

TOUCHDOWN!

Making real changes in people's lives,
promoting dignity where people live

BUDGET SPEECH

2008/09

27 MAY 2008



DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING



Department of **Local Government and Housing**
Isebe **looRhulumente boMmandla nezeZindlu**
Departement van **Plaaslike Regering en Behuising**

Provincial Government Western Cape - uRhulumente Wephondo leNtshona Koloni - Provinsiale Regering Wes-Kaap

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Making real changes in people's lives, promoting dignity where people live

Honourable Speaker,
Honourable Premier of the Western Cape Province, Mr. Rasool,
Provincial Cabinet Colleagues,
Members of the Parliament,
Chairperson of SALGA,
Executive Mayors and Mayors,
Head of Departments,
Municipal Managers,
Partners in Local Government and Housing,
Invited Guests,
Comrades and Friends,
Ladies and Gentlemen.

In the first week of May this year we were handing over houses to their new owners in Oudtshoorn, a municipality which you will be aware has experienced serious governance challenges in the last two years and is now on its own road to stability and improved delivery.

An older gentleman by the name of Mr. Jansen was one of those people stepping into his new home that day. He said to us: "I'm happy now. After 27 years my wife and my kids will live an orderly life. It was never nice to stay in the shack. My advice to other people that are still in shacks, whether in the backyard or informal settlement, is that they must be patient as their turn will come."

Mr. Jansen and his family are beneficiaries of sizable service delivery gains made in recent years, despite significant challenges. According to recent data, our Province has experienced a nearly 17 percent increase in population between 2001 and 2007, the

highest of any province in this time period. Despite the immense pressure this put on the housing backlog and demand for basic services, the Western Cape managed to achieve the highest levels of basic service delivery compared to other provinces, with well over 90% of households using electricity for lighting, having access to piped water and access to a flush toilet. Yet given the high expectations in 1994, we must also acknowledge the increasing frustration and impatience with the pace of service delivery of people still struggling in terrible living conditions.

However in recent days we have seen violent behaviour which only undermines our ability to deliver, and actually reverses our physical progress with development and—perhaps more importantly—our *social gains* in terms of building a sense of community and social cohesion in this Province.

In the context of competition for scarce resources, rising food prices, inflation and unemployment, the danger is that these economic pressures will spill over into social tension. However the violence we have seen spread from Gauteng to our Province is a completely inappropriate response. It shakes our sense of safety and security, and our basic sense of well-being. But let us also not be naïve in assuming that the cause is limited to competition for scarce resources. Some people in our communities are exploiting this opportunity to commit criminal acts.

Mr. Speaker, let me assure the House that my Department is pulling out all the stops in our drive to make real improvements to the unacceptable and undignified living conditions which help to give rise to this level of frustration. In our three years in office we have brought about key achievements which make a tangible difference in the lives of those in the Western Cape. That impact is felt at the household level—by Mr. Jansen and his family—and at a high level, in terms of changing our mindsets and how we go about our business of improving the quality of people's lives in the Province.

For example:

- Over 250 families who, one year ago, were living in debt in houses they rented and struggled to pay for, are now proud owners of those houses, as a result of

the Enhanced Extended Discount Benefit Scheme. These buildings are now their *own homes*.

- Through our programme to upgrade informal settlements, we have approved benefits for over 45 000 households over the last three years. For these families, this means their community will be upgraded to bring about real changes in residents' daily lives: electricity to study at night, adequate sanitation to avoid disease, and nearby water taps.
- In those 27 Social Transformation Programme areas which have been identified as the most vulnerable communities in the Province, we have built 22 660 houses and serviced 46 967 sites since 2004/05.
- Across the province, we have completed and handed over 61 000 new houses in the last four years, benefiting over approximately 210 000 people.

These are concrete examples of how our programmes have impacted people's lives, and, by doing so, built a sense of safety, belonging, *ubuntu* and simple well-being for their families and their communities.

Amilcar Cabral, founder of the African Party for the Independence of Cape Verde and Guinea, and an important leader in the struggle against Portuguese colonial rule in Africa, wrote this in 1969:

We must always remember that people do not fight for ideals or for the things on other people's minds. People fight for practical things: for peace, for living better in peace, and for their children's future. Liberty, fraternity, and equality continue to be empty words for people if they do not mean a real improvement in the conditions of their lives.

Cabral has captured the main message I want to convey today: what matters to this Department is those *practical things*—the real changes we make to the daily conditions in which people live. I am not just referring to the physical structure of a house, but the basic services which are essential to people's dignity. As Cabral understood, we did not

struggle for ideals; we struggled so that people could live better, safer lives on a daily basis. As a Department we continue to emphasise those *practical things*: a safe space to live and all the spin-off benefits that go with it.

Mr. Speaker, you will recall when I stood here one year ago, I introduced a term 'DRIE VOET'. Put simply, DRIE VOET is the name our Department has given to the straightforward but effective approach we take to speed up service delivery in our communities. 'DRIE VOET' rests on three basic pillars:

- Accelerated Service Delivery and Quality Settlements;
- Capacity Building and Public Participation, and;
- Cooperative Governance and Accountability.

The first pillar speaks to our efforts to provide real improvements to the poor living conditions which are contributing to the cause of people's frustration and the recent violence. Pillars two and three refer to our initiatives to enable and promote responsible citizen participation so that we push back the criminal elements and instead work together with communities to move forward in development.

Therefore these three pillars will be my guide today. For each, I will take a look at our scorecard: did we actually do what we said we would? What are the important achievements over the last four years? What are the challenges before us, and how are we addressing them?

PILLAR ONE: ACCELERATED SERVICE DELIVERY AND QUALITY SETTLEMENTS

Mr. Speaker, our work in integrated sustainable human settlements is located in the context of the National Department of Housing's Breaking New Ground strategy. Our Department shaped a provincial version of this strategy which carries a local flair *omdat local lekker is*. As promised to the House last year, the Western Cape Sustainable Human Settlement Strategy was launched during the first quarter of 2007/08, and followed up by a community summit this February held in cooperation with SANCO.

We gave our strategy the name Isidima, meaning "giving dignity". As part of the *iKapa Elihlumayo* Provincial Growth and Development Strategy, Isidima speaks to how we

need to change the spatial landscape of our province to ensure that all citizens and residents live in vibrant, safe, efficient and sustainable human settlements that are able to grow and absorb further residents.

