Housing & Hostels — General

1997

January — July
Eskom is expecting improved payment

By Shadrack Mashalaba

ELECTRICITY supply parastatal Eskom says it expects the payments from local authorities to increase in 1997.

Eskom is owed R1.3 billion nationally. Two major local authorities in Gauteng owe Eskom R46 million and the rest scattered nationally owe R2.8 million.

Eskom communications director Mr Archie Jacobs told Sowetan yesterday that payments had improved considerably since Eskom announced its intentions to take legal action against local authorities who did not pay their arrears.

Eskom announced in July last year that it was owed R5 billion and said it had reached the end of its tether.

The worst defaulting local authorities then included Kempton Park, Springs, Ooges, Kapa, Kwantelen, Sterkspruit, Cullinan, Edenville, Greylingstad, Bothaville and Breitenkamp.

Jacobs said payments had improved in the last three years from 20 percent to 90 percent.

Masakhane campaign

"The issue of non-payment should be viewed in perspective. It is a national concern that needs to be addressed collectively as part of the Masakhane campaign."

"We will continue with our policy of consultation and negotiations. Switch-offs are a last resort," Jacobs said.

Local authorities which have been heavily hit by poor payments have been those on the East Rand.

Jacobs said as soon as the big local structures started paying their dues, the smaller ones also started paying.

Eskom said Greylingstad and Balfour were in arrears for four months and negotiations with them were continuing.

But he warned that an Eskom takeover in the case of both authorities seemed eminent.

The parastatal said the agreements with Kroonstad, Fochville, Edenville, Bothaville, Bultfontein and Cloetesville were being adhered to.

Electricity is managed as a closed account in all these authorities and current accounts, as well as agreed back payments, on the areas were being received, Eskom said.
SUBSIDY OR INVESTMENT?

A mass housing pilot project has been launched by the Greater Johannesburg Transitional Metropolitan Council (TMC).

The novel scheme will allow anyone renting one of the proposed 5,000 houses to buy at any time at the prevailing market price. No rental paid counts as part-payment.

Under the scheme, the TMC will top up government's R15,000 subsidy with an extra R12,250. The aim is to build houses of at least 30 m² in established areas.

The areas chosen are Lombardy East in the Eastern Metropolitan Substructure, M densand North (next to Naturena) and Lie de en Vrede in the south, and Bloubosrand and Maroeladal in the north. The houses, including land and installed services, will cost R30,000-
R60,000. The difference between these prices and what central government and the local authority chip in will be raised from the National Housing Finance Corporation.

The parties are negotiating.

The big question is whether the project will pay for itself. The national Department of Housing has warned local authorities against being burdened with rental stock.

TMC projects facilitation executive officer, Graeme Reid says: “We would like to see a mix of 45% of inhabitants earning R800 and less, 30% between R800-R1,500 and 25% from R1,500-R3,500. Those earning less than R800 less would be required to meet monthly payments for products and services.”

The council will invest R65m in the project and forecasts that the houses will increase in value. If they do, it plans to plough the proceeds from sales and any interest earned by unspent funds into a revolving fund, which it will invest in other schemes.

The National Housing Department says there’s no legal requirement for it to ob-
Inexpensive hollow steel tubes are a novel concept.
Stricter home lending criteria approved

Robyn Chalmers 087 | 97

SA BANKS will begin implementing more stringent lending criteria for mortgages this month, a move which will hit public servants and low-income buyers particularly hard.

Association of Mortgage Lenders GM Sharon Trail said yesterday extensive negotiations with consumer groups and government had shown strong support for the new criteria, which she said were only guidelines.

Housing developers are critical of the new criteria, saying they could result in a failure to build 80% of the 60 000 houses facilitated by private developers each year. They fear many developers could be forced to close.

Council of SA Banks CE Norman Axten said giving prospective borrowers access to homes they could not afford was irresponsible and contradictory to government's call for prudent lending. "It also encourages home buyers to overcommit themselves when buying homes," he said.

The new criteria, which include amendments to the home loan subsidy formula for public servants and low-income buyers, mean those earning R2 500 who previously qualified for an R28 700 loan would now qualify for only R49 270. Axten says this allows greater capacity to handle home owner interest rate rises and other expenses.
Housing: the private sector's role

Big corporations step in to relieve pressure on the state coffers

By Joshua Raboroko

The new year is set to bring about major improvements in the housing construction business as major local and international firms enter the lucrative property market.

The move to compete in the building of residential homes and businesses may assist consumers to have the choice to break away from the existing strangleholds of banks, building societies and construction companies who have monopolised the industry.

Motor company giants Mercedes-Benz, Nissan and BMW have also entered the housing game with solid financial muscle that can only benefit the economy and help in the creation of employment for South Africa's growing poor black population.

Analysts are excited by the developments and have welcomed the decision to offer alternatives to the country - especially to the growing upward-market blacks who have their sights on home ownership and property.

People in the lower ranks of society - the historically disadvantaged on the swelling housing waiting lists - will have some of their hopes realised through specific schemes that might result in the decisive delivery of low-cost housing this year.

As a result of the new initiatives by these new contenders, the building of homes is set to treble and thus relieve the pressure off the beleaguered state coffers.

Research by Settlement Dynamics Survey shows that 75 percent of South Africans being developed by the private sector. A further 12 percent are public-private sector joint developments, with the balance being developed exclusively by the public sector.

It has been estimated that South Africa's housing shortage is between 1.2 to 2 million units. About R1.06 billion is being drawn down for nearly 10,000 housing starts in low-cost subsidized units.

Collaborative attempts

The emerging collaborative attempts by employers, trade unions and private sector housing financiers have the potential to attract housing credit to all low-income households who have a member in state or private employment.

There has been phenomenal progress regarding the provision of housing roads in the past, and it is expected that 1997 will see more coverage and greater competition among employers.

According to the Housing Ministry, there has been a sharp upward trend in the subsidy statistics, with more than 70,000 major local and international firms entering the property market and are set to bring about big improvements in the housing construction business this year.

In November 30,000 houses were completed, 150,000 were in progress and 3,900 were in the planning phase. Minister Sam Mhentalep has said that 1997 will be the year of mass housing delivery.

The housing market is being looked at in different ways and segmented according to target groups.

This is because of the growing importance of workplace support programmes in providing access to housing.

The market is split along lines of affordability, the ability to provide collateral and the ability to provide administrative support for repayable loans.

Those earning above R3,000 a month do not represent a problem because they are often regarded as being in a position to afford housing.

The low-income formally employed - who have access to pay roll deduction facilities and provident fund-backed loans - comprise the fastest-growing segment.

Collateral schemes

Over the past 12 months, there have been some 100,000 short-term housing loans.

What now seems to be the problem is that we are being underestimated segment of the population. The focus of their problem is the base on which to collate losses too small to mortgage.

Some of the options under consideration include pooled collateral schemes and savings-driven arrangements.

The Housing Ministry and the private sector predict much innovation in this area, led usually by the private sector.

An interesting aspect of this sector is that financial institutions have developed workable credit arrangements for those who earn above R3,500 and those who are "self-employed" - 15 percent in total, comprising about 30 percent of the population where it is difficult to get housing credit as a feasible alternative.

The Government believes that employers should help their workers to acquire housing. It is important that schemes be designed to encourage personal savings for future housing needs.

Corporate low-cost housing initiates have also started to take the form of companies facilitating loans from the banking sector on behalf of employees.

