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**ADDRESS BY L N SISULU, MP, MINISTER OF HUMAN  
SETTLEMENTS, AT THE NATIONAL DEVELOPERS AND  
CONTRACTORS' WORKSHOP  
13 SEPTEMBER 2015, PREMIER HOTEL, OR TAMBO  
INTERNATIONAL AIRPORT**

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Honourable guests

Ladies and Gentlemen

At the recent Govan Mbeki Awards I took the opportunity to indicate the enormity of the challenges we face presently, and have faced over the past five years. I indicated our failure to meet our stated objectives against a growing need and against huge inequalities that are opening up in our society and in our country – earning us the ignominy title of number one in the world on the inequality index.

Before I proceed, I need to give you the context of the current overall challenges insofar as our backlog is concerned. We live with an increasing backlog against declining delivery numbers. According to Statistics South Africa, based on the results of Census 2011, South Africa has 2 700 informal settlements, dotted across the country. These comprise 2.2 million households and are a combination of informal settlements and backyard dwellers.

I dread to think what the statistics are now as 350 000 is the number of households created annually, against a delivery of 140 000 houses annually. Our response has been dismally slow, as indicated by the figures I have just given to

you and very importantly for this particular environment, our response has been very shoddy. Both from ourselves and in particular, the industry. All of this against an inordinate increase in the subsidy quantum and a worrying trend of steadily diminishing capacity and skills at all three spheres of government, and a whole host of other shortcomings that you have so often and so eloquently articulated to me.

The poorest among our people pin their hopes on government and its ability to create an enabling environment, to allow them to claim their right to dignity, as we in our party so eloquently stated in 1955 when the Freedom Charter was adopted, and which is now enshrined in the Constitution.

I used the opportunity of the Govan Mbeki Awards to indicate that our delivery was so dismal that I had to think through why it was so dismal, in order for all of us to gear up and deliver on an acceptable scale. I have had time to think about this and, with the help of my advisers and senior officials, I think we might just use this opportunity to turn the tide.

The matter that we would like to focus on for this workshop seems to me to respond to our need for some kind of a Marshall Plan to get the country back to the productivity we once mastered; back to the productivity that is required; and back to the productivity that will respond to our need for a radical transformation of our situation. Nothing but radical is required in our country now.

You have all, no doubt signed our Social Contract in October 2014 and understood the implications and commitments behind that agreement. What we will be putting forward today is our part of that Social Contract. We will be formalising the basis of our contractual obligation in the subject of today's workshop: the catalytic projects. If we are successful today, these will reshape South Africa's human settlements landscape and help us to realise our target of 1.5

million houses. For us, this workshop is set to be a landmark event. It will realise our national department's ability to generate momentum in the delivery of human settlements, by creating both an enabling environment for the construction industry and making the necessary funding available for implementation and changing our spatial patterns.

I had indicated in our Budget Vote that we will be focusing on a different solution to our problems, by building on scale, finding different building technologies and by bringing to life substantial and radical intervention.

Today we wish to give colour, shape and content to projects of the size and major to catalyse our economy and our social infrastructure. Today, through our proposals for this new approach, we shall be laying down the basis of our response to your concerns about the environment in which you work. And today we want you to commit yourselves to solidify the much anticipated partnership.

We are well aware that without your strategic partnership there is no way that we can meet our people's vital expectations. We rely on your collaboration, co-operation and commitment to fulfil our mandate. We hold in high regard the role that you provide on a constant basis.

Through the projects that will be explained today, we will be opening a new frontier, based on the lessons we have learned from our previous experiences of large scale projects. This is the only way we can deliver on scale and get our returns for the money we have invested in human settlements. And it is the only way we can significantly break with the past and realise the concept of human settlements; the integration of our communities; and the concrete realisation of the reversal of apartheid spatial planning, and build a new reality for our people.

