

SPEECH BY L N SISULU, MINISTER OF HUMAN
SETTLEMENTS ON THE OCCASION OF THE BUDGET VOTE
OF THE MINISTRY OF HUMAN SETTLEMENTS
15 JULY 2014
NATIONAL ASSEMBLY CHAMBER, PARLIAMENT

Chairperson

Honourable Members

Invited guests

Ladies and Gentlemen

It is good to be back in this portfolio. I would like to welcome members of the Portfolio Committee who might be new to the Human Settlements environment. I hope you will enjoy this space as much as we did when we were here. I can promise you that nothing is more fulfilling to the human heart than being able to contribute to the provision of a roof over a family that is destitute and has waited to be provided with the security and comfort that a house provides.

When I completed my term as Minister of Housing in 2009, between the MECs who I worked with and myself, we were convinced that we had presided over the golden era of housing, both in policy and delivery in our country. We believed we were at the age of discovery and the age of new thought. Now, when I find the essence of the policies we developed are at the heart of the National Development Plan (NDP), I am convinced they were correct in thinking that they presided over a golden era. Sadly, I

never had the opportunity to thank them for their hard work, their team effort and the extraordinary strides we all made. Chairperson, allow me therefore this opportunity to thank them for their hard work. So here is to the late Dumisani Makhaya, Gugile Nkwinti, Nomvula Mokonyane, Mike Mabuyakhulu, Marius Fransman, Maite Nkoane-Mashabane, Sta Vilakazi, Johannes Mahlangu, Richard Dyantyi and Zoe Kota-Fredericks, who was the Chairperson of the Portfolio Committee on Housing. I could not have hoped for a more solid team. Together we launched the Comprehensive Housing Plan for the Development of Integrated Sustainable Human Settlements, or Breaking New Ground (BNG) as it is commonly known, that now forms the basis of the NDP and our work going forward. Together we launched a record of more than a million houses and happily launched many ministerial careers – look at where they are now. I take this opportunity now to thank them. And I know we can count on their cooperation in the various fields that they are now responsible for, ie Water & Sanitation, Rural Development & Land Reform, etc. The very essence of the concept of Human Settlements is integration in well located land. They helped to craft it and they are now called upon to sustain it.

I have, since my appointment had the opportunity to meet with our social partners and the entities that report to us in this environment to familiarise myself with our present situation. The backdrop given to me is too detailed for me to deal with here, but I believe Honourable Members have had the opportunity to have a preliminary briefing from the Department.

We have all been on the campaign trail and we have seen the condition of our people. We have all promised, I am certain, to make life better for them. We are charged with that enormously difficult challenge to make things better for them and to do it double quick. Thankfully we have very committed entities, very committed social partners such as South African Women in Construction (SAWIC), SDI and the banking industry, represented by the Banking Association of South Africa, some ardent supporters of our plans like the pale native, Max du Preez and a committed department, to name but a few. And, thankfully for me, when I met with yourselves, the Portfolio Committee, for the first time, I found a very vivacious, energetic committee, ready to be part of the solution to the problem. I look forward to a very healthy relationship.

Briefly, this is what we have come to understand of the housing environment and where we are now. In research done by the South African Institute of Race Relations in 2012, out of all protests this country experienced over the last five years, 20% are attributed to protests over housing. We have also been informed that over a period of time we have lost a great deal of institutional memory within the entities of the department and the built environment.

We have also been informed that the delivery of houses has dropped drastically across all provinces, some reaching lows of a 30% drop in delivery. This, we have been informed, is due to a number of what my officials call “blockages in the pipeline”, whatever that means. We have also come to learn that the housing

backlog is currently 2.3 million families and growing. We have come to understand as a fact for us in developing countries, that urbanisation is upon us and that we have to accept and prepare for it.

In his State of the Nation Address, the President confirmed that South Africa is urbanising at an alarming rate and that almost 63% of our population are now residing in towns and cities. This trend is expected to continue over the coming decade. We are ill-equipped to deal with this rate of urbanisation. We have huge shortages of land for housing, which is a primary need for our purpose. We particularly require well located land close to work opportunities. These shortages are exacerbated by the fact that in some of our cities the land is not suitable for housing. In Ekurhuleni alone an extremely high percentage of land is dolomitic.