Our Isidima strategy is a marvelous example of 'Business Unusual'. We are leaving behind the old approach of building as many RDP houses as possible, in locations outside towns and cities. This new approach expands beyond bricks and mortar to talk about how we can create communities which are economically viable and socially and culturally alive. We want to restructure old apartheid settlement patterns by building communities which include *mixed use, mixed income levels, and mixed backgrounds*. We want to offer people a wide range of **choices** to better their accommodation: *different tenure types, financing options, plot sizes, and building materials*.

Mr. Speaker, let me summarise our achievements in housing delivery over the last four years, to demonstrate how far we have come in clear terms. Our scorecard in this area is positive:

- Over the last four years we have serviced 71 941 sites and completed 61 207 houses.
- Our total expenditure on housing in this period surpasses R2.9 billion.
- In 2007/08 we set a target of building 16 000 houses and servicing 18 000 sites. Mr. Speaker, we are proud to say that we managed to overshoot our targets: in 2007/08 delivery altogether totaled 18 064 serviced sites and 16 093 housing units. This translates into concrete improvements for over 34 000 families.

The budget numbers tell the story clearly. Back in 2003/04, the Department was spending just over R280 million on housing. With the entry of this government in the Western Cape in 2004/05, the housing budget climbed to R511 million. Expenditure rose slightly the following year, and then in 2006/07 we saw a serious ratcheting-up of spending on housing, jumping to R758 million. Mr. Speaker, our total housing expenditure in 2007/08 came to R1.12 billion, representing 95 percent of our budget.

As we reflect on these measurable achievements, one theme surfaces again and again: by making material improvements that ensure our people enjoy decent living conditions,

a whole host of indirect benefits spin-offs from those improvements. When a family receives a house, *they gain so much more than a house*. Suddenly there is a well-lit space to study at night, allowing better education results. With the elimination of the bucket system and provision of basic sanitation, safety is ensured for young women who previously needed to walk in the dark to reach public toilets. Adequate drainage and a proper roof means less trips to the clinic and fewer sick children. When we appreciate these linkages, we start to really understand why it is so important for this Province to create integrated, sustainable human settlements.

For this reason, we are also expanding the tools and instruments available to us to scale up delivery. One of the key messages of Isidima is that we will not be able to build new homes for all those beneficiaries who want them, but we *can* and *do* commit to ensuring that all those who are in need benefit. As Mr. Jansen said, "Their turn will come..." There is a flexible, diverse array of programmes in the Department now which enable us to meet all kinds of different needs in different ways. For some communities, formal housing is possible in the foreseeable future. For others, it may be access to a clean toilet nearby or the installation of a water tap. But the important point is that everyone feels a real change in how they live, in some important way. *Kuloko ndisitsho kubantu bakuthi ukuthi lemini iyeza nakuwe.*

Upgrade of Informal Settlements Programme (UISP)

The Upgrading of Informal Settlement Programme is one of the ways the Department helps to uphold people's dignity where they live. The UISP targets vulnerable communities living in well-located informal settlements which are close to jobs, shops and transport. The upgrade and provision of basic services does not need to disturb the cohesion and unity of these communities. Through this programme, sites are upgraded in existing informal settlements so that residents experience minimum disruption to their lives and their families are not uprooted.

Since its inception in 2005/06, the programme has grown impressively. Three years ago, our expenditure on UISP was R115 million. Compare this to 2007/08 when we spent R285 million to upgrade informal settlements.

In 2007/08 we set ourselves the target for the UISP programme of 10 projects servicing 8000 sites. Instead, we approved 20 projects that year, benefiting over 20 100 families.

In summary, Mr. Speaker, a total of 34 UISP projects were approved in the 3 years since the inception of the programme in 2005/06, with a total spend of R655 million on the programme. As a result, I am proud to report that a total of 45 045 households were approved to benefit over the last three years from the UISP programme, and no less than 27 400 sites have been serviced, with more in various degrees of completion. For 2008/09 we plan to deliver 12 UISP projects, servicing a total of 10 000 sites.

Let me provide you with some examples of communities which are better off today due to the contribution of the programme:

- In Nkqubela project, in Robertson, rudimentary services have been installed to 532 sites, and permanent services will be installed in 2008/09.
- 3964 sites in Delft Towns 7-9 have had services installed.
- In 529 sites in Grabouw, 50 percent of services have been installed.
- In Phoenix, Manenberg, installation of services has been completed in all 67 sites. At the end of this month, a Thanksgiving Street Festival will be held by the Phoenix Foundation to celebrate this achievement and acknowledge the partners who made it possible.

The recent relocation of people away from the Khayelitsha railway line is an example of a UISP project which was spear-headed by our Department and has been well-publicised recently. More than 1000 families who were living in shacks located dangerously close to the railway line have now relocated to Bardale near Eerste River. Simply by moving locations, people's lives were drastically changed. Xoliswa Dyasi, who is a mother of two young children, was one of the residents who moved to safer ground. She said:

We are so happy to be here. It has been many years that we had to face death daily. It is never nice to live only a few meters from where a train passes. There we also had no services and lived in total misery. Now we have water and toilets

and children can play freely. My family have a piece of ground we can call our own and for that I am very thankful.

The project is an excellent example of how we have integrated our various housing programmes to produce more sustainable solutions. By making key changes, we can bring about multiple, knock-on benefits which can mean so much in a family's daily life.

Emergency Housing Programme (EHP)

The Emergency Housing Programme is another means for the Department to intervene and assist communities which are living in dangerous situations. Since the implementation of the Emergency Housing Programme in April 2004, a total of 54 projects totaling R358 million have been approved. Last year alone we assisted 15 322 families and approved 21 projects. During the past four years more than 62 000 families have been given emergency housing assistance.

The programme helps municipalities to provide shelter and basic services, and to relocate destitute and vulnerable families who were badly affected by diverse emergency housing situations. In this respect, the EHP programme is our way of helping threatened communities to regain a sense of safety and stability.

Mr. Speaker, allow me to relate one example of how the EHP programme made a positive difference in a dire situation. The Southern Cape has, for the past years, been affected by heavy flooding which prompted the area to be declared a disaster in 2006. Damage to housing and related infrastructure, including low-cost housing areas, climbed to R150 million. The Department stepped in to assist affected families with emergency and flood kits which provided temporary housing. We also approved emergency reconstruction work to housing and related infrastructure that amounted to more than R80 million. In order to assure government bureaucracy didn't cause more pain and hardship to these families than had already occurred, special approval was granted to fast-track repairs and implement projects in these areas.