A number of companies offer various types of housing benefits to employees, such as low-interest loans and subsidized mortgage schemes.

A growing tendency is for retirement funds to allow members to use their retirement withdrawal benefits to secure home loans for workers, for employers to facilitate payroll deductions and to take some risk in respect of employee retrenchment.

This move towards inducement financial assistance makes more sense, says Home Loan Guarantee manager, director Claudiva Louw.

She argues that, instead of lump sum loans, assistance can be more efficiently provided by putting the money into a guarantees pool.

According to the latest consumer survey by FSA-Contact, based on responses by 400 companies, more than 30 percent offer a collateral security scheme or a subsidized mortgage scheme.

Direct low-interest loans are provided to 13 percent of staff. Access to this sort of facility in other countries has another tendency has been the development of company villages.

Three years ago, Munro and Roberts engineering the establishment of a village called Greenfield for employees of the company's industrial park on the East Rand.

Now in its last phase, it has about 1,000 homes with community and facilities.

Greenfield is based on the concept of a walk or cycle to work with a maximum of 600 houses.

Eleven companies are involved in the scheme, according to Munro and Roberts, engineer Nagloh (Cape) Ltd's Mr R. S. H. C. Musgrave.

In Durban the company is planning an employee village within walking distance of 6,000 bonded plant outside Pietermaritzburg, initially of 500 houses.

The project has been planned with the National Union of Metalworkers of South Africa and the loans and Steel Workers. Union ADEGA is planning a residential component part of the development of its Moldermoorland land. It will be a pilot project to test the linkage of industrial and residential land as a model for the future.

The intention is to acquire companies from the Isando, Spartan and Jukskei industrial areas in the project.

Focus on projects

Transnet aims to see that all its employees are homeowners as part of its Vision 2000 strategy.

The company's manager of external communications, Henno van Jaarsveld, said in a recent focus six projects on projects to provide housing to its employees and private individuals earning R20,000 to R20,000 a year.

The Transnet's housing division has built an estimated 1,000 houses costing more than R70 million, which were sold to employees and non-employees nationally.

Mercedes-Benz South Africa has invested R27 million in its Sybalsdorf ("ne building") project to erect 901 houses in East London, 63 at Paanewa and 36 in the Johannesburg-Pretoria area, designed at employees earning R2,000 to R5,000 a month.

Maunloors has emphasised the need for the private sector to form joint ventures with the Government in a bid to deliver more houses.

Her sentiments have been shared by President Nelson Mandela, who said a partnership of Government and developers has made it possible for many low-income earners to acquire homes.
Housing delivery about to take off

By Jason Kangro

FEATURE NEWS

Wednesday January 8, 1997

SOWATTAN
Legislative attempt to mend rift between landlords and tenants

and landlords

 lease, 125 Ansonia, 147 Adirondack, 150

[Text continues on page]
Banks throw a spanner in housing plan

By Joshua Raboroko

The Government's planned mass delivery of homes, particularly low-cost housing, is likely to be dealt a major blow if intentions by major banks to introduce stringent new lending criteria for mortgages start this month.

Mrs Sharon Trail, general manager of the Association of Mortgage Lenders, said a position paper had been sent to the Ministry of Housing, Public Service and Administration, the National Association of Home Builders and Developers and the Institute of Real Estate.

In the final analysis, banks would assess the credit-worthiness of each borrower according to criteria they deemed prudent, she said.

The new criteria means that home buyers will be expected to pay 20 percent of the cost of a house as a deposit, while previously they paid only 10 percent.

This will drastically reduce the buying power of civil servants and other recipients of housing subsidies. Developers say this is the third in a series of blows to buyers in the low-cost and affordable housing market.

Trail said that the aim was to bring the lending criteria for state employees in line with other borrowers who did not receive subsidies.

The building industry has responded with shock to the banks' decision to implement more stringent lending criteria for mortgages.

The South African Residential Developers Association executive director, Mr Hendrick Kokana, said yesterday major stakeholders in the building industry had not been consulted.

He said that the residential industry agreed to this change on condition that provision was made for "pro-up collateral"-whereby developers could buy guarantees for the 10 percent shortfall from the Home Loan Guarantee Company.
Home Loan market shows little growth last year.
Criteria for lower income home loans ‘unchanged’

Mpho Mameru

Johannesburg — The Association of Mortgage Lenders said yesterday that a recent report had created false impressions about home-loan lending criteria.

According to the association, the report suggested that banks would begin to implement more stringent lending criteria for mortgages.

The change of criteria would have had a negative effect on the housing delivery programme, hitting low-income earners and public servants the hardest.

Duncan Reeke, the association’s chairman, said the report was a false alarm and that banks would continue to grant home-loans in terms of the guidelines agreed to by the department of housing, the National Association of Home Builders and Developers, and the association last April.

Reeke said the guidelines stated that households with a monthly income of R5 500 or less be allowed repayments of not more than 25 percent of their gross income. Households with a gross monthly income of more than R5 500 could pay up to 30 percent of their gross income.

Government and private sector employees received monthly housing subsidies, which were sometimes converted into allowances by the private sector.
SA Housing Trust appoints new MDs

Robyn Chalmers

THE restructuring of the beleaguered SA Housing Trust has kicked off with the announcement yesterday by chairman Frank Chukane that two new MDs had been appointed.

Laki Constant endes would take up the position as MD of Nu-Way, previously the trust's development division, and Sita Khanya pesha had been appointed as MD of Khayalethu, the trust's housing loan finance subsidiary. The restructuring meant Khayalethu would focus on the payment normalisation of the existing Khayalethu Home Loans (KHL) bond book. It was estimated that about 15,000 defaulters owed the trust about R500m.

Chukane said the appointment of an MD would be confirmed shortly for another company called Nu-Lons which had yet to be formed.

The new company would buy all KHL's performing loans as an initial asset base, but substantially expand its retail lending base in the low-income sector through funding obtained by the National Housing Finance Corporation.

"By mutual agreement between Wallo Conrade and the trust's board of directors, Conrade will continue fulfilling the responsibilities as the MD of the SA Housing Trust," he said.

In terms of the restructuring, the trust itself would continue to operate as the holding company of the group until the companies were fully operational.

Chukane said previously that the restructuring was in line with the broader policy of forming viable housing delivery entities capable of generating funding through the open market.

The trust was established by government in 1987 to administer and supplement a R400m special government loan for low-cost housing. It reported a R67m net loss for the year ended June 1996 against a R62m loss for the previous year.

KHL signed a repayment agreement with the SA National Civics Organisation last year to overcome the lengthy bond boycott—a primary reason behind the trust's recent losses.
Minister calls housing meeting

Robyn Chalmers

SA HOUSING Minister Sankie Mthembu-Mahadye and yesterday she had instructed her department to convene a meeting of role players as soon as possible to discuss mortgage lending criteria.

The meeting would be held to clear up confusion surrounding the new mortgage lending criteria being considered by financial institutions.

"Public comments by some of the players seemed to convey the impression that my department had been fully consulted and was in agreement with some or all of the proposed changes I would like to place on record that any such impression would not be correct," she said.

Proposals for the introduction of more stringent criteria, which would have a direct effect on public servants in particular, have been under discussion for a number of months.

They include amendments to the home loans subsidy formula, a move the building industry vehemently opposes.

Association of Mortgage Lenders chairman Duncan Reekie said banks would continue to grant home loans according to guidelines agreed to in April last year by the department, National Association of Home Builders and Developers and the association.