Added to this we have an annual flow of economic migrants into the country, obviously adding to the burden of homelessness in the urban space. In the last two months since I have been appointed as Minister, we have seen thousands of people evicted from their makeshift homes across the country, leading me to request a moratorium against evictions in such inclement weather. In some cases this request fell on deaf ears and the weather patterns have continued to create the most untold misery on these people. This is but a snippet of the sad story of housing. Despite the fact that we have provided 3.7 million housing opportunities over the past twenty years, we are still facing a gloomy picture.

All this happens against an unfortunate culture of entitlement amongst our people. As I have indicated, our housing backlog currently stands at 2.3 million families and growing. These are very worrying statistics, especially worrying when put against the fact that it is generally known that some of the beneficiaries of the system have sold their houses and continue doing so. I myself was alarmed when looking through a housing waiting list, to see how many 18 year olds assume that government owes them a house.

It has also become quite clear that some of the protests over the past years have been created by the fact that we have made promises and created an expectation that we are not meeting fast enough. Part of the protests have been against what is perceived as corruption in the allocation of houses. 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.

What this means is that the creation of a credible data base of those legitimately waiting for a house is of vital importance. This leads us to two pivotal issues. The first is a technical one that there is an urgent need for a credible data base, linked to the population register and voters' roll, to enable us to verify the validity of an application for a house. The Municipality will use this data base in the allocation of houses. This will protect the integrity of the data base and the system. It will also protect councillors who are often accused of corruption in the allocation of houses, as citizens will be able to check their own details and place on the waiting list. It will also break down the concept of the backlog. How did we arrive

at a figure of 2.3 million families and who are the people making up the backlog? How many 18 year olds are on the waiting list? Will the State in perpetuity be required to give free houses? How many of these 2.3 million have sold their houses and are back on the list? This will help us understand the scale and nature of our problem.

From this we would need to move to the second vital matter, the huge vacuum we have around our policy. As I indicated earlier, the NDP is premised on the Comprehensive Housing Plan for Integrated, Sustainable Human Settlements, approved by Cabinet in 2004 and otherwise known as the BNG, whose main thrust was the creation of decent settlements, while making sure these are integrated settlements to reverse apartheid spatial planning. To deal with this urgent policy vacuum that has existed for the past few years, we will put together a Green Paper based on the BNG, as augmented and amended by the NDP, submit this for public comment and finally create legislation on the concept of integrated human settlements. We will crystallise the definition of indigence and the basis for qualifying for a free government house.

Another worrying challenge is that we have lost part of our natural allies in the delivery of housing, well almost. This is in reference to the Banking Association of South Africa and a number of other stakeholders. It is our intention to ensure we revitalise the support of our important stakeholders like BASA and every stakeholder that is concerned about the plight of the poor and are part of our delivery chain. This means that nothing short of a total mobilisation of society around the issue of the provision of housing

for the poor will solve the problems we confront in the short term. But, over and above that, perhaps nothing short of some kind of Marshall Plan will see us survive this challenge. This is because, above all that, the very concept of Integrated Human Settlements means a concerted, deliberate, legally supported drive to change the spatial patterns of Apartheid and create a truly united country from our disparate past. For this to succeed we need both the support of the whole of society and the intervention of the State. We need to educate South Africans that while they live apart, Apartheid lives on. Our developmental state has a responsibility to intervene decisively to ensure that we remove any footprint of segregation, as we house the poor and grow our cities, conscious of the fact that land is a limited resource.

After all the discussions I have had with MinMec, the Portfolio Committee, the senior management of the Department and the entities reporting to me, briefly sketching out the rough picture I have given you, we are confident that we understand what needs to be done and I will now indicate what we will do in the next 100 days, what we will do in the next 12 months and what we would have done at the end of this government's term of office.

What do we commit ourselves to do in the next 100 days:

Number one. The President has created an Inter-Ministerial Committee on the revitalisation of mining towns, for which we have a major responsibility. In this context it is important to add that we have interacted with the mining sector in the past. We have found that, unless we plan for secondary industry and related

infrastructure, we would be unable to attract the necessary investment capital into mining towns for continued economic activity after the last ore has been mined. Through the IMC on the Revitalisation of Mining Towns we will meet with the Chamber of Mines, the Banking Sector and the provinces where these towns are, to put together a plan on how we are going to tackle this enormous challenge.

