

SPEAKING NOTES FOR THE MINISTER OF HUMAN SETTLEMENTS ON THE OCCASION OF THE HDA DEVELOPERS' CONSULTATIVE ROUNDTABLE, 21ST NOVEMBER 2016

Honourable MECs of Human Settlements here present
Honourable Executive Mayors and Mayors
HDA board members
Chairperson of the Portfolio Committee, Ms Mafu
Senior government officials
Captains of industry
Distinguished guests

Good day!

It gives me so much pleasure to be here today as we finally bring to completion a vision Minister Sisulu had since she was first deployment to this portfolio, that of establishing a government developer.

Today is about not just about speaking about our commitment to accelerating human settlements delivery but about showing it to you all.

In 2009, we established the Housing Development Agency (HDA) with the purpose of having direct intervention in the development of sustainable human settlements.

In 2016, six years later this institution had carved its niche and delivered beyond expectation on its role as project support for the department of human settlements.

Today we are pleased to announce that working with the board and the CEO, Pascal Moloi we have done all that we needed to do on establishing a business case for the transitioning of the HDA into the official state developer.

Our intention is to put government in the forefront of land and property development for the delivery of integrated and sustainable human settlements. Critical to this decision, is the need for government to work in a seamless and co-operative manner in partnership with the private sector to deliver on the Master Spatial Plan.

It would be a futile exercise to capacitate the HDA with such a mandate if we continue having a disjointed approach to land use and planning as government. We have consulted with all spheres of government on the issue of strategic land release for integrated human settlements development and the new role of the HDA will be realized.

We can proudly say that the HDA has over the years achieved its mandate. Yes there have been challenges but in the main we have seen commendable progress and impact.

When we brought in the current CEO, Pascal Moloi, we gave him a brief that the HDA should by the 2017 financial year be a fully-fledged developer. I am glad to announce that today as the sole shareholder of the HDA we have signed off on the mandate and we are pleased to announce the HDA as the government developer.

During the budget vote speech in 2014 we pronounced on the catalytic projects and what we intended to achieve, directly linked to the realization of the developer status of the HDA, our plan has culminated in the identification of projects of which some are already in implementation.

We undertook a diligent and meticulous assessment process and we unearthed 101 catalytic projects.

These projects will see government make a massive investment in the lives of ordinary South Africans, directly servicing areas of high potential and deprived areas.

Accordingly, the national priority catalytic projects identified are aligned to the Human Settlements Master Spatial Plan (MSP) spatial prioritized areas that

- (1) Impact on at least 75% of the population;
- (2) capitalize on areas of existing and planned economic activity and investment;
- (3) Ensures intervention and/or transformation of areas of deprivation and housing need; and
- (4) Overlap with existing key government programmes and investment priorities.

Of the 101 projects, 45 are public sector driven, 56 projects were motivated by the private sector. We have taken them through different assessments, and we hope that the fiscus will allow us to isolate those projects we can contract with you on, as first batch of our national priority projects, which are a part of a 20 year programme starting April 2017.

It is during this period, not only are we being challenged to deal apartheid settlement patterns a fatal blow, it is also during this period that we would like to see a massive contribution by our sector in growing the economy/GDP.

We hope through these interventions we will create jobs, impart skills to our vulnerable groups (women, youth and people with disabilities). We must be in a conversation with each other how we radically interrupt the housing delivery market, to an extent that it is transformed.

Ladies and gentlemen, what do we mean by transformation? We want to be clear about what it is we are driving at. We want to see marked and sustainable change in relation to;

- BEE Developers
- Women empowerment
- Youth employment
- Preferred material supplier BEE (community benefit)
- Preferred material supplier is provincially based
- People with disabilities

We do not just want to see transformation but meaningful empowerment. When Minister Sisulu left the sector in 2009, there were four emerging black owned developers, she came back in 2014 the sector still has just two companies and they are still emerging.

We do not want to see emergence but complete establishment of black owned land and property developers. It is one thing to brag to the world about our housing opportunities whilst we cannot demonstrate how this has transformed the sector and empowered those previously disadvantaged.

It is for this reason we established the HDA in 2009, with a mandate to identify, acquire and release land, to develop land and properties on behalf of the state and to continue lending support to provincial and local govt. We applaud their work in this regard, it is the developer role that lacked and we have pushed the current leadership on activating this role and actualizing it and today we can proudly say we getting there.

So ladies and gentleman today we are reaffirming our commitment to work in partnership with you all. The HDA knows expressly our expectations and we now they can deliver. DG and his entire complement of officials are already working with the HDA to ensure seamless realization of the plans the department has set itself on.

In closing let me invite you to journey with the HDA and let us work to change the lives of our people.

I thank you