**SPEECH NOTES BY HON. KOBUS BOTHA DA SHADOW MEC FOR HUMAN SETTLEMENTS - DEBATE ON DEPARTMENT OF HUMAN SETTLEMENTSE BUDGET VOTE 11 FOR 2015/16**

**SPEECH DELIVERED THURSDAY 04 JUNE 2015 IN THE EASTERN CAPE PROVINCIAL LEGISLATURE BHISHO**

*‘’Housing delivery requires bold political leadership in Eastern Cape Province”*

* Eastern Cape housing target and budget shows decline
* Eastern Cape municipalities lacks capacity to deliver houses
* Better high-density housing and Climate Change research required
* Alternative Building Technology a definite solution to reduce housing backlog
* Bring manufacturing sector into housing delivery mix

Honourable Speaker, all protocol observed.

The Eastern Cape Department of Human Settlements (ECDoHS) Budget Vote for 2015/16 has decreased down wards from R 2.502 Billion in 2014/15, to R 2.298 billion in 2015/16 financial year.

Over the Medium Term Expenditure Framework (MTEF) period from 2015/16 to 2017/18 financial years this is an 8.2% decreased to the financial value of R 300 million rand less.

The reduced budget allocation was due to a STATS SA 2011 report that indicated an outward migration of people from our province to other provinces.

In light of the outward migration the Department is still faced with a growing housing backlog of over 600 000 housing units.

In the bigger picture the MECs housing target has been declining over the past five years from a high 18, 424 units built in 2008/09 to a current 2015/16 low of 13 100.

This means that at the current target set by the MEC it will take the ANC fifty years to eradicate the 600 000 housing backlog.

Given the fact that the Department is chasing a moving target with an declining resources envelop and growing housing backlog, the Department will have to respond to this threat by implementing and availing a mix basket of affordable housing options.

The Department would also have to enhance or develop its strategic partnerships with other government departments, municipalities, donor agencies and the private sector to identify possible funding streams.

The Department must also determine additional ways of saving costs and working more efficiently as R 1,9 billion rand from the declining condition grant will not be sufficient to reach the housing target.

To decrease our backlog and to overcome municipalities problems with the provision bulk infrastructure, the increased use and promotion of alternative building technologies (ABTs) that incorporate renewable energy sufficiency and greening components must be promote by all political parties public representatives.

According to an HSRC study, households are very dissatisfied with housing provision in this province.

Our people have lost their patience and stopped believing in promises presented to them by the African National Congress (ANC) of a better life.

The public confidence and respect that the majority of black people had for the ANC government in the past has now been replaced by disappointment, anger and frustration among the poor, the unemployed, and the youth.

The working class is boiling over because their lives haven’t improved according to their expectations and their job security is at risk as the economy stagnates.

The middle class is pessimistic and resentful because they see their hard earned tax money are being pilfered, wasted and that the State is malfunctioning.

Citizens are saying that the State has lost its capacity to care and serve its citizens with respect, dignity and humility. That is why protests are flaring up before elections.

The anger and frustration of citizens are compounded by the lack of jobs as the expanded rate of unemployment in the Eastern Cape is now standing 43, 2%.

This is the highest in the country along with KwaZulu Natal.

This statistics means that millions of people are with no realistic prospect of ever getting a good job or a decent life, or a house for that matter; they have fallen out of the system.

This while under the ANC governments watch, what a good story to tell!

What a good story to tell, when opportunity for all, has been replaced by opportunity for few politically connected individuals.

What a good story to tell when fairness should prevail in housing allocations but replaced by corrupt housing lists.

What a good story to tell when jobs are given for sexual favours in return.

What a good story to tell when merit fairness and opportunity for all are scarificed on the political altar of inappropriate cadre deployment.

What a good story to tell, when the Department are reoccurring faced year-after-year with shoddy, uncompleted houses due to poor contractor performance, main contractors not paying sub-contractors, corruption and illegal housing occupations.