Reekie said no immediate changes would be made to the criteria but the association was concerned about the over-extension of credit in SA.

The current system enabled public servants to obtain larger home loans than other borrowers who had the same gross income but did not have allowances.

The SA Residential Developers’ Association warned last week that the approval of a more stringent criteria would have a detrimental effect on the delivery of residential homes.
LOW-INCOME HOUSING

MANY ROOFS BY 1999

The bulk of government’s housing programme should be delivered between 1998-2000, based on a three-year lead time. That’s the news on the low-income housing front, where 538,481 units (only 276,179 of them subsidised by government) are now in the pipeline.

Independently researcher Settlement Dynamics points out, however, that to reach the political promise of 1m (subsidised) homes by 1999, government this year has to initiate about 724,000 units — which seems impossible. The figures exclude hostels, which are being upgraded.

“It is necessary to be aware of the length of the housing delivery project cycle,” says Settlement Dynamics. “At a time when there are high expectations of delivery, those with an interest should understand the realities of project timing. As a rule of thumb, a three-year cycle can be used from planning to delivery.”

A range of factors could adjust the timing either way. But if land can be quickly identified and released, and township establishment can proceed without too many obstructions, then a project of average size (630 units) initiated early this year can be completed late in 1999 or during 2000.

Of a total 855 of active projects in November, the research shows 378 as subsidised housing packages, 226 subsidised serviced site projects, 193 non-subsidised housing packages and 58 non-subsidised serviced site projects.

Based on housing projects tracked over the past six years, the size of projects has been reduced (particularly over the past year) but the number has risen. This is because provincial housing boards are allocating subsidies to smaller projects, or project phases, rather than single, large ones.

There are 465 developers in SA who have active housing projects, compared to 256 five years ago. Public corporations are active in the largest projects, with the SA Housing Trust accounting for 90%.

Public-sector developers are ranked second in terms of both average project size and overall activity.

Private developers account for the majority of both project and unit activity.

The forthcoming Housing Act seeks to reinforce local authority involvement in delivery. At present they act as developers in 26% of projects, with 26% of units in the delivery chain. In late 1994, by comparison, local authorities were developers in only 11% of projects.

In 1994, local authorities in KwaZulu-Natal ran 21 of 54 new projects. Though still the most active local authority, the latest research shows Gauteng, the Eastern Cape and Free State closing the gap, partly through joint ventures.

With 223 projects being run by 197 local authorities, it appears that 358 councils are not active.

The table shows that 77% of developers active in one or two projects are delivering 51% of the units, while the 2% working with 10 projects are delivering 26% of the units.

<table>
<thead>
<tr>
<th>Number of units by developer category by province</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natio-wide</td>
</tr>
<tr>
<td>-----------</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Local public developers</td>
</tr>
<tr>
<td>Provincial public developers</td>
</tr>
<tr>
<td>Private developers</td>
</tr>
<tr>
<td>Unusual private developers</td>
</tr>
<tr>
<td>Public corporations</td>
</tr>
</tbody>
</table>

SOURCE: SETTLEMENT DYNAMICS

This category includes companies responding to the need for housing within an organisation, for example, Transnet Housing as well as development trusts, associations and organisations established for specific development projects, for example, Calo Mera Development Association.
A bare plot on the Flats, but it’s proudly owned
Water plan heralds 'year of delivery'

Robyn Chalmers

WATER supply and sanitation projects set up to cost R10bn will provide 1.7 million people with running water by the end of the year, says the water and forestry affairs department.

The projects, which kick off in April, are being hailed as proof that this will be government's "year of delivery" after protracted delays caused by red tape and capacity constraints.

A further 2 million South Africans are scheduled to get access to potable water next year, building on expectations that about 150 000 low-cost houses will come on stream this year.

The drive to deliver essential services to the majority of the population will concentrate on low-cost housing, water supply, electricity and telephones, while the Masakhane campaign - aimed at persuading people to pay for services - is to be revived with a more localised focus.

Department spokesman said yesterday 257 water projects amounting to R626m had been identified and agreed on in conjunction with the provincial and area planning forums.

"Planning of these projects has advanced to the stage where implementation can begin in April when funds become available. The balance will be allocated during the future planning forum meetings. Funds have been allocated per province.

The Eastern Cape would receive R109m from the community water supply and sanitation programme of the Reconstruction and Development Programme, which had been earmarked for 86 projects. It was estimated that 8 million people were without basic water supply in the province and a further 9 million were without sanitation.

The national assessment of water supply and sanitation report, published by the water affairs and forestry department last November, indicated that 18 million people were without basic water supply and a further 27 million had no basic sanitation.

Estimates of the capital cost of remedying these deficiencies varied from R4.4bn to R10bn over 10 years. The figures excluded the cost of refurbishing much of the infrastructure that had been inadequately maintained.

In addition, analysts have expressed increasing optimism that government's beleaguered low-cost housing programme will take off this year.

Housing Minister Sankie Mihemb-Mahanyele said recently that 269 000 low-cost units had either been built or were under construction through government's subsidy system.

She said the new government had approved more than 362 000 subsidies and the provincial housing boards were releasing about 10 000 subsidies a month at an average R12 800.

Telkom MD and CEO Brian Clark has committed the parastatal - at the forefront of government's privatisation drive - to rolling out 250 000 telephone lines by end-March, which would include 30 000 pay phones. Capital expenditure is projected to exceed R2.5bn - significantly higher than in previous years. Eskom's electrification programme has been moving ahead well, with the utility making more than 1.27-million connections between January 1991 and the start of 1996.
Government says it will be able to deliver on housing and service
Mixed telescopes over new houses

Complaints about size and quality of dwellings for the poor

By Joshua Aragon

Coveredure. Many residents complain about the size, quality, and infrastructure of the new homes built under the government's housing program. The homes are often too small, poorly constructed, and lack essential amenities. According to residents, the government has not taken into account their needs and preferences, resulting in a mismatch between the homes and their users.

The government's housing program aims to provide affordable housing for the poor, but residents argue that the quality of the houses is not up to the mark. They complain about the lack of space, poor materials, and inadequate infrastructure. The government has promised to improve the situation, but residents are skeptical and demand better solutions.
Government will meet 1-m housing forecast by 1999, says Minister

Johannesburg – Government will achieve its goal of building a million houses by the end of 1999, Housing Minister Sankie Mthembu-Mahanyele said yesterday.

“Our plans can only be scuppered by rains and floods, which would mean we would not be able to build,” Ms Mthembu-Mahanyele said at a media briefing in Johannesburg.

She said the Government’s “partial power” in rural areas, where land is held in trust, could also impede home building plans.

Ms Mthembu-Mahanyele said her forecast was influenced by the installation of legitimate local governments and efforts by the Government to improve the capacity of provinces to respond to housing needs.

She said housing was a specialised field which needed project managers, accountants, town planners and others.

The Government’s housing policy had taken root and there was an upward trend as more subsidies had been approved and provinces had used more money to build houses.

The minister expected 500 000 housing subsidies to be approved by June.

A total of 280 000 subsidies had been approved from 1994 to late 1996.

Provision of housing would also increase because the National Housing Finance Corporation would facilitate access to wholesale housing finance for people who did not have ready entry to the formal credit markets, Ms Mthembu-Mahanyele said.