The EHP programme has other positive impacts which reach beyond housing issues. By removing residents from dangerous living situations, the EHP can claim positive results

in alleviating health hazards in communities. For example, in Bonnievale, the community residing adjacent to a rubbish dump has been relocated and provided with alternative temporary accommodation. In partnership with municipalities, we are shifting our focus towards preventing disaster rather than managing its after-effects.

Rectification programme and title deeds

Given that the housing environment is constantly changing, we have found that practices of the past, although relevant at the time, may need to be revisited and corrected. One instrument to redress past imperfections is the Rectification Programme. This programme has been formulated to repair and rehabilitate houses funded since 1994 that may require structural work. This past financial year has seen the Rectification Programme grow from zero to R82.4 million. In total, 2 473 families are in the process of benefiting from this rectification work. These families reside in areas such as: Gugulethu, Mannenberg, Philippi, Mitchell's Plain, Hanover Park and Heideveld. The programme continues its expansion this year, including 705 families in Joe Slovo and over 2000 families in George who are set to benefit.

During the race to deliver RDP houses to beneficiaries since 1994, certain steps were sometimes skipped, resulting in some owners of RDP houses never having received the title deeds to their houses, or having received the wrong title deed. To address these issues, I am establishing a task team that will identify the scope of the problem and then implement a plan whereby people who have been rightfully allocated an RDP house will receive their title deed, if they have not previously been issued with one.

Rental and social housing

The UISP and EHP are two of the larger programmes we use to make a positive difference in people's living situations. However, for some families, rental housing is the best, or preferred, option. *Everyone benefits somehow.* As part of Isidima and consistent with national policy, there is a recent drive towards expanding the number of rental housing opportunities for poor families. To respond to this push, we are developing a

Rental Housing Strategy and currently re-aligning staff in order to establish a dedicated Rental Housing component.

The aim of social rental housing is to ensure integrated urban housing for the communities who have not had access to opportunities, partly due to the fact that they live on the edge of, or outside, the city. In this way, these projects are one of the strategic ways our Department is promoting social integration in the Western Cape. Although the Social Housing Bill is still to be promulgated, thirteen restructuring zones in the Cape Metropolitan area have been identified and two social housing projects are already underway:

- The Steenberg Social Housing Project in Retreat is recognised as the first approved social housing project in the Western Cape. The project was approved for 250 units, with a total of 450 units planned. The first phase comprises approximately 180 residential units available for rental by this Department; construction will begin in August 2008.
- The Drommedaris project, managed in partnership with Communicare and driven by the City of Cape Town, is to be approved in 2008/09, for a total of 239 units.

The Community Residential Programme, which is a new programme replacing the Hostel Upgrading Programme, also forms part of our array of rental instruments. The Community Residential Programme facilitates the provision of secure, stable rental tenure for lower income persons. As part of the CRU programme, we have already provided R36 million to the City of Cape Town to assist with the planning and packaging of projects that will deliver rental housing to communities over the next 10 years.

We have also noted that there are many hostels in the City that have been built by employers for their workers. Unfortunately, many of the companies that built the hostels have not maintained them, and as a result many of them are in appalling condition. We are working together with the City in tracking down the employers and we are demanding of the companies that they rectify the situation or cede the buildings to government. We cannot allow people to live in sub-human conditions such as these.

Lead housing projects

For some communities, the provision of formal housing is the best possible option. Over the last four years we have made a radical shift in the *quality* of houses being built, expanding their size from 30m² to 40m². During the previous financial year, the new improved subsidy product, the “BNG house”, along with the increased housing subsidy, was instituted by the National Department of Housing. While this certainly impacts positively on the quality of the houses we build, the basic maths tells us that fewer houses can be built if we spend more on each house. We are therefore working on a tool which will help us to assess new applications for housing projects and ensure that any new settlements are shaped and guided by BNG and Isidima principles. I will speak more on these criteria later.

Mr. Speaker, my department has initiated a number of **lead housing projects** which will spearhead the implementation of Isidima. These lead or pilot projects require that we take risks in testing new models of delivery. Some will work better than others. But every one of these projects will move us forward and enable us to gain a real understanding of best practices when it comes to the new Isidima approach to sustainable human settlements.

- The **Blueberry Hill, Blue Downs** project in Oostenberg Sub - council, City of Cape Town is one of our Isidima lead projects, being undertaken in partnership with Standard Bank and Absa. The project aims to establish an integrated human settlement comprising 3 600 housing units, most of which are targeted at the “gap” market. Fifty percent of the units will go to families earning between R2 500 and R7 500 a year. By the end of 2008, 100 houses will be built, with Phase 2 houses to commence in 2009.
- Another example is the **Grabouw Sustainable Development Initiative**, which we are implementing in partnership with the Development Bank of South Africa (DBSA) and Theewaterskloof Municipality. The Grabouw Initiative entails a comprehensive transformation of the Grabouw town into a model of a sustainable community. 550 units which will incorporate sustainable features will be built in

Roodakke. Construction of these houses started this month and will be completed early next year.

- We are particularly excited about **Nuwe Begin**, the human settlement project at Erf 1892, Blue Downs which will showcase innovative spatial design, energy-efficient solutions, “green” systems, and a unique approach to integration. The project will create 1 824 units in the area of Tygerberg Sub council, City of Cape Town. House construction begins in August 2008 and should be completed by the following August.
- **Kleinmond** is another innovative development with 611 units that showcase alternative technologies, social integration, provision of gap units, and mixed-use structures in the Overstrand Municipality, Overberg District. In partnership with CSIR, the project has nearly completed its planning stage, with construction set to begin by March 2009.
- Our project in **Site C, Khayelitsha** aims to relieve overcrowding by de-densifying the area and upgrading homes. Last year I reported that we had relocated 1750 families to Kuyasa and formalized 3500 of the sites in the area. As a continuation of the programme, I am proud to announce that the Niall Mellon township initiative will bring in 2000 Irish volunteers to assist in construction of 500 houses in Site C this year.
- On the **N2 Gateway project**, we have seen the handover of the first BNG houses to beneficiaries and can report that 100 percent of the R226 million funds which were rolled over from 2006/07 into 2007/08 have been spent. Construction on the ground proceeds as we work towards sign-off on a revised Business Plan for the project which will address institutional arrangements to support a project of this nature and magnitude. Land availability, management of temporary residential areas (TRAs) and project management capacity remain key challenges which Thubelisha faces in project delivery. We continue to work with Thubelisha and are developing options to improve our turn-around time for project approval and funding processes, to better enable Thubelisha to meet its planned targets for this financial year.