Number two is the issue of title deeds. Firstly we will prioritise the issuing of title deeds for pre-1994 stock. This is important because these are otherwise dead assets. Without the title deeds the owners are unable to revitalise the old townships, which are in a very sad state of decay. The Estate Agency Affairs Board has been tasked to prioritise this and submit a report by 30 September 2014. Secondly, for the post-1994 stock, again we have dead assets lying in the Deeds Office. The Department will collaborate with the Department of Land Reform and the Office of the Land Commission and create a dedicated unit dealing with fast-tracking the issuing of title deeds of this post-1994 stock. Our people have a right to their title deeds and the fact that they do not have them is a sad indictment, because this is supposed to be an entry into the economy for the poor.

Number three. In 2004 we established the N2-Gateway Project as a national MinMec project. It was funded by all 9 provinces as a jointly owned project. This was done in order that we can test the State's ability to build on a large scale and that we may all learn from it what can be done right and also from our mistakes. MinMec took a decision on 4 July 2014 that the project

will revert to being a national MinMec project. It shall remain a national project, funded by all nine provinces. The responsibility of the allocation of units is that of the Western Cape Province, as is the provision of infrastructure and the maintenance of the project. Our aim is to ensure that we can, in the shortest time possible, complete phase I, so that all who drive to the airport on the N2 can attest to the success we had on the N2 Gateway.

Number four. MinMec have decided that we will now embark on mega projects, because in this way the economies of scale will be in our favour. In these mega projects there will be a collaboration of all three spheres of government. Local government will ultimately inherit the projects once completed and therefore the responsibility of the allocation of units and the provision of infrastructure and the maintenance of the project will be the responsibility of local government.

In line with our approach to mega projects that we are now taking, we would like to revitalise Cosmo City, another success story of integrated human settlements on a large scale. This project will be revitalised on Mandela Day by cleaning up Cosmo City and rebranding it so that all know what a successful story we have and that it is worth replicating in every province. Furthermore, when we have the number of stakeholders determined to succeed, they do. This will also give us the opportunity to thank the stakeholders who took part, specifically the banking sector and Radio 702.

Number five. On the matter of a credible waiting list data base that I mentioned earlier, we will sign a Service Level Agreement with SITA and the Housing Database will be up and running within this period of 100 days.

Number six. An important component for success we have found in the past are our social partners. We will sign a Social Contract with the Banking Association of South Africa (BASA) to recommit to the Social Contract concluded in 2005. The Banks have been our most valued supporters and we would like to think that we are their most valued clients. The entire housing portfolio of the country is in our hands and we hope they talk of us as a very valuable partner. We need to recommit to this mutual appreciation of society through this Social Contract. Their continued support of our programmes is essential, especially as we depend on them in our most urgent and newest project, which is employer assisted housing.

We thrived on the support of all stakeholders during our first stay here and we are determined to revive that support, because without it, the enormous delivery will not be possible.

Number seven. We will restructure the Human Settlements entities. The Housing Development Agency (HDA) will become a fully fledged development agency, whose job is not only to acquire and prepare land, but to be developer and project manager to assist municipalities and any other sphere that might need support.

Number eight. As requested by the Estate Agency Affairs Board, we will explore the possibility to absorb it into the Department of Human Settlements rather than it existing as an independent entity. The Social Housing Regulatory Agency (SHRA) has been unable, for various reasons, to fulfil its mandate. We are therefore placing it under administration and similarly exploring the possibility to absorb it into the Department of Human Settlements. The Board of SHRA will retain its responsibility until the restructuring is complete.

Number nine. We will establish a Women and Youth in Construction Support Programme headed by a Deputy Director-General (DDG) in the National Department of Human Settlements to ensure that women and the youth are supported to be part of the construction boom. We expect provincial Departments to do the same. Together with the NHBRC we will established a Training Academy that will be focusing on professionalising Housing Practitioners and up-skilling women and youth. Currently we have 100 female students, sponsored by the NHBRC, studying at the University of Pretoria's Gibs Business School.

In our discussions with the Estate Agencies Affairs Board (EAAB), they committed to train young, black candidate housing agents to revitalise the industry. The Academy established by the NHBRC will incorporate a training course on Estate Agents, property management and all other skills required for this sector.