The housing finance corporation was established in June and is wholly owned by the Government – Sapa.
Housing minister vows to deliver

MPho Motau

Johannesburg - The housing department has tackled the nuts and bolts for implementing the speedy delivery of housing, Sankie Mthembu-Mahanyele, the housing minister, said yesterday.

Mthembu-Mahanyele reiterated the 1994 election promise to build 1 million houses by 1999.

The department has been criticised for its slow implementation and the poor construction of houses built so far.

About 124 000 houses have been built since the elections, of which 16 percent had credit-linked financing, providing ownership rights to many South Africans for the first time.

Talking at the ANC's Johannesburg headquarters yesterday, Mthembu-Mahanyele said housing was not an isolated entity but was linked to economic development and especially job-creation.

Problems inherited from former apartheid governments had delayed housing delivery.

She also blamed housing delays on the interim constitution, which had caused confusion about the division of roles and responsibilities.

Mthembu-Mahanyele said the housing industry's capacity had also handicapped progress.

The financing mechanisms of the national subsidy scheme were available to all qualifying households, Mthembu-Mahanyele said. But she acknowledged that the subsidy did not provide sufficient finance for a completed house.

The National Housing Finance Corporation facilitates the provision of wholesale housing finance to those who do not have access to the formal credit markets. The company was allocated R325 million in terms of the reconstruction and development programme.

Mthembu-Mahanyele said the culture of non-payment inherited from apartheid had been dealt with through the Masakhane campaign.
1997: The year of delivery, says housing minister as target of a million houses set
Housing scheme for rural areas

By Joshua Raboroko

GOVERNMENT is to launch a rural housing loan fund that will kick-start allocation of housing subsidies where fund is held in trust in an attempt to remove obstacles in the distribution of subsidies in rural areas.

According to government sources, German donors have already pledged millions of rand to address legal obstacles inhibiting the distribution of subsidies in rural areas, particularly relating to security of tenure.

At a Press briefing in Johannesburg after an ANC beso-

bengu, Housing Minister Mrs Sanelie Mahanyele said details of the fund would be released next month.

Mahanyele said lending schemes were also in place for the poor to obtain credits to build homes.

These included the National Housing Finance Corporation, the National Urban Reconstruction and Housing Agency and banks throughout the country.

The government promoted joint ventures which would enable mass delivery of houses for both ownership and rental. The programme has a potential to provide more than 150,000 houses.

She said government would achieve its goal of building a million houses by the end of 1999.
MPs get pat on the back for paying rent

Stephané Bothma

PRETORIA — While some South Africans get evicted for not paying monthly rent, public works director-general Sipho Shezi praised members of Parliament yesterday for finally attempting to eradicate their arrears.

"Arrears in rental paid for parliamentary villages amounted to R106 540 in January 1996, but this has now improved to only R8 800," Shezi said. This was a marked improvement and "we are proud of the example set".

MPs were setting a serious example to the rest of SA, he said, adding that arrears in rental should be completely eradicated within the next two months.

"The backlog is diminishing at a rate of approximately R5 000 per month and we expect to be on par by the end of March."

Details on rent payments in parliamentary villages by would be released by the end of next month, Shezi said.

Public Works Minister Jeff Radebe told Parliament in June last year that when he left SA to take up his post, ambassador to Australia Bhadra Ranchod left behind a debt of R42 290 in unpaid rent for his government house.

At the time four ANC MPs were also behind with their rent — some for as much as six months.

Radebe said a letter of demand had been delivered to every member's office, warning them that unless the full amount was paid within 60 days, legal action would be taken.

A public works spokesman said yesterday no details were available on who still owed outstanding rent.
500 000 housing subsidies ‘endorsed by June’

Róbyn Chalmers

At least 500,000 low-income housing subsidies would be approved by provincial housing boards by June, putting SA on track to deliver 1-million houses by 1999, Housing Minister Sankie Mthemba-Mahanyele said yesterday. It had taken two-and-a-half years for the housing policy to take effect, she said. This was due mainly to the legacy of the past, the state of the economy, lack of capacity in all housing-related sectors and uncertainty created by the interim constitutional dispensation.

Between March 1994 and November last year, 123 139 houses had been built or were under construction, against a housing backlog estimated at between 2-million and 3-million houses. This meant more than 876 000 houses would have to be built or be under construction over the next two years to meet the 1-million target by 1999.

Mthemba-Mahanyele said statistics showed the housing policy had now taken root, but a number of fundamentals had to be in place for government to meet its target. These included the timely provision of land and services, respect for due legal process and the vigorous enforcement of legal contracts and programmes to enhance capacity at provincial and local levels.

The majority of development to date was being done by local authorities, despite severe capacity constraints. The draft housing bill, due to be tabled in Parliament this quarter, would devolve responsibility for managing the process of housing delivery to local authorities.

Ways to boost the people’s housing process — which involved people taking the initiative to deal with their own housing needs — were under scrutiny. Approximately 49% of all SA households had an income of less than R1 000 a month, so the people’s housing process offered the best opportunity for more than half of the homeless population to gain access to adequate housing.

Mthemba-Mahanyele said the National Housing Finance Corporation was already processing applications totalling R220m. Its immediate focus was to build financial capacity in the housing sector while fund mobilisation and innovation were its ultimate objectives.

The National Urban Reconstruction and Housing Agency had issued guarantees valued at R16m for bridging finance loans to 19 projects that would lead to the construction of about 7 500 homes valued at R118m, she said.

Work by the mortgage indemnity fund — set up to facilitate new funding for housing by lenders and underwrite defined political risk — had led to 68 395 loans valued at R4.35bn. Being granted in areas where banks had ‘withdrew’ all mortgage lending operations...
UCT study concentrates on SA’s poorest

Research being conducted by the University of Cape Town’s (UCT’s) urban management programme — using a donated Oracle Workgroup server — is focusing on enabling shack dwellers to assist in providing affordable housing and infrastructure for themselves, in conjunction with a number of government agencies.

Urban engineering professor John Abbott says this is the first and only research project of its kind in SA seeking affordable solutions for the poorest of the poor.

Researchers will determine exactly what pool of skills exists in these settlements, as well as a wide variety of other information such as income, family size, basic housing requirements and employment skills.

"The information will be stored on an Oracle Workgroup server running under Windows NT," Abbott says.

Conducted in close co-operation with the Cape Town city council, government and communities, the research project seeks mainly to help poor communities make the most of their limited resources.

Abbott says UCT researchers have collected data from a number of informal settlements on the Cape Flats.

The researchers looked closely at how the Brazilian city of Belo Horizonte went about addressing its informal settlements — known there as Favelas — and used it as a model for the SA research.
‘No rollovers’ as provinces spend all their housing cash

Robyn Chalmers

GAUTENG, Mpumalanga, the Northern Cape, Free State and
the Western Cape had all spent more than 100% of their housing allocations by last November as
total spending approached the R1.5bn mark, housing figures released yesterday showed.

Housing Minister Sankie Mthembu-Mahanyele said she was increasingly optimistic there
would be no rollovers in the current year. This would be a marked improvement over the previous
year when rollovers from the reconstruction and development programme and national housing
funds totalled R5.1bn, resulting in the national housing fund allocation being reduced more than half
to R1.5bn in the 1996 budget.

The Eastern Cape continued to lag behind, spending only 22.2% of
its R450m allocation followed by the Northern Province on 27.6%,
North West with 43.6% and KwaZulu-Natal with 46.9%.

