

**ADDRESS BY L N SISULU, MP, MINISTER OF HUMAN
SETTLEMENTS, AT THE HUMAN SETTLEMENTS INDABA
16 OCTOBER 2014, SANDTON CONVENTION CENTRE**

- Programme Director
- Deputy Minister of Human Settlements, Ms Zoe Kota-Fredericks
- Minister of Cooperative Government and Traditional Affairs, Mr Pravin Gordhan
- Deputy Executive Director of UN Habitat – Dr Aisa Kirabo Kacyira
- MECs of Human Settlements
- Chairpersons and Members of the of the Portfolio Committee on Human Settlements and Select Committee on Social Services
- Executive Mayors
- Director-General of Human Settlements, Mr Thabane Zulu
- Deputy Chairperson of SALGA
- Chairperson and Members of Boards and Chief Executive Officers of all Human Settlements Institutions and Agencies
- MMCs of Human Settlements
- President of Slum Dwellers International (Delegates and Exhibitors)
- Representatives of the following countries
 - The Republic of Namibia (Exhibitor)
 - The Republic of Botswana (Delegates and Exhibitor)
 - The Ambassador of Austria
 - Republic of Turkey (delegates)
 - The Palestine Authority (delegates)
- Executives from international companies operating in South Africa
- All delegates, Ladies and Gentlemen

We have been here before with some of you in 2005. Those of us in government look at that period as the dawn of new thinking around housing development, at a time when we examined our own policies, their relevance and quickly caught on to world trends and adopted the groundbreaking approach of Integrated Human Settlements. What did come as a complete surprise to us at that Summit of 2005, was the level of support we received from the sectors we have here assembled today. It went way beyond the economic rationale we had taken advantage of. We, as government, had set ourselves an ambitious target and allowed ourselves to dream that the best was possible for us. Essentially, we knew that there was no way we could make it alone. And so we called a summit such as this one, in which we could bind ourselves, the private sector and our partners to

test the new policy and to achieve the goal we had set ourselves. It was a golden age of hope of new ways and enhanced delivery support.

We had realised then that unless we had a total mobilisation of the Banking Sector, the Private Sector, the NGOs and other stakeholders, we would not achieve what we had set ourselves to achieve. We successfully mobilised the stakeholders that helped us deliver 6 successful mega projects that helped us refine our policies and helped us exceed our own goals.

We used our collective muscle to test our new approach and our successes will speak for themselves later in our deliberations. I was excessively proud of our joint efforts. I had the opportunity at the recent budget vote debate to express my sincerest appreciation to the MECs who trod this path with me and now I would like to extend my gratitude to all those who cooperated with us to achieve what will always be a cameo in the history of human settlements in this country. For every major project we undertook there was a bank ready to provide support, not only financial support, but the banks, in fact, geared themselves to establish the necessary structures to have joint implementation capacity. Either out of naivety or carried away by our own enthusiasm, we managed to get the heads of all the banks in one room. Too late we realised we might have fallen foul of the Treasury rules in this collaboration - too late: the deed was done! Our profound appreciation to the Banking Sector. And a special appreciation to Cas Coovadia and the Banking Association of South Africa, whose belief in us allowed them to exceed the R42bn they had originally earmarked for us. May they continue to believe in us.

To the developers who had faith in us and our vision, we appreciate your support for our work. When it was not profitable to work in the human settlements environment we saw an exodus of the main construction companies – they mostly found their way to Dubai. But those who stayed with us can rightly be proud that together we created more than 1.2 million housing units in five years. Well beyond our target. Translating into 240 000 units a year, 20 000 units a month and 660 units a day. The challenge now is to out-do that and do it without having the many glitches we experienced then.

The Slum Dwellers International exposed us to new thinking, taught us that people are prouder of their achievements when they feel they have contributed to providing shelter for their families. They made us proud, so proud that they were nominees of the Nobel Peace Prize in 2014, because we bask in that glory too.

UN Habitat gave us the platform and used us to lobby for the prioritisation of human settlement on the world agenda. UN Habitat, you could not have chosen more committed partners for this. We are grateful for the exposure and the ability to stand here and claim we helped shape Human Settlements Policies for developing countries. And our woman contractors, what can I say? I just wish they

were more organized because they are simply the best, better than anyone. Women of South Africa in the construction industry, I urge you to organise yourselves and take full advantage of the quota that has been allocated to you. You have nothing to lose but the men who use you to front for them.

The Chamber of Mines, it is with extreme regret that we were not able to accomplish what we had hoped we could do, for we were all certain in 2005 that we could change the lives of our workers on the mines. We were determined we would do it before tragedy struck. Perhaps we should have known even then that we needed the workers themselves to be part of the Social Contract. We learn and grow every day in government. Now we know. But we know now and we have invited them too this time, so that we can work with them to better their living conditions.

The Black Conveyances, we will make better use of this opportunity. Property is not an asset without a title deed and most of our beneficiaries have not realised the full potential of what we have given them, because its value is so limited to shelter. We are behind in the issuing of title deeds, for various reasons, while our people are experiencing economic difficulty. Together we need to recommit to measurable outputs so that we revive the dead assets in the property we have given them, revitalise the secondary market and unleash the economic potential of our townships.