- The **Coming Together** project is a massive initiative to fundamentally restructure the urban social and economic environment of Plettenberg Bay. This includes moving municipal and other government services closer to the community and undertaking other interventions to promote integration and densification. To this end, the Department with our partners in the private sector are supporting the Bitou Municipality in applying for funding to the Neighbourhood Development Partnership Grant administered by National Treasury.

We may speak now of 'Business Unusual', but ultimately these special lead projects I have just described need to become our *usual* approach to the business of establishing sustainable human settlements. In the mean time, we are pursuing other means to put people into a house of their own.

Enhanced Extended Discount Benefit Scheme (EEDBS)

One programme we are particularly excited by is the Enhanced Extended Discount Benefit Scheme (EEDBS), which enables families residing in units rented out by government to finally become owners of their homes. Over the last two years, more than 500 families who have been renting the houses they live in—sometimes for a number of years—finally received the title deeds for those units. The sense of ownership is a powerful boost to people's dignity. This financial year we will spend R60 million to transfer ownership of 1 200 units, in areas such as Delft, Belhar, Pelikan Park, Mitchell's Plain, Strand, Paternoster, Saron, and Ravensmead.

People's Housing Project (PHP)

PHP is a special housing delivery programme which recognizes and provides for people's own involvement in the construction of their homes. The programme came about as a means to empower people to utilize their housing subsidy to build their own homes and take responsibility for their own housing needs. Over the last four years, over 11 500 families have benefited from PHP projects in the Western Cape.

Although there have been some issues of mismanagement of funds by those representing communities, the Department has reaffirmed its stance against corruption

and put in place measures to remedy this. Through partnership with Thubelisha Homes and Development Action Group (DAG), we are providing assistance to communities to reconcile projects and improve project management. We are also taking further steps to appoint a service provider to engage with additional communities to unblock housing projects which have become stalled. In 2007/08, a total of 2 087 houses were completed through the PHP programme, with 158 projects currently underway this financial year.

This year I introduced a new programme, **1000 Volunteers**, to bolster our PHP projects and tie them into community volunteerism. Over 1050 volunteers are participating, including approximately 80 departmental/government officials and over 80 corporate volunteers. In Wallacedene, dedicated volunteers are involved in all aspects of the construction process, including foundations, bricklaying, plastering, painting, plumbing and finishing—thus gaining much-needed skills and construction experience.

With their continued involvement in Wallacedene, we can expect the volunteers to have assisted in the completion of 277 houses. The support from various partners has also been fantastic:

- ABSA Home Loans has officially adopted the 1000 Volunteer Program as their Corporate Social Investment Program for 2008.
- Cape Peninsula University of Technology is providing between 15 and 25 students a day during the second half of May to volunteer in Kewtown, and FNB and ABSA All pay have also provided volunteers.

As work in Wallacedene is nearing completion, a new volunteer site has been set up in Kewtown, Athlone. The Kewtown PHP consists of 236 houses, of which construction has begun on the first 50 with the assistance of the 1000 Volunteer Program. Volunteers will be involved there until the end of June 2008.

GAP housing

The reality is that those who need assistance to enter the housing market go beyond the lowest band of beneficiaries that have traditionally been targeted by housing subsidy programmes. Isidima also emphasizes the provision of housing opportunities for those in

the GAP market (people earning too much to qualify for a housing subsidy and too little to access formal housing on their own).

The Department is currently involved in various land release projects which include a GAP housing component. As the financial feasibility of providing GAP units is problematic, most of these projects include an open market component as well—these open market units then cross subsidise the GAP units. Projects currently in the planning phase include various sites in the Blue Downs area, and also Stellendale, Khayelitsha, Grassy Park, Brackenfell, and Belhar. Outside of the Metro, the planning of projects is underway in Dal Josafat and Bitou. In keeping with the commitment in last year's budget speech, delivery on the Stellendale project is underway with four houses finished and the remaining 136 to be completed this year. An estimated 5000 units will be made available through the projects currently being planned under gap housing.

New research, policy and planning initiatives

In order to roll out Isidima projects beyond limited pilots, we need to shift our thinking and how we do things in big ways. A comprehensive implementation plan for Isidima has been put in place and we are developing a monitoring and evaluation framework to track progress. Given the magnitude and depth of the new ideas which Isidima contains, the implementation of the Strategy requires a range of new research, policy and planning initiatives to support implementation processes.

One of the most important steps we are taking to operationalise Isidima is the development of what we are calling '**Sustainability Criteria**' for new human settlement projects. We approved Isidima as a strategy in June 2007, but in order to make it a reality on the ground, we need to establish a set of criteria or characteristics, based on the Isidima principles: If new applications for human settlement projects don't meet these criteria for economic, social and environmental sustainability, they won't be approved. The advantage of this approach is that criteria for approval will be *objective* and *transparent*, so that municipalities can know exactly how their projects will be assessed. Through the work of an interdepartmental task team, the criteria will be finalised and applied to all new projects by 2009/10. Application of the criteria will give us a powerful

tool to drive Isidima implementation, and to take the risk of saying 'no' to the approval of housing projects which will result in a reinforcement of the apartheid landscape.

The main lever for providing the necessary spatial planning support to municipalities in 2008/09 will be through the **Built Environment Support Programme**, which has recently been launched by the Department. Intensive support will be given to six municipalities—Saldanha Bay, Drakenstein, Overstand, Stellenbosch, Knysna, and George—to restructure their urban areas through revision of their Spatial Development Frameworks and 5-year Human Settlement Plans. The towns were selected because they have significant poverty and are leader towns in terms of their economic growth potential. This support will be provided by a consortium of experts, as part of a joint programme that we are spear-heading with the Department of Environmental Affairs and Development Planning.