Mthembu-Mahanyele said the housing ministry had reached agreement with the finance ministry to allow provinces to continue spending past their allocations.

“This will continue while we sort out capacity problems in the provinces,” she said.

In provinces where there were severe capacity constraints, such as the Eastern Cape, the ministry would negotiate with a view to sending in a task team to assist provincial officials.

Mthembu-Mahanyele said the joint venture initiative by the public and private sectors to enable mass delivery of houses for ownership and rental was moving ahead rapidly.

She estimated the programme had the potential to deliver more
than 150,000 houses.

The National Housing Finance Corporation—a government body set up last June—had been allocated R100m for joint ventures with the private sector in densification. The aim was to match the investment of a private partner or a local authority with the intention of leveraging at least R3 for every R1 invested.

Mthembu-Mahanyele said R50m had been made available to Servcon—a joint venture company set up by banks and government to deal with repossessed properties—to buy housing stock.

In addition, about R1.5bn nonperforming loans would be taken over by Servcon this year. “The resolution of historical nonpayment issues is essential for investor confidence,” she said.
Housing delivery shows signs of picking up this year, says University of the Western Cape researcher Gavin Lewis.

Writing in the latest issue of his RDP Monitor, Dr Lewis says in spite of the backlog - up to two million housing units already and 180,000 more each year - "there is now room for some optimism".

Delivery has speeded up to about 10,000 housing units a month, compared to 12,000 for the whole of 1995.

This is in spite of rent and service boycotts and the failure so far of Operation Masekhana.

On the plus side, is that about 440,000 housing subsidies have been approved, state-owned housing is being transferred to tenants, planning processes have been streamlined, joint private sector-Government developments are multiplying and the Mortgage Indemnity Fund, which guarantees loans in "high risk" areas, now covers 46 areas.
Housing departments up in arms over rural evictions law

Fees are said to have been ruffled by the proposal that the national housing subsidy be used for alternative housing for evicted farm workers. A source said the housing department had not been consulted on the proposal, which was “out of the question.”

The source said local government, envisaged as playing a key role in housing evicted farm workers, had not been consulted.

The Extension of Security of Tenure Bill, to be published today, has a retrospective clause designed to prevent the pre-emptive evictions of farm workers and others while the legislation passes through Parliament. It provides for fines of up to R40,000 or two years in jail.

Moorecroft described the retroactive feature of the bill as a “thoroughly bad practice.” The bill also discriminated against rural landowners by placing a “burden on them which is not shared by the owners of urban property.”

National housing director-general Billy Cobbe described the bill as a “harmful practice.” The bill also boosted the already timeworn “landowners” by placing a “burden on them which is not shared by the owners of urban property.”

National housing director-general Billy Cobbe described the bill as a “harmful practice.” The bill also boosted the already timeworn “landowners” by placing a “burden on them which is not shared by the owners of urban property.”

The bill would also lead to eviction-driven queue-jumping in housing provision. Provincial and local councils would spend “half their lives” chasing evictions, instead of focusing on the issue of mass housing.

Hanekom’s special adviser, Aninka Classens, said at a briefing yesterday, “If the bill is passed it will leave a bad taste in the mouths of many people.”

Without the housing department, the bill would create long-term conflict, she said.

Classens said the bill would protect on the basis that no evictions could take place unless alternative accommodation was available.

She said there was an element in the legislation designed to provide funding for rural development, driven either by farmers and rural communities, or local and provincial government. Development would have to ensure security of tenure for rural people if it was to enjoy state funding.

Classens said the bill would protect on the basis that no evictions could take place unless alternative accommodation was available.

She said there was an element in the legislation designed to provide funding for rural development, driven either by farmers and rural communities, or local and provincial government. Development would have to ensure security of tenure for rural people if it was to enjoy state funding.
State lacks cash to cut backlog of 3-m homes

Private sector urged to contribute

JOSEPH ARANES
Staff Reporter

South Africa has a housing backlog of up to 3 million units and the Government does not have funds to meet the needs of the homeless, says Housing Minister Sankie Mthembi-Mahanyele.

At the site of a housing project at Warmbaths at the weekend, she said the Government was confident of meeting its election promise of having built or begun building a million houses by 1999.

The challenge to the Government was to take cognisance of sustainability, affordability and capacity in trying to meet the emerging housing priorities.

She said it was estimated that 49 percent of South African households had incomes of less than R1 000 a month and these families, unable to make any meaningful contribution towards finance for their houses, were dependent on the Government subsidy.

To house a family adequately, other sources such as the private sector had to come up with R3 for every R1 the Government spent on housing.

It was also necessary to encourage developers to be innovative in terms of design and costing and to encourage more contributions in terms of sweat equity and personal savings from beneficiaries.

Ms Mthembi-Mahanyele said jobs and training were the key building blocks of reconstruction and development and it was necessary to translate national reconciliation into national prosperity.

"Within every housing project, capacity must be built to ensure local participation, local control and local jobs.

"There must be work for our people," she said.

She agreed that the government housing subsidy did not provide sufficient finance for a complete house, and for the majority meant only access to land with secure tenure and a basic starter home.

The challenge now was for people to use their resources and efforts to increase the size of their houses to something in which they felt comfortable.

The Government was providing opportunities to begin homes and it was up to the people to add to and improve them.
A NEW fund to provide affordable housing finance for the poor was launched yesterday by the Urban Sector Network with a R13m grant from the Swedish International Development Co-operation Agency.

The Urban Sector Network said it was concentrating on urban development, housing and service delivery, local government and local economic development.

The body’s management committee chairman Clive Felix said yesterday the Opportunity Fund would provide bridging finance and end user finance to community-driven housing projects targeting households earning less than R1 500 a month.

The Opportunity Fund places a challenge on the network and particularly the communities we serve. Within the broad framework of the existing housing policy, the fund creates opportunities for developing new approaches to sustainable, people-centred housing development,” he said.

Felix said the first loans were expected to be released in April. Formal financial institutions had the capacity to provide wide scale small loans, but had not prioritised credit for the poor, he said.

The network hoped to establish precedents around sustainable credit for the poor, challenging present practices and creating a credit-friendly environment for those previously excluded on the basis of income.
Prefab units favoured to meet housing goals

Now SA looks overseas to fund homes

Johannesburg — The government is turning to foreign investors to help accelerate housing delivery and meet the goal of building a million houses within five years, Sankie Mthembu-Mahanyele, the housing minister, said yesterday.

She said the government did not have sufficient funds to meet the country's housing needs and was considering joint ventures with foreign investors and local private-sector players to get the mass delivery of low-cost houses off the ground.

Foreign investors would ideally provide offshore funds, but would also work closely with local contractors.

The introduction of prefabricated houses to help meet this goal was also imminent, she said.

But this is in stark contrast to the government's election promise to provide the homeless with brick and mortar homes, and is unlikely to be well accepted by these communities.

Mthembu-Mahanyele said the government was concerned about the private sector's lack of interest so far in the production of low-cost housing.

"A large European company last year sought a local partner to invest R100 million in a production plant for prefabricated houses in South Africa. However, the offer was turned down by local companies who were not interested in putting up even 15 percent of the cost of the project," she said.

Mthembu-Mahanyele said the government would soon establish a national programme to speed up skills training in all areas and accelerate the production of materials and supply.

It would also tackle the legal obstacles faced by rural areas in the distribution of subsidies, particularly relating to the securing of tenure.