What a good story to tell when the MEC of HS has to budget R 1 75 million rand to rectify 2 311 shoddy build RDP houses at a cost of R 75 000 rand per unit.

The DA warns the Department that it will demand at the next annual performance assessment that the rectification report be dividing into three categories.

One, that indicates how many houses had to be totally demolished and rebuild.

Two, how many required minor fixing, and three, how many required extensive structural fixing.

The DA is also concerned that the Department is not providing the Portfolio Committee with housing corruption related statistics reported via the anti-corruption hotline? Can the MEC tell us more?

The decision by the MEC to revoke the developer status of various local municipalities is an indictment on ANC run local municipalities.

This action means that municipalities are failing to do rigorous planning, anticipate housing demand in IDP housing chapters, specify form, plan locality and apply for and manage huge amounts of funds for projects.

Due to lack of the above the MEC embarked on a building capacity programme that aims to get six identified municipalities in the province accreditation ready as housing developers, this at an additional cost to the taxpayers of R 18, 4 million rand thus far.

How much more must we fund and capacitate them to do their work?

In light of the above struggle, it is difficult for the DA to believe that the Department will be able to make a considerable dent in the 600 000 housing units backlog with only two municipalities that has developer status and the province doing the rest.

And as I have already mentioned before; In the bigger picture the MECs housing target has declined over the past five years from a high 18, 424 units built in 2008/09 to a current low of 13 100 for 2015/16.

The housing decline since 2008/9 till 2013/14 once averaged out per year over this period amounts to 7881 less units per year. What a good story!

Housing output decline challenges is once again highlight by the EC Provincial Treasury Estimates, Revenue And Expenditure Report for 2015/16. It states the fowling facts on page 529. And I quote;

‘’Almost 95% of local municipalities do not have the capacity to implement housing projects or to manage the housing development activities that they are responsible for”.

The second document is the Summary Report on Rapid Assessment of Service Delivery and Socio-economic Surrey, issued by the Office of Premier, and it states, and I quote;

‘’The demand for housing forward planning is a serious administrative and political challenge for local authorities in the Eastern Cape where capacities are lacking”.

The net effect of the above reoccurring challenges is that local government is not becoming centres of excellences were; Batho Pele principals is helping to uplift the poor and to sustain a conducive environment for investment, economic growth and job creation.

But in fact, local municipalities are becoming centres of financial plunder for self-enrichment of political cadres, cronies and tenderpreneurs.

The big question today, will this Budget Vote of the Department bring hope to the homeless?

Will it bring a fair chance for long waiting housing beneficiaries to get a house, or will it progressively deny millions of homeless people an opportunity to shelter?

Worryingly, the Budget Vote indicates a sharp rise of 11,6% in Cost Of Employees (COE) bringing it to a R 13, 5 million rand shortfall, which had to be funded by other programme budgets due to a Job Evaluation level adjustments back dated to August 2012.

Worryingly, deep budgets cuts from Goods and Services and Payments for Capital Assets had to fund the shortfall in the budget for Compensation of Employees over the MTEF

In terms of staff, the Department has 692 approved posts on the organisational structure of which 598 is filled with warm bodies.

This leaves the department with 94 vacancies.

Notable, is the fact that the Department has no funds to recruit the additional 94 staff over the MTEF, and they will only replace existing staff when the need arises.

The DA notes with keen interest that the Department has refocused and placed a policy priority on land acquisition, Rental and Social Housing and the Upgrade of 20 hotspot informal Settlements in Programme 3 of the Budget Vote.

In terms of the above core programme refocus, how will the department operationalize its new focus as the APPs and OPP is not aligned with the Whiebook.

In aligning the above refocus one need to remember that South Africa is among the most urbanised countries in Africa.

Population growth in our cities has been driven by both rural-urban migration and organic growth in urban populations, as well as by migration from Southern Africa and further afield.