We are here today to recommit ourselves and mobilise even greater participation. Not because it makes business sense to do so, but because we are driven by our patriotic responsibility and because we are all aware that the restoration of the dignity of our people begins with shelter. And that which defines us as a human species is our social interaction and therefore need for communities. Our people are in appalling conditions as we sit in air-conditioned summits. In just this year, KwaZulu-Natal has had eight protests over housing.

To those of you who are new to this summit, you are most welcome. We meet here to ask you to come along with us and help us meet the challenge of housing, the challenge of reversing the deeply entrenched racial spatial patterns of apartheid. We are battling as South Africa continues to rank number one in the world as the country with the sharpest inequalities. These manifest themselves along racial lines, along residential patterns. We are further challenged by a number of impediments of our own making. An unresponsive slow bureaucracy, the increasing number of people in our backlog against the huge drop in delivery of more than 1.5 million people over the last five years.

We have resolved that to regain our delivery pace our target for this next five years is 1.5 million housing units, fifty catalytic projects, 200 000 Housing units in the mining towns over the next three years. We intend to continue to appeal to

all employers to join us in our work. The living conditions of their employees are as much their responsibility as it is ours to assist. We have created a policy for a Government Employees Housing Scheme, which will give guarantees to the bank, so that they are not over exposed. They will, with the concurrence of labour be assured that the mortgage deductions can come directly from the pay role. We do this as government because we want to show that it is possible to do it and urge all employers to consider the same.

With all that we have been through as a country, where a house was used as part of a coercive system to subjugate the masse of our people, we can use that same instrument to provide settled communities, responsive to their obligations as citizens, give them a stake in the economy and I can assure you we will change lives, create a better country and a responsible citizenry. Together we can improve the economy of the country, create more jobs and thrive as we should, given the amount of goodwill we as a people are gifted with.

Our emphasis for the next five years is mega projects, while allowing for pockets of site and service and People's Housing Projects. Mega Projects have the advantage of building on scale and generating jobs and subsidiary industries. They allow all three spheres of government to learn to work together and hopefully the "foot dragging" of municipal processes can be brought under central control of all three spheres working together. It cuts down on time spent. Together we can plan and ensure proper integration and spatial coherence.

National Government will provide a centralised database for beneficiaries.

We would like all of you here to join us on this monumental chance to make a significant impact. It is rare that any of us are given a second chance. We have been given that second chance and we intend to ensure its impact.

For our part as government, this is what we are committing to in this partnership:

1. We commit to the struggling contractor, we will help you access funding. We will be restructuring our Development Finance Institutions (DFIs) to make them more responsive and to help them access the necessary finance so that you may be assisted.
2. We will help to the extent possible to access land for low income housing and ensure you get all the help you can get through our bureaucratic maze, with the assistance of the Housing Development Agency, who will work with you through the Provinces and municipalities.
3. We will establish a dedicated unit in the department, headed by a

DDG, to ensure that you are paid on time. We have seen many frustrated contractors going under because of the burden of delay in payment. That should be behind us now.

4. Over and above that, we will establish an office of an ombudsman so that you have easy recourse to redress as and when you should require that.

5. We will create fora where you can participate together with other stakeholders like Water and Sanitation, Eskom, the roads agencies, the education and sport and recreation sectors, the Estate Agency Affairs Board, the municipalities and the communities so that we do not cause you the financial risks you have had to take where you spend years before the project is allocated. These fora will be convened by the MECs of the Provinces and we expect no less than four a year.

6. Human Settlements has a potential as a great job creator. We intend to harness the energy of our unemployed youth. We would like to test the Cuban model of a Youth Brigade for every project so that we can deal with unemployment while we skill the youth.

7. We have a Master Spatial Plan which will help you understand the direction we are going, where our future projects will be. This will be used to ensure that by the time we have the approved projects, the necessary bulk infrastructure, electricity, etc has been put in place.

From all of you we ask, seek better and more cost effective ways of building. Our exhibitors out there are here to show you what is possible. New methods are available and once approved, try them. From you we want an increase in the number of affordable rental stock. This is one of our most serious challenges. Not every homeless person qualifies for a free house and no stock is available for the rental bracket.

From you we want solidly built houses. From the Banking sector we need a recommitment to create access to mortgage funding. The Black Conveyancers must help our municipalities to access title deeds at shortest time possible so that in future it should be possible to give a title deed as we give the house. Our Military Veterans, come help us build houses for people who have done so much for us. SDI, we have to upscale our numbers. The more you succeed the better are our chances of stopping an unhealthy decency syndrome that has set in

It took Germany less than ten years to rebuild the houses that were destroyed in the 2nd World War. By the end they had built 6 million houses. How did they do it? They prioritised housing in their reconstruction. They received a dedicated fund for this and created a special purpose vehicle and by the early 1950s

they had completed this task. We have had twenty years. We have prioritized housing. We have special purpose vehicles. We have dedicated funding. But we have a backlog that is almost as large as the number of units built so far. We need to do something drastically different. We are open to ideas that would make this possible.

The revised growth down from the last assessment means that we have to brace ourselves for even more stringent cost cutting measures from Treasury. We can do our bit in getting out of this economic gloom. We jointly have the capacity to grow jobs and skills.

We, each if us here, have a significant role to play. Join this Human Settlements family and we can beat our own target, create new cities that reflect our new identity, break down racial barriers. And give expression to our freedom. Let's make an indelible mark in our history because we have the opportunity to do so.

I thank you