It is also the only way that we will be able to cut through the administrative delays that cause so much grief to the construction industry. We have behind us the experience of several mega projects, as I have indicated. These we have documented as we learnt. From these we will build a solid case history of what works and what does not, in pursuit of our responsibility. And it is against the experience of these pilot projects that we have had in the past that we will be giving you the details of how we will be going forward to the future.

My officials have for some time been working on the concept of the catalytic projects and these have been refined to the minutest details as possible. We have worked out what we are giving and what we expect to receive from developers and contractors. We have worked out the amount of public land that we will put at the disposal of developers and we have worked out how much private land is needed for the projects. We have worked out how much money we will be putting aside from the HSDG and the USDG. These amounts will be ring fenced and channelled through the HDA – our in-house developer of choice, to manage the 77 catalytic projects countrywide.

We have worked out the operational model from municipality to provincial to national level coordination. We have determined that through the HDA, our principal developer, we will be able to significantly cut down on all the concerns that you have raised with me and the department in the past around the State's lack of responsiveness to your needs.

We propose the following interventions from government:

- We will use the Stadia approach of 2010 with regards to Environmental Impact Assessments (EIAs) and many other processes of approval necessary during the implementation of the

mega projects. These will be treated as emergency, instead of the tradition long periods. I am committing to take this up with the relevant structures and ensure that all processes are understood and adhered to and endorsed through Cabinet.

- Through MinMec, I'll ensure intergovernmental coordination that is formalised.
- We hope to ensure the participation of smaller developers and contractors with whom the bigger developers will have to partner. These will include in particular women contractors.
- We hope to significantly reduce unemployment through our Youth Brigades, which will be attached to each mega project. These Youth Brigades are currently being trained in discipline and all those good qualities that make fine young people, willing to contribute to their own empowerment.
- The creation of a Human Settlements law, following the finalisation of the White Paper on Human Settlements, that will ensure that all involved in human settlements will understand their different roles and responsibilities.

The acting Director-General of Human Settlements will give the details of what we are committing ourselves to, in line with our stated objectives. I shall later indicate to you what I expect from you.

The mega projects will be a mix of different integrated settlements and here the Master Spatial Plan, developed by the HDA will be used to direct the various other departments whose interventions are necessary for the creation of the most basic human settlements, ie Health, Educations, SAPS and Social Development, who run the early development centres, etc. Our experience has shown that when

and where all these are in place, economic activity follows very quickly, opening up new opportunities for new jobs.

Through these projects we pledge our land, our funding and our subsidies. For each of these projects we will require that we enter into a Memorandum of Understanding that has very strict adherence principles, time frames, work ethics and the necessary penalty clauses.

Underpinning our collaboration and partnership will be a common commitment for all of us to do our best, to ensure that we can deliver to our people. Through these mega projects we hope to reflect a new determination and a new national ethos.

We will make these workshops annual gatherings, where we come together to reflect on how far we have come, what challenges we have faced and what lessons we have learnt. We will come together to share experiences and best practice. Through these workshops we hope that we would be able to intervene decisively where we have any blockages of whatever nature.

We have gone into great detail to work out all the implementation protocols and all the steps required for every project. My team has worked very hard to get to this point and I want to thank them for this. **For you, failure is not an option.** From where I stand, only success beckons and much of this depends on a common will, on common determination and a common purpose. From me you can expect total commitment and availability and I say this on behalf of the Deputy Minister, my senior officials and my advisers.

Through this intervention we have the potential to impact positively on our economy, absorb a huge percentage of the unemployed and create potential for the

growth of other related industries. I have been given great hope to get to this part, after the devastation that I outlined to you at the beginning of my interaction with yourselves.

Together we can etch our legacy in stone and build new post apartheid cities and a new post apartheid common identity. Construction has great potential for being an economic growth factor. Seize this moment, save our economy from the ravishes experienced by the mining sector and declining manufacturing sector. Give our people hope, because right now the wind blows below your wings.

Much is expected from us and much can be achieved. Let us show the world what is possible when a people come together, bound by a common passion to succeed and change lives. We have it in each one of us and this is your time to show it.

I thank you