



MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

STATEMENT BY MINISTER MMAMOLOKO KUBAYI ON THE OCCASION OF A MEDIA BRIEFING ON POLICY CHANGES TO ACCELERATE PERFORMANCE IN THE SECTOR, 31 MARCH 2023, IMBIZO MEDIA CENTRE, PARLIAMENT OF RSA, CAPE TOWN.

Good morning, ladies and gentlemen,

Members of the media

I would like to welcome everyone who has joined us this morning for our media briefing, as we update the nation on how we are implementing the principle of continuous improvement in our work.

The challenges of human settlements are immense. We are cognisant of the fact that many of our people are still waiting for their houses, many people are still staying in informal settlements that lack basic services such as water and sanitation, and many people still spend close to 70% of their income on transport because they stay very far from their place of work and many people in the gap market are struggling to get access to funding so that they can provide shelter for their families. It might be taking us a while longer than expected to attend to their needs, but we are committed to ensuring they soon receive what is due to them.

Over the past year, the Department of human settlements and its entities has witnessed stability and steady improvement in how we do our work. Whereas in the past, the silo mentality that had been dominant amongst the different entities has started to see collaboration, I will elaborate on this collaboration when I speak about our new approach to disaster response.

What prompted us to update you today is the need to outline how we respond to the changing economic, climatic and environmental conditions in the human settlements sector. Accordingly, our focus this morning will be on the changes we are making to the subsidy quantum, the enhancements we are making on fully subsidised housing (Breaking New Ground, commonly known as RDPs) and our new approach to the Emergency Housing Programme.

You will recall that last year, we decided to increase the subsidy quantum, which had not changed for five years. This change had been necessitated by the inflationary impact on the cost of building material which had been accelerated by the COVID-19 pandemic and the July 2021 riots. With the Ukraine/Russia conflict and the electricity supply challenges, the economic situation has shifted such that the cost of material has gone up again, and the changes we introduced last year are no longer viable for the sector. Nevertheless, the situation is such that we are compelled to effect another increase; otherwise, more projects will be left incomplete and construction companies will find it hard to survive.

We have therefore decided to make the following changes: and we are increasing the subsidy quantum with 29.7% for the 2023/2024 financial year, mainly to address the ever-increasing building costs. The adjustment will ensure that we speed up the pace of delivery and also deal with the quality of homes we provide to beneficiaries.

From the 1st of April 2023, in real terms, our housing programmes will be adjusted as follows:

- BNG services and top structure will move from R196 887 to R255 364
- House for persons with disabilities will move from R209 071 to R271 166
- Military veterans' houses will move from R240 607 to R312 069
- First Home Finance will move from R130 505 to R169 265
- Social housing will move from R327 667 to R424 984

We believe that with these amendments, we will be able to accelerate housing delivery and avoid projects being abandoned. We continue with our call to our implementing agents, contractors and developers to deliver quality work on time and within budget.

Enhancements on BNG

As I said, we strive to apply the principle of continuous improvement of our services consistently. The enhancements I am about to announce will improve access to basic services for poor households and security for the vulnerable. Concerning newly built government-subsidised homes, as per the MINMEC decision, they will change to improving household lives and contributing to economic activities. However, I must emphasise that these changes will not apply retrospectively. This means these enhancements will only apply to BNG projects that will be started from the financial year 2023/24 onwards.

The change in the quantum is exclusive of the enhancements that we are introducing and at a reasonable cost that will be kept, and these enhancements are as follows:

- Solar panels – every BNG unit will be fitted with a solar kit so that these households can have access to basic electricity. This change will ensure that households who are far from electricity infrastructure can get access to electricity. This will also help reduce the network load and municipal financial stability. We are cognisant of the concerns raised around security and the rising incidence of theft of solar and associated components. We are planning to work with the security cluster and the community forums to find a way to secure these units. We have been in contact with the team at the University of Johannesburg that has done work in the provision of solar solutions in village/rural settings. We believe there are lessons to be learned and we can only improve going forward.
- Burglar bars – It has come to our attention that the houses we provide to persons with disabilities are vulnerable to burglaries and other security issues. For this reason, all the units delivered to persons with disabilities will be fitted with burglar bars.
- We will also provide rainwater harvesting devices in rural areas. This will mainly ensure that rural communities have access to essential water services.

