

**SPEECH BY L N SISULU, MINISTER OF HUMAN  
SETTLEMENTS ON THE OCCASION OF THE BUDGET VOTE  
OF THE MINISTRY OF HUMAN SETTLEMENTS  
17 JULY 2014  
NATIONAL COUNCIL OF PROVINCES, PARLIAMENT**

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Chairperson

Honourable Members

Invited guests

Ladies and Gentlemen

Please accept mine and my department's sincerest condolences on the loss of an outstanding revolutionary who served in this House. I would like to imagine that the former Chief Whip of the Majority Party, Nosipho Ntwanambi is listening to us, because she has been part of what inspired us in all the work we had done in the Western Cape. As we move forward, we will do our work in such a way that we honour her and she will know that she is in our thoughts and everything we do, we do for her as well.

Earlier this week another outstanding revolutionary - author Nadine Gordimer passed on. She has emboldened so many of us through our struggle days with her crisp, incisive, beautifully captured commentary on the State and the wrongs of Apartheid.

Next month is the month of August, which we dedicate to women. We will be building small-scale human settlements of just less than 2 000

houses each. This will be per province, built by women, for women and be named after women such as Nosipho Ntwanambi and Nadine Gordimer, so that the women of this country will always know and remember that in so many ways, outstanding women stood up against the evils of the past so that we can move forward with dignity.

For today, Chairperson, my time is limited to the budget of the Department of Human Settlements. The Department has been allocated a budget of R30.5 billion for the current financial year representing an increase of R2.2 billion from the previous financial year. This allocation is expected to grow over the next three years to R33.5 billion. The totality of this budget is broken down as follows:

The conditional grants to provinces and municipalities as well as transfers to human settlements institutions constitute R29.6 billion or 97% of the Department's total allocation.

Most capital grants are transferred to provinces and municipalities to fund the development of human settlements, infrastructure development, land acquisition and eradication of buckets and rural sanitation backlogs. The Direct Grants amount to R27.7 billion and include the following:

- Human Settlements Development grant of R17.1 billion;
- Urban Settlements Development Grant of R10.3 billion;
- Rural Households Infrastructure Grant of R47.6 million (direct portion);
- Municipal Human Settlements Capacity Grant of R300 million;

The indirect Grants amount to R965 million and include the following:

- Rural Households Infrastructure Grant of R65.5 million;
- Bucket Eradication Programme of R899 million (new grant).

The Municipal Human Settlements Capacity Grant is a new grant which is linked with level 3 accreditation of metros. The grant is intended to provide operational funding to municipalities expected to be assigned the housing function. The R900 million grant allocation of R300 million per annum over the 2014 MTEF period was sliced off from the Human Settlements Development grant. This conditional grant is meant to be transferred to the eight metros in terms of the Division of Revenue Act when the accreditation process is done.

The Bucket Eradication Program is a new grant. The objective is to eradicate all bucket toilets across the country. This is an indirect grant for a period of two years to be implemented by the National Department of Human Settlements. The program is budgeted for R899 million for the current financial year and R975 million for the following year.

Since my appointment as Minister of Human Settlements, I have spent my time meeting with the housing entities, stakeholders and senior officials of the Department. This has given me some idea of where we are right now and has given me concern of the drastic drop in housing delivery over the past five years. Taking all of these together, we have decided that we need to be very focused and deliberate and work twice as hard to make up for the drop in housing delivery. I shall briefly discuss with you how we intend to move forward to fix our problems and double our efforts.

**Number one.** We will appoint an audit company to audit some of the entities where we feel their output and management of finances are cause for concern.

**Number two.** We will restructure the Department to make it more adapt to deal with the challenges we face. We will establish a unit headed by a DDG that is dedicated to Military Veterans and the vulnerable in our country, such as child headed households. The then Department of Housing adopted a policy for housing for Military Veterans in 2007 and up to now there is not a single house to show for our responsibility towards people who fought a war for this country to be liberated from oppression.

We owe it to them to prioritise them and it seems we have been bogged down by red tape for the last seven years, which is a completely unacceptable state of affairs. This DDG unit will ensure that we can, within the next 12 months have provided a roof over the head of all 5 854 indigent military veterans. These will be housing units with a top-up from the Department of Military Veterans to make it more suitable for people as deserving as these. The Military Veterans will be drawn in to build their own houses in every province where they reside. This will be under the direct responsibility of the Deputy Minister as Builder-in-Chief.

We will also consult with the Department of Social Development to identify child-headed households, so that we can provide them with shelter on an urgent basis. And also as part of the concept of Human Settlements, we will identify those areas where women are extremely vulnerable and provide shelter for abused women, which can be used by Social Workers of Social Development. Again, this will be under the direct responsibility of the Deputy Minister as caregiver-in-Chief. I must add, Chairperson, that the

Deputy Minister has already started this work by providing a house for a woman with special needs in the Western Cape. I would like to congratulate the Deputy Minister for this initiative.

**Number three.** We will encourage employer assisted housing. We believe employers, especially big employers have a responsibility to ensure their employees are housed in decent conditions. We, as government will take the lead in this by establishing a Government Employee Housing Scheme. We hope that mining companies will follow suit and so too will many others.