Another useful planning tool is the **Housing Demand Database**, which is being undertaken in partnership with the National Department of Housing. The historical waiting lists maintained by municipalities currently serve as a housing allocation tool, but do not give us an accurate or comprehensive picture of housing need in the Province. The first phase of this research has focused on surveying households in informal settlements, those living in backyards, and people living in over-crowded areas, and should be completed by mid 2008. In the second phase, a methodology will be developed to institutionalize the HDD at a municipal level.

The database will not only contain current statistics on the housing backlog for local municipalities, but also much needed socio-economic information on residential areas. This information will allow municipalities to develop detailed spatial plans and monitoring tools for human settlement plans. For the department, the HDD is a powerful management tool for avoiding duplication of names on multiple lists and creating overall housing plans for the Province.

As part of Isidima, we are also shifting our focus not just to the *quantity* of houses, but rather on the *impact* of those houses on the quality of life of beneficiary households. We want to find out what happened to the RDP houses which have been built since 1994: Are the original beneficiaries still there, or have the houses been sold or rented out?

What impact did the house have on the lives of those who received it, and how did they utilize the asset they were given? This information is critical for the Department to understand, in order to better target those who really need houses and to efficiently meet their needs.

The **Occupancy Study** was piloted in the Du Noon area on 18 and 19 May, with a representative sample of over 500 respondents. Of the 448 interviews captured, 230 occupants were not registered on the Department's databases for title deeds and housing subsidies. These occupants obtained these houses mainly through purchasing, inheritance, renting, and swapping; the primary means was purchase. Of the 448 interviews captured, only 7 of the occupants were foreigners, of which only one was the owner of the home.

It also emerged that there were 2 exceptional cases of government subsidy beneficiaries or occupants who had multiple stands. The preliminary findings suggest a need for government to further interrogate its systems and databases regarding the large number of occupants that are not registered in the Department's database and those who have multiple stands.

The study will be rolled out to further areas and is expected to be completed within the next six months, following which we will publish a comprehensive report on the findings of the study.

The expansion or **re-emergence of informal settlements** is another critical issue which we are taking seriously and watching closely. The problem arises when shacks are quickly re-built on previously-cleared land, or informal settlements spread to adjacent vacant land. It is important to prevent this from occurring so that existing poor living conditions and overcrowding are not sustained and extended. We will need to draw on the lessons to be learned from the related court case in Kwa-Zulu Natal as we develop a provincial approach to ensure more effective management and control of vacant land that Province and municipalities own. We will soon be making submissions to Cabinet and the house in this regard.

Our Isidima strategy emphasizes the importance of making sure low-cost housing is available to poor people closer to the city centre. However in accomplishing this objective, land availability is a real constraint, especially the availability of well-located land closer to town. Vacant or under-utilised land currently owned by the Province, municipalities or other state bodies provides a good opportunity to access land for housing projects. An example of these types of ventures is the Stellendale project situated along the R300 arterial road.

However, provincial or local authorities are often tempted to sell well-located government land to generate income. The Department is therefore working on a policy to guide how and when we release departmental land for sustainable human settlement purposes. Furthermore, we are engaging with our sister departments and other partners to develop a common framework for the acquisition and release of provincial housing land.

Other draft policies are in the pipeline this year:

- We are working with the Departments of Social Development and Health to put a policy in place to provide housing to those with **special needs**, including those affected by HIV and AIDS, people with disabilities, and women struggling with domestic violence. The draft policy has a strong focus on developing effective partnerships among the public sector, private sector, NGO's, CBO's and faith based organisations.
- During 2007/08 we initiated work to develop a **policy to address the plight of backyarders** in the Province. A service provider has been appointed to assist the Department to develop and undertake consultation with communities, municipalities and other stakeholders on the policy, which is to be finalized this year.
- As part of a national initiative to prioritise **military veterans** in national housing programmes, we have begun close consultation with military veterans associations in the Province, in order to better understand the location, housing needs and challenges of veterans.

Disaster Management

Mr. Speaker, our Province encounters unique challenges with regard to disasters and fire, particularly given the shifting realities of climate change. The cost of disasters in the Western Cape exceeded R1 billion last year; in the past five years we have seen a range of disasters, from fire damage to informal settlements in the Metro, flood damage in the southern Cape, and drought in the Central Karoo. By now, we know we are likely to have fires every summer, and floods each winter. Given this reality, we must be proactive, with careful planning in terms of mitigation, preparedness and recovery.

For example, we are acting to mitigate such risks through an initiative funded by the DBSA which has established 11 training, education and awareness teams in high risk areas. The project includes first aid training, fire prevention, home care, environmental health as well as disaster risk reduction. Presently there are approximately 926 volunteers trained as part of this effort to make these at-risk communities more resilient. Over 2000 learners and 50 teachers from primary schools in Masiphumelele, Kayamandi, Phola Park and Khayelitsha will also be involved in an initiative to incorporate learning on risk management into the curriculum.

Another way we are working to be more proactive in mitigating risks is through a study called the **vulnerability index** which we commissioned in December 2007. The aim of this study was to identify and develop a list of high risk informal settlement areas that are vulnerable to flooding and fires in the Western Cape. This study is currently being refined to include the state of living conditions in these vulnerable areas and is set to be completed by September 2008.

As the cornerstone of our preparedness and coordination efforts, the Disaster Management Centre launched its intergovernmental relations structures on 1 April 2008. The purpose of these structures is to ensure that the political as well as technical/administrative activities and policies are aligned for proper implementation of the Disaster Management Act. The working relationship between Provincial Ambulance Services, Provincial Traffic, Disaster Management, and—above all—municipalities was evident in the effective coordination and management of recent major incidents such as the Haarlem hail disaster, and West Coast and Southern Cape floods.

It is also apparent that our preparation for World Cup 2010 must include serious planning for the increased risk exposure from transport-related accidents and possible lack of essential services such as water, electricity, sewerage and health. The National Defense Force in collaboration with the SAPS utilised the Disaster Management Centre as the Joint Operational Centre during a multidisciplinary exercise which was aimed at securing the airspace around Greenpoint stadium. The feedback received from the role players involved was that the Provincial Disaster Management Centre can be regarded as the best of its kind in the country.

