

Millions spent on Human Settlements to reward patronage, not build houses

By **Emma Louise Powell MP** – DA Shadow Minister of Human Settlements

Chairperson,

Every year at this time, Members of this House are subjected to long soliloquies and endless lists of promises from incompetent and compromised Ministers, while the reality on the ground sees South Africa sinking into an ever deepening abyss of poverty, malnutrition and despair.

Whilst members of the ruling elite strut around in their pink gloves, being ferried by VIP security in expensive German cars to legotla's and summits, the reality of daily life for millions of South Africans becomes more and more horrifying.

From the rubbish lined streets of Makana where raw sewerage runs through the town; to the semi-constructed and then abandoned housing projects in Alfred Nzo; to the derelict, filthy wreck that now defines the eThekweni city centre;

From the innocent children playing in the dust of our nations ever swelling slums; to the distraught looks of despair and anxiety on the faces of mothers and fathers who have to beg at car windows to feed their hungry families - the crisis that looms outside the walls of the ANC's gated, ministerial housing compounds, intensifies.

For most, the deep suffering of our nation's poorest citizens is simply impossible to ignore. Yet, somehow the ANC's wilful contempt of our citizens and their complete failure to do what is right and just for this Nation, endures.

Despite a triple junk rated economy; a failed government staffed by incompetent and corrupt cadres; and, the systemic looting that now defines our state apparatus, the ANC continue to deny any involvement in the cause and effect of their failed policies.

Chairperson, its common cause that South Africa is currently led by out of touch elites who spend more time staffing political war rooms disguised as advisory panels and "rapid response teams", than actually focusing on the business of saving South Africa from the economic carnage that it now confronts.

Millions of rands of tax payer is money spent every year by Departments such as Human Settlements, hiring incompetent ANC cadres to reward patronage and execute the internal strategies of the ANC's warring sides.

Look no further than the R14 million spent in this Ministry on the salaries of ANC-connected "National Response Task Team Members", the likes of Rhodes must fall leader Chumani Maxwele, and compromised ex PAC leader Thami ka Laatjie.

Many of these members were employed by the Ministry despite not having even submitted CVs.

Senior ANC cronies, the likes of Bathabile Dlamini, Menzi Simelane, Stephens Nkululeko Poya, Susan Shabangu, Boyce Mkhize have all been hired by the Minister during her time in office, in order to execute the nefarious political agenda of the ANC's factional wars.

Because those cadres do not have the necessary skills and training to get the job done effectively, the Department this year will spend a quarter of a billion rand on external consultancy services – an increase of more than 70%.

Adding salt to the gaping wound, while our national unemployment rate hovers at a startling 42%, the Minister rallies to defend the expenditure of millions of rands on Cuban engineers, gaslighting the nation into believing these deals are cut on the basis of 'skills transfers'. All the while, our own engineers sit at home.

Honourable Members, this situation will abound for as long as the ANC remains in power.

And despite the list of more hollow promises for the upcoming year recited before this House today, the delivery targets promised during Human Settlements Budget speeches in previous years have yet to be fulfilled.

In the 2019/20 financial year, more than 36 000 of the promised sustainable human settlements were not delivered;

106 informal settlements (more than half the annual target) were not assessed for feasibility;

183 informal settlements upgrading plans (again, more than half of the annual target) were not developed.

The planned upgrading of 17 300 households in informal settlements and more than 15 700 planned subsidy housing opportunities did not materialise.

Of the plan to deliver 4000 private affordable rental housing units, more than 3 200 of these were not delivered because the National Housing Finance Corporate *did not submit their business plan*.

Only 150 community residential units were delivered out of a target of 400.

Despite Human Settlements having had a dedicated Title Deeds Grant, which is now being scrapped, the Department was only able to deliver 28 000 title deeds in the 19/20 financial year against a backlog of close to 1 million.

Yet in the same financial year in the Western Cape, the target of 7000 was exceeded, and more than 8490 title deeds were delivered. This DA led Province has also now developed a smart IT tool that will further speed up their title deeds programme.

While Covid provided a useful smokescreen for the Department's failures to hold Provincial Government's and Entities accountable, the reality is that the end of this financial year only *briefly* coincided with the first on-set of Covid.

Honourable Members, the Auditor General's findings in regards to this Department have been even more concerning.

According to the outcome of the last audited financial year, the only Provincial Department to have received an unqualified audit without findings was the Western Cape. No surprises there.