A youth brigade will be created in each province and assigned to catalytic projects. We will celebrate Women's month in

August by building 1 956 houses in each province for women, by women. This will be led by SAWIC and done by the Youth brigade between August and December 2014.

We will also establish a dedicated Branch, headed by a DDG, to ensure that all 5 854 indigent military veterans receive houses in less than three years. We will work with the Department of Military Veterans to develop a programme to train our military veterans and ensure that they participate in the building of their houses.

Finally, we will resolve the thorny contestation between local and provincial spheres, namely that of the accreditation of municipalities, so that we have a commonality of understanding and are able to proceed, because the level of uncertainty that exists in this regard is very onerous on municipalities and burdensome on delivery.

This is what we commit to do in the next 100 days. In each case plans have been put in place and are advanced.

What do we commit ourselves to do in the next 12 months:

Number one. We will embark on and lay the basis for a Master Spatial Plan for Human Settlements so that we can direct all the necessary amenities to where human settlements are and we are able to plan ahead for the provision of the necessary infrastructure and amenities.

Number two. We will ensure that the Housing Database referred to above is enhanced in a manner that will enable the tracking of ownership history and be aligned with data in the custody of the IEC, SASSA and Home Affairs. We will also track information on who has benefitted, so that government can measure when it has met the needs of the people. The HDA will develop a register which tracks:

1. Subsidies that have been awarded
2. Developments that have commenced with subsidy grant funding
3. Land Acquisition in all provinces

This is necessary in order for us to crystallise definitions that determine our delivery, for example “indigent” and “waiting list”.

Number three. We will be reviewing our policies and legislation. Fortuitously, the policy of Breaking New Ground (BNG) forms the basis of the NDP, so we have the comfort that we were on the right track when this policy was confirmed by Cabinet in 2004. We now have to pay attention to matters raised by the NDP to ensure that our BNG policy is aligned to the NDP. This will be completed by March 2015.

Number four. Each province will launch an integrated human settlement Ministerial project that will deliver a minimum of 10 000 houses and 5 000 service stands over five years. This will include 20% rental units, 20% gap housing, 30% BNG houses, 10% social housing and 20% serviced sites for employer assisted housing.

This is what we will have done at the end of this government's term of office:

1. We will have delivered 1.5 million houses.
2. The President made it clear in his State of the Nation Address what part of our responsibilities are and that is the revitalisation of mining towns. We will have completed this project.
3. We will have completed the Master Spatial Plan for Human Settlements.

Derelict buildings 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, so that these can 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.

South Africa has over 1 million employees who earn between R1 500 and R10 000 per month, searching for houses costing between R100 000 and R250 000. The current backlog in the affordable market is estimated at 600 000 units. This we must attend to urgently and to this end we have resolved to revive the

Social Contract that was signed by all stakeholders in 2005 and draw in employers into the contract. Government, being the biggest employer, will have to be a major player.

There is a great demand for rental accommodation in cities and centres of economic development for low income earners and students. Rental stock at reasonable rates, that which we call Social Housing, is the way we will find sustainable provision of affordable housing. South Africa also has a high level of young unemployed people who are looking for work.

We will have a round table discussion with representatives of all big employers and representatives of employees to discuss how big employers can leverage in our subsidised serviced sites to assist employees to own houses. We will further encourage employer assisted housing by making serviced sites available at reduced prices to employers who seek to assist their employees to purchase a serviced site to progressively build their houses.

We will appoint an audit company to audit some of the activities of some of the housing entities and the responsibility that the Department of Human Settlements should have had over them.

As you are aware, yesterday we returned 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. Understand that you need to protect your land in the best way you can. The law that we have is intended to protect the rights of people who established their homes and protect them in the same way as we protect the owners of private property. When removing occupiers from land due processes have to be followed.

The delivery of houses has dropped by 25% over the past five years and when asked for an explanation for this the officials of the department have given me explanations that range from blocked pipelines to financial arrangements and other matters. 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.

Everyone who has a family and is able has a moral responsibility to be part of providing a roof over the heads of their

children. We appeal to you members of Parliament to help us build South Africa. We hope you will not only sit in your offices and find fault but be part of the solution. We would be only too keen to give you a plot of land so you can build with us and experience the challenges we experience so we can jointly unblock them. Much lies ahead for us we have promises to keep and miles to go before we sleep.

I thank you