The Centre is currently responsible for the co-ordination of four declared disaster areas, namely: the 2006 floods, the 2007 Haarlem hail disaster, the 2007 West Coast flood disaster and the 2007 Eden flood disaster. The disaster recovery funding for the 2006 flood disaster in Eden amounts to R274 million, of which approximately 70 percent has already been utilized. The remainder of the funds is being utilised for multi-year projects such as the sewerage works in Heidelberg. The current recovery funds for the 2007 Eden floods have still not been determined as the total disaster damages incurred exceed R1.2 billion.

Fire Brigade Services

Turning now to Fire Brigade Services, in the past fire season we benefited from 10 aerial fire fighting helicopters and aircraft. The increased fire fighting capacity is a multi-sectoral initiative which is funded by Nature Conservation, National Parks, Forestry, and municipalities, as well as the National Government's Working on Fire programme. The Provincial Government has provided R2.45 million towards this project. However the current need for municipal fire equipment in the Western Cape remains approximately R502 million, due to the increased risk of fires as well as the non-replacement and/or procurement of fire fighting vehicles. We are engaging with our national counterparts to assist in addressing this funding need.

PILLAR TWO: CAPACITY BUILDING AND PUBLIC PARTICIPATION

I turn now to the second pillar of DRIE VOET, capacity-building and public participation. In order for public participation to move from empty words to practicality, we as a

Department must be willing to listen to communities—*really* listen—and then respond. This means getting out of our comfort zones to go have the hard conversations with communities about what they want, what is possible, and what trade-offs and changes are required to get us there. Through our community outreach programme *Ses'ifikile*, we travel throughout this province meeting communities in municipality halls, school halls, and even in open fields. To date we have interacted with 14 430 community members, to listen and engage on the 'bread and butter' issues. Our *Ses'ifikile* program gives community members a platform to question us on the work that we do, and to also share their wisdom with us.

As another avenue to strengthen our partnership with communities, I convened an "Isidima Summit" on 28-29 February this year in partnership with SANCO. The purpose of the Summit was to share the vision of Isidima and ask communities how they could assist in its implementation.

I am pleased to say that the Summit was a great success. It resulted in 13 resolutions, including:

- Increasing the support of financial institutions to low-income earners;
- Developing programmes to address the needs of backyard residents;
- Increasing our focus on the building of rental stock; and
- Conducting research and interventions regarding the changing occupancy of houses.

We are now working together with SANCO to develop implementation plans for each of these resolutions, some of which I have already spoken of this afternoon.

Following on our IDP/Budget education and awareness campaign last year, we are continuing our efforts to improve community participation in local government activities. Our findings from the campaign last year told us that unfortunately some municipalities continue to view public participation as a mere legislative compliance issue and not as one of their core competencies. In order for citizen participation to be meaningful, simple changes are required. For example, the language used in the IDP/ budget documents can become a barrier for engagement. We have thus committed to an annual education and awareness campaign to open up the consultation process and educate communities

on the importance of involvement in the IDP and other local government processes. The roll-out of the second phase IDP Public Awareness assessment started this month.

We have certainly traveled a long road with municipalities on the strengthening of **IDPs** in the Western Cape. Four years ago, IDPs were largely compliance-driven, focused on the terms of the councils. The analysis contained in IDP's was under-developed and did not reflect long-term thinking. In contrast, our most recent assessment of 2007/08 IDPs in this Province identified 23 'credible' IDPs, 3 'excellent' and 4 'under-developed' IDP's.

As part of our work to improve consultation in development planning as well as the *quality* of those plans, we have given individual feedback to municipalities on their IDPs through assessment reports which identify areas where they have done well and those needing further development. This year we have managed to bring all sector departments into this process in scrutinizing their specific areas.

In an exciting new programme, the Department also plans to implement an **IDP learnership** that is a SETA-accredited programme (NQF level 6), to start in July 2008. The programme will make certain that all 30 municipalities have dedicated and well-trained IDP practitioners by 2010. Furthermore, we will be giving specific attention to providing councilors with the necessary training on IDP by introducing an IDP skills development programme that is run over five days. This course is accredited at NQF level 4.

The Department has also launched **Provincial and District Public Participation Task Teams** which include IDP managers, public participation officials, those in the speaker's office and district communication officers. The District Task Teams will be drafting a district public participation year planner to synchronise key dates in the IDP/budget cycles and izimbizo schedules, while the Provincial Task Team will develop a provincial public participation plan, including National Izimbizo, annual educational and awareness public participation campaign, and Social Transformation Programme activities.

Despite these efforts, we are still experiencing a challenge with ensuring that **ward committees** are functioning properly. In response, the Department rolled out ward committee training in priority municipalities this month and will also undertake an annual

ward committee assessment. Furthermore, in collaboration with district and local municipalities, we will hold ward committee summits in each district, as a platform for ward committee members to share best practices.

Thus while many challenges to the creation of meaningful public participation remain, these efforts by my department are making headway in empowering communities and increasing the responsiveness of government.

The **community development workers** are a vital part of the Department in this respect; they constitute a central part of our legacy. The primary function of CDWs is to provide communities with information on government services and to fundamentally narrow the gap between government and citizens. But our CDWs do so much more. CDWs are going the extra mile to facilitate community economic development and poverty alleviation projects. As a result, CDWs are making a noticeable impact against our Departmental objectives. For instance, CDWs facilitate the establishment of projects in the second economy, educate towards the development of ward-based planning, and also conduct consumer education workshops for housing beneficiaries.

Our capacity-building support to municipalities takes many forms, ranging from legal to leadership issues. In partnership with SALGA and the University of the Western Cape, we piloted an executive leadership development programme for senior councilors. We have also developed the Privilege and Immunities Act and are busy drafting by-laws on rules of order. We will also be promulgating a standard by-law on public drunkenness based on a judgment handed down by the Cape High Court on 13 May 2008.

These initiatives are all part of a decision we took last year to develop a **hands-on approach to capacity-building for municipalities**. With the solid information gained through the Section 47 Report and Snapshot Tool produced by our Monitoring and Evaluation Team, we now have a clear understanding of the specific needs of municipalities in the Province. Starting in June, we will set out on a road show to local authorities to provide technical support, in areas such as corporate governance, financial management and controls, and performance management. Our District Support Plans have identified those areas where we need to apply the bulk of our energies, and will

also serve as a roadmap to coordinate our work with other provincial departments' municipal capacity-building initiatives.