Not a single entity obtained a clean audit.

The Auditor General's first special report on governments financial handling of the Covid-19 crisis was scathing.

At the on-set of the crisis, the Honourable Minister established a Human Settlements Command Centre to manage the emergency de-densification programme, to which hundreds of millions of rands were re-allocated.

The AG's report, which analysed this command centre's work, made a number of scathing observations, including that:

1. They did not ensure that Provincial and Local Government were deliberate in ensuring that residents in informal settlements were resettled in areas where social distancing could be observed.
2. The speed at which the implementation of the de-densification programme progressed did not take the necessary urgency into account.
3. In some instances, the occupants of the completed TRU's were families whose names did not appear on the Housing Subsidies System.
4. And TRU's were occupied, prior to the official handover, by people who were not the intended beneficiaries.

When questioned on these findings in a Portfolio Committee, the Director General of this Department himself acknowledged that national housing policy had been widely flouted in the provision of emergency housing.

Despite the litany of damning outcomes, Honourable Minister Sisulu's Department was unable to give the Portfolio Committee any evidence of consequence management for what appears to be patent fruitless and wasteful expenditure and irregular supply-chain management processes.

Chairperson, to highlight what these failures mean in reality, Members will recall that in last year's budget speech the Minister told the Nation that the Department of Human Settlements was onsite building 1000 TRUs at Duncan Village.

Yet, almost a year later, of the 1174 units announced for emergency delivery in this area, less than half of these have been completed. This, despite the village being home to more than 20 000 informal dwellings.

In Gauteng, the deadline for 1000 TRU's in Mamelodi was extended twice, and by November less than a quarter of units had been completed, whilst not a single beneficiary had yet received keys.

The TRU's built at the Talana Hostels in Limpopo drew the ire of the nation when the Premier arrived at the hand-over ceremony to find 40 units resembling tin shacks, built at a cost of more than R64 000 per unit.

At the Dodoma Avenue emergency housing project in KwaZulu-Natal (KZN), not a single beneficiary from the Kennedy Road Informal Settlement has yet been allocated a unit.

The failed Housing Development Agency which has recorded more than R131m in irregular, fruitless and wasteful expenditure has delivered nothing but controversy since being appointed by the Minister to lead the National dedensification programme.

This is a direct result of on-going political interference.

Chairperson, in May last year, shortly after millions of rands were redirected to this entity, Minister Sisulu personally appointed the CFO of the entity, a multi-millionaire who was reportedly embroiled in the Bathabile Dlamini linked SASSA grant scandal.

Shortly after instructing this appointment, the Honourable Sisulu then blocked the HDA board's recommendation to appoint a suitably vetted candidate to the position of CEO, instead again, directly appointing the CEO to the post for 6 months.

Following a report of the Auditor-General, a raid of the HDA's premises by the Hawks in December, and a number of tender-related *Promotion of Access to Information* (PAIA) requests submitted by the DA, the Honourable Minister was then forced into a corner and under the belated guise of "accountability", fired the CFO and terminated the secondment of the CEO.

Most interestingly, in the Eastern Cape, the G5 Group trading as NJR Projects, was awarded a contract by the HDA for the construction of the R85 million Duncan Village housing project. None other than Edwin Sodi, who was arrested in September last year in connection with the Ace Magashule linked Free State Asbestos tender, was a registered Director the company at the time.

The DA has referred this matter directly to the SIU.

Chairperson, as a result of the mismanagement of millions of rands by cadre deployees, and the ever deepening economic crisis, the Human Settlements Department is now having to put measures in place to immediately downscale the delivery of houses.

Provinces have been notified that housing projects planned for next year will only be supported on the basis of limited conditions.

The National Department has also instructed provinces to provide evidence of measures taken to downscale the delivery of units.

Provinces and municipalities have already had to deal with a series of major budget cuts impeding their ability to meet the growing housing demand.

The truth is that under the ANC's incompetent and kleptocratic leadership, South Africa has run out of money and are out of options.

Instead of rightsizing the civil service and privatising SOEs, as every ratings agency has urged, the ANC government is retaining the bloated civil service and bailing out SOEs while making major cuts to critical frontline services.

A government that takes money away from formal housing in order to bankroll vanity projects like SAA simply cannot claim to act in the best interests of our people.

Honourable Members, the ship is sinking.

Thankfully, alongside the ANC.

I thank you.