She said her department had made significant progress in negotiating rural tenure with the land affairs department.

The government planned to maximise available resources and develop skills to increase capacity.

It would also encourage "sweet" equity. She said mobilising and involving people in the building of houses to instil drive and determination — as was the case in Germany after the second world war — would help in accelerating delivery, she said.

Ben Bornheimer, the managing director of Grinaker, the construction, electronics and information technology company, said: "A foreign investor providing offshore money but working with local contractors would maximise transfer of skills and job creation.

"It would be terrible if they were to bring their own labour, as South Africa has the capacity to build good-quality houses," he said, adding that the problem was not the lack of skills, but the structure and the allocation of funds.

Ian Robinson, the chief executive of the Building Industries Federation of South Africa, said the construction industry would welcome foreign investors in the industry as long as they were merely providing capital.

The industry had spare capacity and did not need additional capacity from overseas. In neighbouring countries the market was full of foreign labour competing for jobs with locals. This was unacceptable, he said.

"South Africa has sufficient skilled labour. We would only need an increase of skills training to see that the government delivers the promised number of houses," Robinson said.
Housing delivery picks up steam in provinces

Most overspent 1996 allocations

WILLIAM-MERWIN GORNEDE
POLITICAL STAFF

Most provinces had overshot their housing allocations by last November, signalling the Government’s housing policy is finally turning into bricks and mortar.

Total spending by the provinces is approaching the R1.5-billion mark, according to latest figures from the Department of Housing.

By December — with three months of the financial year still remaining — the Western Cape Housing Department’s spending had exceeded by 40% the money allocated to it by central government.

Housing Minister Sankie Mthembu-Mahanyele said she was increasingly optimistic that there would be no roll-overs in the current year.

This would be a marked improvement over the previous year, when roll-overs from the national Housing Department and the Reconstruction and Development Programme funds totalled R3.1bn. It resulted in the national housing fund allocation being cut by more than half to R1.5bn in the 1996 budget.

The Eastern Cape continued to lag behind, spending only 22.2% of its R650m, followed by the Northern Province on 27.8%, North-West with 43.5% and KwaZulu-Natal with 45.5%.

Ms Mthembu-Mahanyele said the Housing Ministry had reached agreement with the Finance Ministry to allow provinces to continue spending past their allocations.

“This will continue while we sort out capacity problems in the provinces,” she said.

Ms Mthembu-Mahanyele said the joint venture initiative by the public and private sector, to enable mass delivery of houses for ownership and rental, was moving ahead rapidly.

She estimated the programme had the potential to deliver more than 150,000 homes across the provinces.

The National Housing Corporation — a government body set up last June to make funds available for low-cost housing — had been allocated R100m for joint low-cost housing ventures with the private sector.

The aim was to match investment of a private sector partner or a local authority with the intention of leveraging at least R3 of working capital to every R1 invested by local government.

John Africa, the Western Cape’s chief director of housing, said so far his department had approved 124 low-cost housing projects, while 25 were in the process of being evaluated for approval.

The province’s housing department has built 3,000 low-cost houses.

Central government has set the department a target of at least 114,000 houses to build in five years — to meet the national target of a million houses by 1999.

Since 1994, the province has approved 73,000 housing subsidies. The total value of applications for housing subsidies received since 1994 by the provincial housing department totals more than R1.07bn but the department has so far only approved subsidies for a total of R62.2m.

Mr Africa said although housing delivery in the province had been very slow, it had picked up steam in the past six months.

The department estimates that around 167,700 households require housing, although most analysts believe the needs of the province are much greater.

He reckoned the Western Cape was well on its way to meeting the five-year targets set by the national government.

He blamed elaborate consultation between developers and those who would in the end benefit from the homes for the breakdown in housing delivery.

It also took the provincial Housing Department quite some time to put together its new housing policy.

Mr Africa said there was a substantial need for rental accommodation which had not been addressed by the department’s subsidy scheme.
Innovative Finance Packages for the Poor

Lighten Load of Borrowers

Housing task team in bid to

NEW

1997

CAPE ARGUS, MONDAY, FEBRUARY 10
MUNICIPAL CHARGES STILL ON APARTHEID LINES

Flat rates may be unconstitutional

THEY IS resentment in Cape Town about the different treatment that authorities mete out to black, coloured and white areas. PETER DENNEHY reports

Flat rate charges — the cause of the resentment that led to last week’s explosion in Guguletu’s coloured suburbs — are also charged in some suburbs of Cape Town.

A “flat rate charge” is a low, uniform tariff payable for municipal services by every household in an area. It includes refuse removal, sewage treatment, street lighting and health services, but excludes electricity, and usually water.

In greater Cape Town, flat rate charges are still levied in former Black Local Authority areas, but are also applied in a couple of small settlements like Vuyisile, a mixed coloured and black shanty settlement near Marais du Fomb, Imizamo Yetu at Hout Bay, and Muphandile in Noordhoek.

For thousands of households in the shanty areas of Guguletu and Nyanga monthly tariffs are as low as R15.61 for a formally built house, and R7.80 per black. In Khayelitsha they range between R12.50 and R56. These are often even lower than they are in countryside areas.

Before July last year, when they were raised by 10%, the previous increase in Cape Town had been in 1978.

Many township residents do not pay even these compulsory charges, and non-payment in shanty areas is at about 30%.

There is resentment in Cape Town about the different treatment that authorities mete out to black, coloured and white areas.

Mr Philip Bam, councillor for Grassy Park, said many people felt strongly about rates write-offs which applied to black but not to coloured areas, and warned that “wild ideas of what is to be done have been expressed.”

Mr Frank Heim, former chairperson of Ratepayers in Revolt, which no longer exists, did not know of anyone outside the townships who was refusing to pay for municipal services, commenting that “if we were to proceed with criticizing the new council, then, being black, we would be regarded as racists.”

The judge found that Walker was being unfairly discriminated against. On the other hand, the judge did not write off the amounts Walker owed.

Flat rates were not unconstitutional in themselves, the judge found, but they could be when they were set at such a level that they were “a part of the city cross-subsidised the other.”

He also found that it was unconstitutional to selectively impose summaries to residents on the basis of their “racial areas.”
Eskom on target with R1,2bn home electricity plan - Sigcau

WILLIAM-MERVIN GUMede
Financial Mail

Early estimates showed Eskom had exceeded its ambitious target of connecting 300 000 homes to electricity by the end of last year, Public Enterprises Minister Stella Sigcau announced in Cape Town.

The company spent R1.2 billion on the project.

Ms Sigcau said at a press briefing that Eskom had maintained its pricing levels below inflation. The parastatal had continued to perform well above the overall economic growth rate of the country with revenue jumping 11 percent to R17.1 billion or 19.8 percent.

Other state enterprises had been performing well overall, said Ms Sigcau. Arms company Denel, forestry company Safcol and mining company Alexkor had good years but Aventura, the leisure company, and Transnet had losses.

Transnet lost about R250-million, but the company had recently showed a turnaround.

An investigation of irregularities in Transnet's pension fund had almost been completed by the Finance Ministry. It would be reviewed by the Cabinet before being made public.

South African Airways' restructuring was to be speeded up. This would involve changes in management structure, legal form, personnel, contracts and balance sheet structure, and separation from Transnet's pension and medical aid fund.

A workshop on restructuring SAA would take place on February 25 and 26.

The Cabinet had decided that the previous limit of 25 percent foreign ownership of a South African airline should be raised to 49 percent, Ms Sigcau said.