PILLAR THREE: COOPERATIVE GOVERNANCE AND ACCOUNTABILITY

The third and last pillar of DRIE VOET is cooperative governance and accountability, which speaks to our work to strengthen intergovernmental structures and support a sense of justice and leadership.

Our interventions to support struggling municipalities are a fundamental element of our drive to build accountability and corporate governance. Over the last year, we have applied a grant of R3 million towards the implementation of the **Kannaland and Cederberg Recovery Plans**. I am pleased to report that our efforts, in cooperation with those municipalities, are showing real results.

- Through the appointment of a dedicated Municipal Manager in **Kannaland**, the municipality has trained new councilors, addressed audit findings, revised the institutional structure, distributed newsletters to the community and successfully approved the 2007/08 budget by Council.
- In **Cederberg**, the re-organization of the municipality's macro organization has been finalized, and the Executive Mayor has signed the Performance Scorecards for the Section 57 posts. With IDP and LED strategies in place and a land audit completed, Cederberg is busy now finalizing water services, an integrated infrastructure maintenance plan, and plans for housing and disaster management.

During 2006, it became apparent that **Oudtshoorn Municipality** was in deep trouble due to allegations of maladministration, fraud, corruption and other malpractices. I subsequently commissioned a Section 106 investigation to verify the allegations. Upon receiving the independent report, we decided that there was sufficient evidence to invoke Section 139. An administrator was appointed to take over the helm and to stabilise the municipality with assistance from other stakeholders, including DBSA, the

Ilima Trust, Provincial Treasury, and Eden District Municipality, as well as the Provincial and National Legislatures Committees. As a result of our interventions, the political and administrative stability in the Oudtshoorn Municipality has improved significantly, beginning with the appointment of a municipal manager and Section 57 managers. We will monitor the situation very closely to ensure that the good work that has been started is maintained and consolidated.

As we are all aware, the 2006 Local Government Elections and subsequent September floor crossing resulted in a coalition '*maak 'n las*' local governance arrangement, which we have taken to calling the 'scrambled egg' scenario. The situation created very fluid and fragile Municipal Councils, (more than 17 Councils have changed) that have a direct, and often negative, impact on the administrative stability of municipalities and their capacity to deliver effective services to their citizens. These complex political arrangements in municipalities threaten to create a barrier to the effective and decisive political leadership and competent administrative management needed to drive the implementation of the five-year local government agenda.

Our flagship achievement in this area is the recent **Governance Summer School**, a pioneering event jointly hosted by us and the Northern and Eastern Cape. Some 300 Mayors, Municipal Managers, other senior municipal, provincial politicians and officials met together for four days to share their skills and experiences in local government. Given the dynamics and challenges of coalition-based government in the Province, the theme of the Summer School was leadership. Based on the success of the event, we want to make this an annual undertaking which can continue to serve as a platform for co-operative governance between the municipalities and provincial governments of the Northern, Eastern and Western Cape.

Apart from the annual summer school, the Department has regularly and consistently sought out and created engagements with municipal leadership and taken tangible steps to improve the *quality* and *depth* of these relationships. Our overall aim is to promote administrative stability where there may be political instability. The **Provincial Advisory Forum** (PAF) is a key forum in the Province for addressing issues of mutual interest and driving accountability. I have also initiated **quarterly meetings with the speakers** of

municipal councils in the Province. At these meetings, Speakers are expected to report on public participation and ward committee activities and challenges.

Another avenue for engagement with local authorities is through the **Local Government Medium Term Expenditure Committee** assessments and engagements, conducted in partnership with Provincial Treasury. Our focus has been on finding synergy in funding and priorities between the provincial and local spheres of government. The recent engagements in May were again successful, and managed to create a space for more in-depth, substantial discussion of the issues between each municipality and the participating provincial departments.

As part of our contribution to the Province's **Social Transformation Programme**, led by the Department of the Premier, our CDW's will support initiatives in the 27 priority areas. The Department supports and facilitates the identification of ward-based projects in these areas and will also concentrate on strengthening intermediary structures to make sure they are effective and functional. A skills audit and training has been commissioned for the intermediary structures specifically in the presidential nodes (Khayelitsha, Mitchell Plain and Central Karoo).

There have been ongoing tensions between the province and municipalities regarding the performance of particular **powers and functions**. This results partially from grey areas and inadequate legislative definitions of certain powers and functions. The Department has tackled this problem by completing in-depth reports and recommendations on three functions: libraries, museums and disaster management. It is also finalizing a framework for Cabinet approval so that the remaining functions can be assessed by departments within a consistent approach.

As we always do, it is incumbent on us to remind the political and administrative leadership in our thirty municipalities that they have a responsibility to ensure that the institutional integrity of their individual municipalities is maintained. This means that they have to consistently implement, and respect, the Constitution, national and provincial legislation as well as their own by-laws and policies. In line with the legislative framework, municipalities must build, or maintain, effective, efficient and sustainable

structures, systems and processes in order enable the provision of services and the fulfilment of their developmental mandate.

Finally, on the subject of accountability, I am very proud of the recent launch of our departmental **Anti-Fraud and Corruption Strategy**, which is the first of its kind for the Western Cape provincial government. The establishment of a Fraud and Risk Management Committee will assist the Accounting Officer to create a strong culture in the Department to fight fraud and corruption which undercuts service delivery and threatens our sense of justice.

Through excellent co-operation between my Department, the Special Investigating Unit and the Forensic Investigative Unit of the Department of the Premier, we are also making great progress in the investigation of alleged corruption and the recovery of losses which occurred in the past. Government employees who fraudulently received housing subsidies are signing acknowledgements of debt and additional cases are to be brought before the court in the upcoming months. These actions are vital for us to restore the integrity of our public service and programmes.

OUTLOOK FOR 2008/09

Mr. Speaker, I have outlined our achievements, challenges and plans surrounding each of the three pillars of DRIE VOET. We have described a departmental plan where, through the multiple housing instruments available to implement Isidima and the local government support programmes we are pushing forward, we are making real changes in people's lives so that they feel the difference in their sense of dignity, safety and well-being.

As a department, we are also taking concrete steps in 2008/09 to improve our communication, information management, and project management.

- We will set up a comprehensive information management system for the Department this year, which will include programme activities as well as municipal information. Plans are in place to create a departmental Intranet to

serve as the platform to link the various business units, planning tools and databases operating in the Department.