**Number four.** Derelict buildings in the inner city are a safety and health hazard and prone to being hijacked. Once occupied, the responsibility on the municipalities is onerous. We will be looking into this matter and seeking legal advice on the possibility of expropriation where we find absentee landlords. These can then be productively turned into rental stock after they have been refurbished. In reviewing the Prevention of Illegal Evictions from and Unlawful Occupation of Land Act, 1998 we will consider options to confiscate property from absentee landlords.

**Number five.** There is a great demand for affordable rental accommodation in cities and centres of economic development for low income earners. Rental stock at reasonable rates, that which we call Social Housing, is the way we will find sustainable provision of affordable housing.

**Number six.** The subsidy quantum will be reviewed because MinMec has found it is unacceptably high. It is clear that the use of brick and mortar has become too expensive and we would need to look into innovative ways of building better, but cheaper houses.

**Number seven.** As you are aware, on Monday we returned the 402 families to the site they originally occupied in Lwandle. I established an Inquiry and we hope to learn from this what needs to be done about the vexing question of illegal occupants of land facing us on a daily basis, and as urbanisation grows, will increase. It is also very clear to us that we need to send a message to landowners to understand that the value of their land is an asset only for as long as it is protected and safe. By the time it has been invaded, it loses value almost immediately. What we must all understand is that the law that we have, is intended to protect the rights of people who establish their homes and protects them in the same way as it protects the owners of private property. When removing illegal occupiers from land, due processes have to be followed.

We remain very concerned about the issue of evictions, especially as it is happening all over the country and invariably happens outside the precepts of the law. The Prevention of Illegal Evictions from and Unlawful Occupation of Land Act, 1998 was specifically crafted in response to the large scale evictions, especially of farm workers, which was reminiscent of Apartheid's forced removals and was passed in recognition of the fact that many of those who occupy land was most affected by Apartheid. Communities living in informal settlements, even on unlawfully occupied land, deserve and must be afforded the equal protection of the law. In the same way that private property is protected by the Constitution. The balance is worked out in due process.

There is therefore a need to look at how the processes laid out in the Act can be improved and strengthened in order to give protections to the vulnerable of our society. The experiences that we have witnessed and that

we continue to see, suggest that the requirements of the Act are not adequate enough to give affected individuals the protection that is provided in the Constitution. Accordingly, we will review the provisions of the PIE Act.

We await the outcome of the Inquiry I established to understand the circumstances of Lwandle to assist us to understand where we have gone wrong, how far we have gone wrong and learn from it, so that we are better equipped to review the PIE Act. We have to find a way of dealing with both the scourge of illegal invasions and the callous way in which evictions occur, as was the case at Lwandle.

**Number eight.** We want to encourage our social partners to join us in building social housing for affordable rental. This is one of the biggest shortages in our country. We do not have enough stock for people to rent affordably and because of the shortage of land, our rental stock will have to take density into account. We will have to build upwards.

**Number nine.** Land shortage is a dire problem for us. As you know, the HDA was established to buy and bank well located land, near work opportunities, so that we would be able to build human settlements near work opportunities. Happily the Minister of Public Works, Mr Thulas Nxesi has acceded to our request and released land for our purposes. My sincerest gratitude to him.

**Number ten.** The President has instructed us to form part of the revitalisation of mining towns. These are, as you know Motlosana, Emalahleni, Sekhukhune, Lephalale, West Rand and Matjhabeng. I will be meeting with the Chamber of Mines next week to discuss this matter. We

already have the required experience as we worked closely with some of the Mining Houses in 2008. Where these towns are, we look forward to the involvement of Members of the NCOP, because our experience in the past has been that the most difficult part in mining towns is stakeholder relations.

The human settlement environment has evolved since 1994. We have moved from housing, where good work was done in delivering houses to our people. Human settlements take this further. It requires that, when we take decisions about where we want to build factories and where to create economic opportunities, we first consider and decide where our people should live. Our history of separation of people along race makes integration an imperative second to none. Social cohesion will be achieved in our lifetime, amongst others, through integrated human settlements, irrespective of the economic status of those communities. We owe this to our future generations.

The delivery of houses has dropped by 25% over the past five years. Whatever the reason a drop in housing delivery is very serious especially against a backdrop of increasing urbanization and promises made. Our job therefore will be to unblock those pipelines and rev the engine on high voltage. We will deliver not only on the one million we have promised in the manifesto of the ruling party but make up for the deficit of the last 5 years. All in all we are committing to 1.5 million housing opportunities in this 5 year period. That requires enormous effort and a doubling of the capacity of the instruments and vehicles we are using. It requires a mobilization of all of society to be a partner in the building of their houses.

Wherever we are, we appeal to you, Honourable Members of the NCOP, to come and build with us so that you can experience the challenges we face, experience the excitement on the face of a person receiving a house. Please come and build with us so that if you find fault, you are part of the solution. Come and build with us because much lies ahead for us. We have all made promises to our people. We have these promises to keep and miles to go before we sleep.

I thank you