This could affect Sun Air, which is to be privatised soon. Shareholders in a privatised Sun Air could include a trade investor, a black group and a national empowerment fund controlling the interests of "historically disadvantaged investors".

She said proposals for a strategic equity partner for the Airports Company were being discussed with labour with the next round of talks scheduled for Friday.

The government needed to revise figures of what state enterprises were worth before they were restructured, Ms Sigcau said.

Some evaluations had been carried out by management and were inaccurate. For example, land owned by Aventura, some of the most valuable in the country, had been rated as agricultural land.

The way had been cleared for the sale of Aventura to a consortium.

The government's overall adviser on privatisation, the Hong Kong Shanghai Banking Corporation, was co-ordinating an advisory team to oversee the sale.

Forestry company Safcol was also being restructured, Ms Sigcau said.
Grinaker completes 1,000 homes

Lukanya Mnyanda

PRIVATE sector involvement was the key to addressing SA’s housing delivery crisis, Grinaker housing division MD Gerry Scott said as the company completed its first 1,000 homes recently.

The homes, most of which were built at Hendrina, Mpumalanga, were the first group out of 25,000 homes Grinaker is building in Mpumalanga, Gauteng, Northern Cape and KwaZulu-Natal.

Most of the homes were aimed at meeting the needs of households eligible for the R15,000 government subsidy and represented an example of “what can be achieved by a proactive team which represents all the stakeholders”, Scott said.

He said more than 70% of SA’s housing needs fell into the category targeted by government’s subsidy system and it was Grinaker’s objective to deliver core houses of between 40m² and 54m². It aimed to deliver about 1,000 houses a month by the year end.

“The recent completion of 850 houses in a subsidy-linked upgrade project at Hendrina has given Grinaker Housing the confidence to enter into the low-cost housing market at scale,” he said.

Grinaker had developments in progress in Balfour, Greylingstad and Morgenzoon in Mpumalanga. It had also been appointed developer for projects in Kimberley, Barkly West, Warrenton and Jan Kempdorp, in terms of a Nedcor Bank housing initiative in the Northern Cape.

Launched by Housing Minister Sankie Mthembu-Mahanyele in December, the Northern Cape project utilised local labour.

About 65 houses were already under construction and almost 12,500 subsidy applications had been approved.

Grinaker’s activities in Gauteng included the construction of 10,000 homes in Roodepoort and Springs as part of a provincial government pilot project with a target of 30,000 houses.

Scott said Grinaker would also be doing construction work at Cato Manor in KwaZulu-Natal where the housing backlog was estimated at 30,000. It was also negotiating a project for 20,000 houses in the Eastern Cape.

“The involvement of national, provincial and local governments with the private sector is very encouraging and we expect housing delivery throughout the country by the end of this year,” he said.
State takes steps to speed up housing delivery

Subsidy increase ‘too risky’

CHARLENE CLAYTON
Property Editor

The Government has set up several initiatives to speed up home building and is on track to deliver its promised one million houses by the end of 1999, says Housing Minister Sankie Mtembi-Mahanyele.

Between March 1994 and November last year, 123 139 houses were built or were under construction, giving many people home ownership opportunities for the first time, she said this week.

With more than 380 000 subsidies reserved so far, indications were that the Government was on target with its promise.

It had taken two-and-a-half years for the housing policy to take effect and this delay could be attributed to the legacy of the past, the interim constitutional dispensation, the state of the economy and the lack of capacity in the housing-related sectors.

The country’s housing backlog is estimated at between two and three million houses and the Government did not have sufficient funds to meet this need.

Its policy was aimed at maximising available resources through gearing state funds, involving the private sector, encouraging “sweat equity” and utilising savings contributions by individuals.

“…To house a family adequately, a counter contribution of R2 is required from other sources to every rand Government spends on housing” said Ms Mtembi-Mahanyele.

She said everything was being done to speed up delivery of low-cost housing.

Steps taken included the establishment of a national capacitation programme aimed at provincial housing authorities and the promotion of joint ventures to enable mass housing delivery both for ownership and rental. This programme could include as many as 150 000 houses.

The minister said the Government did not dispute the fact that the housing subsidy – an amount of between R800 and R1 500 on a sliding scale depending on income – did not provide sufficient finance for a completed house, but increasing the subsidy system would be too risky.

“Looking at the growth of the economy, it’s something we can’t risk.”

Ms Mtembi-Mahanyele also warned that unless homeless people contributed by building their own homes, the 1999 target would not be achieved.

The various tenure forms; such as rentals, shareblock, deed of sale and freehold, were expected to increase significantly, she said.
Government to rethink low-cost house subsidies

Infrastructure costs eating into budget

CHARLENE CLAYTON
Property Editor

Government is taking steps to prevent infrastructural costs swallowing up low-cost housing subsidies, leaving very little for people to build homes.

National Housing Minister Sankie Mthembu-Mahanyele has undertaken to look into the issue. "Because it was the local authorities who ultimately provided infrastructure, she and Constitutional Affairs Minister Valli Moosa have initiated a task team that will look into integrating the activities of the departments of constitutional affairs and housing.

Part of the slow housing delivery process had been a lack of co-ordination and planning of infrastructure process.

For example, the housing department manages the bulk connector infrastructure grant, which is supposed to provide for internal reticulation. "The bulk connector infrastructure grant is supposed to pull reticulation into the households, but does not necessarily cover paving of streets, bringing water closer to the households and bringing in electricity."

"Because there has been no clarity at provincial level, there hasn't been enough spending on the bulk infrastructure grant."

Ms Mahanyele said in certain areas, developers had used the housing subsidies for bulk infrastructure costs, leaving people insufficient capital to build a house.

She hinted that an amount of R800 million could be set aside "to empower local authorities to help us with servicing of bulk infrastructure."

A member of a German delegation visiting Cape Town this week expressed concern at the amount of subsidy money being spent on infrastructure.

ART 154A 1997

The delegation, led by Dr Michael Vesper, the deputy premier and minister of construction in the German state, North-Rhine-Westphalia, visited the country to investigate the housing situation and identify areas where the German state could offer assistance.

General secretary of the German development assistance association for social housing Dr Dieter Baldeaux said that the Government's capital subsidy scheme was a very good one.

"It benefits the poorest section of the population."

But he said the cost of servicing and infrastructure was a worry.

In the first project visited by the group in Marconi Beam, R8 250 was spent on infrastructure costs.

At another project in Weltevreden Valley an amount of R11 000 was spent on infrastructure, leaving only R3 250 for a housing unit.
R300m sought from housing body

Robyn Chalmers

THE National Housing Finance Corporation is negotiating applications of more than R300m for low-cost housing finance from financial entities which range from large financial institutions to local authorities.

The corporation was set up by government last year as a wholesale housing financier targeting the critical 30%-35% of SA's population which is employed and should have access to credit, but is largely unbanked.

Corporation MD Johan de Ridder said at the weekend strong interest had been expressed by financial entities across the board in obtaining finance for this segment of the market.

"Our immediate focus is to build financial capacity in the housing sector, while funds for mobilisation and the promotion of innovative products remain the ultimate objective."

He stressed the corporation was a stand-alone entity which was not guar-

Continued on Page 2

Housing

Continued from Page 1

The corporation's target markets included housing retail lenders from small banks to nongovernmental organisations, housing institutions such as parastatals, large financial institutions and other credit providers. It had adopted a risk-sharing approach rather than straightforward funding.