- We finalized and adopted a departmental communications strategy in December 2007, as part of our demonstrated re-commitment to improved engagement with communities.
- In a drive to make our internal processes more efficient, we have organized our work into projects and improved our project management capacity by bringing on board three highly-qualified project managers from DBSA in January, to provide technical, engineering and planning services.
- I am also very pleased to report that South Africa's historical partnership with Cuba is also bringing home tangible benefits to our Province. Nine Cuban professionals, trained as engineers, project managers, and technical experts, joined our Department this week and will be working with us in the coming year to accelerate delivery on our human settlement projects.

Our reorganization of the Department has been designed to make the organization more responsive and flexible—and better able to implement the varied human settlement programmes which together make up the Isidima strategy. Increased capacity has enabled a greater customer focus for the Department. We have put an internship programme and external bursary programmes in place to help us to attract and retain suitably qualified technical and professional staff. Our initial 10 external bursary holders are now into their third year of studies primarily in the fields of civil and electrical engineering. Currently 16 learners hold bursaries, with another nine bursaries to be awarded in 2008/09. However, despite these skills development initiatives, the filling of vacancies on the approved organisational structure of the Department remains an on-going challenge in light of the sizable demand for scarce skills and technical competencies.

Partnerships

It's important that I also speak to the partnerships without which we would be unable to achieve any of the Departmental goals I have discussed. Given our reliance on these partnerships to achieve our Departmental objectives, a sound stakeholder management strategy is not a nice-to-have; it is essential to service delivery. The process of building integrated human settlements—not just constructing houses—requires us to also build solid relationships along the way. We know that effective stakeholder management demands consistent engagement with communities, through key bodies such as SANCO, and through inclusive programmes such as the 1000 Volunteers.

The close partnership between my department and the Department of Environmental Affairs and Development Planning, Department of Economic Development, and Provincial Treasury are also essential to our own success as an organisation. The Governance Summer School in March is an outstanding example of what we can achieve when we work closely with our sister provinces, Northern and Eastern Cape, and with municipalities.

We have numerous initiatives with Niall Mellon Foundation, including a project to establish a factory which will manufacture pre-fabricated houses, as part of a scheme to use alternative technology to accelerate housing delivery. The City of Cape Town is assisting in providing land for the factory.

In addition, we continue to develop creative and practical partnerships with the private sector and others. Here I must acknowledge the important contribution of Ilima Trust, Standard Bank, Old Mutual, FNB, Absa, DBSA, SABC, and CSIR, as well as Nedbank who generously assisted the families of those who lost their lives in the recent shack fires in KTC.

2008/09 Commitments

I wish to conclude by summarising where we will be spending our energy and committing ourselves as a Department in the current financial year:

- As part of our Isidima human settlements strategy, our target is to build 19 050 houses and service 18 011 sites in 2008/09. Over the next three years, the aim is to deliver approximately 110 000 housing opportunities. In total, we are set to spend R4.463 billion on housing over the next three years!
- We are driving 30 human settlement projects this financial year. This includes breaking new ground and actual construction in the following human settlement projects:
 - Nuwe Begin in Blue Downs
 - Blue Berry Hill gap housing
 - Steenberg social housing project
 - Upgrading informal settlements in Site C
 - Kleinmond project
 - Belhar CBD
- For 2008/09 we plan to deliver 12 UISP projects, servicing a total of 10 000 sites.
- In the 27 vulnerable areas targeted by the Social Transformation Programme, our Department will deliver 11 970 houses and 12 267 serviced sites in 2008/09.
- In the Emergency Housing Programme, a number of proactive projects are planned, such as the urgent relocation of the De Doorns families residing within the riverbed as well as the Power Town community in Mossel Bay. The issuing of marquees to the various District Disaster management centers within the province will also be a major step towards equipping municipalities to be able to provide immediate temporary housing accommodation.
- This year we will increase our focus on rental housing and work to expand the number of rental housing opportunities in the Province. This includes the development of a Provincial Rental Housing Strategy and the establishment of a dedicated Rental Housing component in the Department.

- The Sustainability Criteria for approval of new human settlement projects will be finalized, for anticipated implementation in 2009/10.

- In the area of policy and research:
 - We will finish the Housing Demand Database survey in 2008/09 and also undertake and complete the Housing Occupancy Study.
 - We will consult with municipalities, communities and other stakeholders to develop a policy for backyarders.
 - In cooperation with our partners, the Departments of Health and Social Development, we will put in place a housing policy for people with special needs.
 - During 2008/09 we will finalise and implement the 'vulnerability index' to classify informal settlements with respect to health and disaster risks, in order to inform interventions and allocations for emergency services and housing.

- With regard to disaster management, in 2008/09 we will develop and coordinate sector-specific contingency planning within the provincial government. The newly-established disaster management structures, including the Intergovernmental Disaster Management Committee, will be central in driving and supporting this process, as will the development of a generic disaster management software programme.

- Six municipalities will receive intensive support to put in place strong Spatial Development Frameworks and 5-year Human Settlement Plans, through the new Built Environment Support Programme. We will extend the support to other municipalities in the following years.

- In collaboration with district and local municipalities, we will hold ward committee summits in each district, as a platform for ward committee members to share best practices.

- In July, the Department will launch the new SETA-accredited IDP learnership programme and conduct an IDP skills development programme for councilors.
- We will deepen CDW impact in the 27 priority areas.

Mr. Speaker, these are some of the *practical things* which we think are worth fighting for, which will make real changes in people's lives, and which we believe will promote their dignity where they live. By doing so we directly address impatience with slow service delivery and work to boost the social cohesion which is our best defense against the recent violence.

The breadth and scope of the programmes and initiatives I have described provides convincing evidence that our Department is not simply in the business of building new houses. We are: expanding rental opportunities; relocating people from dangerous living situations; providing temporary shelter in disasters; writing off bonds so people can become home-owners; providing basic improvements and services to people's homes; promoting innovative energy-efficient, sustainable, and green housing developments; and improving citizen's access to government services.

For us, the key point is that for people such as Mr. Jansen, the real impact of these programmes is not the physical structure or service, *but the opportunities and possibilities that open up to a family when those practical things are taken care of.* The strategic directions and departmental programmes I have described today constitute our plan for creating real improvement in the conditions of people's lives in the Western Cape this year.