house is the most fundamental need for humanity and it requires each one to play their part.

Chairperson, I received a call from the Chairperson of the Human Rights Commission, informing me of the terrible conditions of the family of the young man, Matlhomola Mosweu, 16 who died in Coligny. We have offered to build a house for his family, starting next week. We will ask our entities and SMME's to join us in this venture, together with the Human Rights Commission.

I thank you