The United Nations Development Programme estimates that 71 per cent of South Africans will live in urban areas by 2030, growing to nearly 80 per cent by 2050.

That is 13, 8 million people that will take up residence in our cities within 15 years.

What is the MECs spatial plans to accommodate the influx?

How longer must we wait for the much talked and promised 20 year Provincial Human Settlements Spatial Master Plan?

I am also looking forward to read how Climate change and the impacts thereof will be dealt with in particularly our developing cities, the urban poor and informal settlement shack dwellers because the DA cares for the poor.

I do recognise, that the Province has a Climate Change Policy but it is not clear how the MEC and Senior Department officials are institutionalising Mitigation and Adaptation in this Department mandates.

Climate Change impacts negative on the quality of houses built as a recent General Household Survey by Statistics South Africa indicate that 33,4% of households in the Eastern Cape Province were least satisfied with the quality of their houses walls and a further 33,9% of households also complained about weak or very weak roofs.

Even where actual investment in housing is significant by the Department the development location, design, materials, and construction methods are often inappropriate given the increasing exposure to extreme weather and flooding.

I will push and closely monitor the Department’s adherence to deepen Climate Change Mitigation and Adaptation Strategies in the two metro’s housing projects as they are accredited and set to roll-out huge social housing projects.

In terms of Programme 2 that deals with research, policy and planning, I am very concerned that this programme has suffered a deep budget cut of just over R 2 million rand or 29.6%.

How will the MEC ensure that the expansion development of successful cities and rural tows is based on well informed research and policy directives when its budget has been slashed?

How is the Department going to manage the urban migration and mushrooming of Shacks, as the Department initiated a White Paper research through this programme on the Prevention of Mushroom of Shack towns but later abandoned it?

What is the progress on the commitment by the Department to assist local municipalities to develop their own By-Laws or Guidelines on how to deal with the mushrooming of shacks if there is little budget?

I am also concerned about the fact that the MEC is focussing on developing high-density Social Rental Units or Community Rental Units without making the Portfolio Committee Members understand the significant of this thrust by her department.

In the absence of the above discussions, I must ask the question, are we making sure that we understand what good density looks like, and what the impact of bad density is on people's long-term health and wellbeing, if we don’t have that understanding then we don't have a working basis for current and future developments in our province.

As a committee member of the Human Settlements Portfolio Committee I have not been exposed to research that unpacks and convinces me of the above policy thrust that high-density housing is indeed the best practice in the absence of proper research and provincial policy design.

It is my understanding that getting cities right in terms of density is difficult.

When we get the effects of Climate Change and Density wrong, cities may become much more inefficient, and increase the government’s social responsibility burden.

An important question needs to be asked here: who has made decisions or is going to be making density-related decisions in our province and at what stage of planning?

Will it be local authorities, town planners, designers, councillors or residents?

This will require our Department to re-think how they bring us on board into the mix as final decision makers representing the public’s wellbeing.

Whiles Department consider city density it must acquire a deeper understanding and acceptance of emerging data and predictions of how climate change will affect particular towns and cities in the short, medium and long-term.

The Department needs to incorporate the above findings into various plans and policies when deal with creating integrated and sustainable human settlements in our province.

In closing, given the high levels of urbanisation, the lack of municipal capacity, the serious effects of climate change, our growing demand for housing, the huge housing backlog, the various actual housing construction related problems, the declining economic and financial prospect for our province, the DA proposes that;

The MEC must seriously consider inviting and include the manufacturing sector of SA into the housing delivery mix to assist Human Settlements with housing solutions that will enable the Department to drastically reduce our province high housing backlog of 600 000 units.

Finally, the MEC must make the connection between, innovation, manufacturing, job creation and fighting poverty whiles stabilising the economy by revolutionising Human Settlements Delivery exclusively construction sector domination to a product manufacturing development point.

The DA supports the report.

I thank you.