EMERGENCY HOUSING PROGRAMME

Due to the changing climatic and environmental conditions, we have seen a rise in natural disasters. The impact of these natural disasters is devastating to households as some of the victims are left with partially damaged houses and others are left homeless. The most recent disaster is the floods we just witnessed at Port St Johns, wherein hundreds of families have been affected and almost 205 people were left homeless.

The increase in the frequency of these disasters and the severity of the devastation requires a human settlement disaster response that is swift and appropriate for alleviating the plight of the affected families.

Looking at our response to disasters, we realised that the Human Settlements' response is underwhelming and slow. As a result, we have seen disaster victims find themselves without homes two to three years after the disaster has struck. In some instances, people have been in temporary structures for more than fifteen years when the policy says these structures must be replaced within six months. Our inadequate response has mainly been attributed to the following:

- Long delays in applications for disaster grant funding from affected municipalities and provinces.
- This is due: Lack of skills for assessment of disasters at a provincial and municipal level.
- Dysfunctionality of municipalities due to political instability
- Inordinately prolonged delays in land acquisition, which frustrates the process of temporarily accommodating people.

In addition to this, we also realised that the method of allocation of funds amongst the provinces was suboptimal as some provinces are more prone to disasters than others. Working with National Treasury, we determined that our response to disasters will be more effective when managed at a national level. This also means that the emergency funds will be available for deployment to affected areas at the time of need rather than being appropriated to a province or municipality that does not experience a disaster during the financial year.

Accordingly, effective from the first of April 2023, the department will take over implementing the emergency housing programme. As a result, the provincial emergency housing grant and the municipal emergency housing grant will cease to exist. We believe that this approach will enhance collaborative planning amongst the three spheres of Government in anticipation of disasters and simplify the response so that we optimise funds allocation across the country and improve the response time.

However, provinces and municipalities are expected to ensure that they still attend to all outstanding households whose properties were destroyed in previous disasters and are yet to receive assistance despite municipalities and provinces having received funding for those disasters - meaning the national management will not be retrospective.

As part of implementing the emergency housing programme from the new financial year, the Emergency Housing Command Centre has been established to coordinate the national disaster response. It will have linkages to the South African Weather Service and provide the ability to receive early warning alerts to enable the pro-active mobilisation of resources to respond to imminent disaster; this will also link to the National Disaster Centre and will not work in a competitive or contradictory manner. This allows communities direct access to report incidents via email at EHR@dhs.gov.za.

In addition, a disaster management team has been created, that combines and leverages the skills and capacity of the Department and departmental entities, including the Housing Development Agency, National Home Builders Regulatory Council, and the National Housing Finance Corporation. A framework has been developed, which includes the definition of the roles and responsibilities, the implementation guidelines and the Standard Operating Procedure. This team is ready to commence with the work on 1 April 2023.

We have further decided that instead of providing Temporary Residential Units (TRUs) for disaster-affected households, we will introduce a permanent solution through alternative building technology (ABT), particularly in rural areas where mud houses

often disintegrate during severe rainfall and households with stands already. This approach is more sustainable and cost-effective. Other measures will include:

- Provision of Vouchers for affected households to enable them to build their homes, but this time with the alternative of using new technology instead of only brick and mortar.
- Provision of building material for residents in informal settlements to rebuild in the same location or to relocate to safer land working alongside social facilitators
- Provision of Transitional Emergency Accommodation (TEA), which could include using various identified vacant government buildings across the country that can be transformed into habitable environments. This provision will add a ceiling on the price to avoid system abuse.

We believe that the changes we have just announced will go a long way in ensuring that we improve the standard of living of our people regardless of their class status and geographical location. However, we are also mindful that our policies require constant review, rework, update and continuous improvement. They must be informed by the latest research, people's changing needs, and social and economic conditions.

We have already identified some rigidities in the current housing code and will attend to some of these policy gaps through our white paper development process. This review of our policies will inform our long-term objectives and the tools we need to adopt to achieve those objectives. The fast-changing economic environment will also require us to find agile responses to continue providing our services sustainably.

We are committed to ensuring that there shall be comfort, shelter, and security for the people of South Africa, especially the poor and vulnerable.

Today marks six years since I was appointed to the executive as a cabinet minister. I remain grateful to the ANC, the people of this country and President Ramaphosa for affording me the opportunity to serve South Africa and her people. It is indeed a privilege to serve.

Thank you