The corporation has received R525m from the reconstruction and development programme fund which has been allocated to the housing ministry's densification programme aimed at mass projects and promoting state and private sector joint ventures.

De Ridder said R350m of the fund had been allocated to boost capital invested in the corporation. A R75m contribution to an already established R235m fund had been made to launch housing institutions such as housing associations. A further R100m had been earmarked for the corporation to invest in joint development ventures. The idea was to match the investment of the private partner or local authority with an intention of leveraging at least R3 of working capital to every R1 invested by national government.

The housing ministry's second task team report envisaged that public and private sector partnership should produce a dozen or so large projects in major urban areas around SA. "(These projects) should have a combined capacity to deliver 150 000 low-cost, high-density units over the next four years. While they are to be designed as joint ventures, it is envisaged government will play a key role and contribute to the financial capacity of these partnerships," the report said.
Threat to delivery of houses

By Joshua Raboko

THE strike of about 2,000 construction workers in Gauteng might seriously affect the mass delivery of low-cost housing.

The strike, which entered its second day yesterday, follows a deadlock in wage and conditions of employment talks between the Cosatu-affiliate Construction and Allied Workers Union and employers in the province's building and construction industry.

Cawu is demanding a R1-an-hour increase while employers and three other unions, the Building Construction and Allied Workers Union, the Amalgamated Trade Workers Union and Building Workers Union, have agreed to an increase of 60 cents an hour, paternity and maternity leave.

By late yesterday trade union representatives and the employers were locked in an independent arbitration meeting aimed at reaching a settlement. The results of the talks are expected to be announced tomorrow, sources said yesterday.

Building Industries Federation of South Africa executive director Mr Ian Robinson said some companies had experienced problems, while plants which did not have Cawu members were not affected.

Arbitration

Cawu general secretary Mr Matthew Oliphant confirmed arbitration was in progress, adding that report-back meetings would be held in Johannesburg and Pretoria today.

It is difficult to quantify the real effects of a strike at this stage, but the industry's turnover is estimated at several millions of rands in the province.

Robinson was optimistic a settlement would be reached.

Masterbuilders Association executive director Mr Colin de Kok said yesterday that workers at some companies had been intimidated, resulting in "complete absenteeism".

No casualties have been reported so far.
Campaigner: Jane Mzonqwana counsels Nyanga residents on their rights to lodge land claims

German state pledges aid for low-cost homes
(23/197 29/2/197)

A visit to the Cape has prompted the German state of North Rhine-Westphalia to assist the South African Government in meeting the demand for low-cost housing.

North Rhine-Westphalia deputy premier and Minister of Housing Michael Vesper made the announcement after accompanying national Housing Minister Sankie Mthembu-Mahanyele on a tour of the integrated serviced land project.

The project is part of the RDP’s urban renewal plans and aims to address the development and housing needs of about 40 000 landless people living in informal settlements and overcrowded backyards in Crossroads and surrounding areas.

Mr Vesper said the North Rhine-Westphalia government had identified South Africa for bilateral cooperation, and the purpose of his visit was to identify areas of need where they could offer help.

"I visited projects in the Western Cape and was impressed when I saw how people are themselves making efforts in housing," said Mr Vesper.
government

services come then so must payment

in the second part of this essay on how the government is keeping its delivery promises.
Shack-building to be regulated?

METRO WRITER

THE days of putting up shacks without regard to building regulations may be numbered.

Mr Metsi Makheta, co-ordinator of the People's Housing Partnership, which works from the offices of the housing ministry, told a seminar in the city yesterday that town and city councils must inspect new informally built houses to make sure they are durable and meet health and safety standards.

"The partnership is funded by the United Nations' Development Programme. The housing ministry has seconded some staff to work on the partnership.

Makheta said "people's housing" was the name for dwellings people built themselves.

The government was committed to supporting those who put up such housing, but it also wanted to regulate the dwellings and ensure that they complied with the law.

Town and city councils had three main tasks in "people's housing"; she said.

- "Regularise" the situation of those who have simply settled somewhere without official sanction. This may happen either where they are or elsewhere.
- People living in shacks or other cheap housing ought to be given secure tenure. Local authorities should play a role in identifying suitable land.
- Municipalities can sign contracts with provincial housing boards in which the municipalities act as "accounts administrators" on behalf of groups of subsidy beneficiaries.

Councillors can then act as clearinghouses, allocating subsidies from higher levels of government to individuals who must get them.

With this kind of arrangement, local authorities can disburse money at various stages upon completion of work done by the family, instead of the state paying out in one lump sum when the building is finished.

Local authorities must send inspectors to make sure that new "people's housing" is built in such a way that it is durable and safe, does not impinge on other people's properties and is not detrimental to good health.

Makheta said many local authorities were not accustomed to sending their inspectors to "people's housing" developments.

"The partnership has been set up specifically to make sure that we (the government and the people) walk the path together," she said.
Low-cost home delivery moves

Robyn Chalmers

The government's low-cost housing programme should benefit significantly from a number of provincial initiatives as the delivery of units takes off this year, two reports show.

SA Housing Scenario, compiled by the SA Housing Trust, and the establishment of a housing development fund in Gauteng and various new funding sources for infrastructure would boost housing delivery.

A variety of statistics indicated the low-cost housing industry was sheltering itself from the modest slowdown in aggregate economic activity, the report said. "Proof of this is found in a significant increase in new mortgage financing, increase in the value of building plans passed and indications that most provinces will have spent all of their housing allocations by the end of the fiscal year."

Gauteng's proposed development fund would endeavour to use provincial and private sector funds to provide end user finance to local authorities for their housing projects. This could be complemented by funds flowing through the recently established Infrastructure Finance Corporation, the report said.

A report by The New Housing Company said the company had achieved record delivery in the year ended June 30 last year, but it had lost market share during this period.

"The reduction in our market share, which coincided with a 45% increase in units completed and a 98% rise in turnover, reflects a surge of new private sector entrants to the market. This demonstrates that the goal... of providing housing to the homeless and the poor is now well under way," said the report.

All the indicators were positive with official statistics showing that almost 115,000 housing subsidies had been paid out to beneficiaries by the end of October last year. "Considering that 14,665 of these subsidies were paid out in October alone, it seems as though delivery has, at long last, started in earnest," said the report.
He said all current resources were the province of the University of Cape Town, which would be supplemented by Prism committee, an international, peer-reviewed water conference.

"The situation in Cape Town is desperate. We have been running at full capacity for several years, and our reservoirs are at critically low levels. The city is facing a water crisis, and we need immediate measures to conserve water," he said.

By 2003, the population explosion by 2003, warned expert. SA will run out of water if nothing is done to conserve resources. He said the country may have to resort to importing water from overseas, as South Africa's dams are at critically low levels.

"The situation is dire, and we need urgent action to save our water resources," he said.

"We need a comprehensive plan to conserve and utilize our water resources to ensure a sustainable future for our country," he added.

The article is from a newspaper article dated 27/1997.
Housing plan needs 103 govt decisions before building starts

POLITICAL STAFF

A TOTAL of 103 decisions had to be taken at various levels of government before construction could begin on a single house, Housing Minister Ms Sankie Mthembu-Mahanyele has revealed.

In a reply to a question in the National Council of Provinces, Mthembu-Mahanyele said the bureaucracy was "too much" and steps were being taken to reduce it. She said the number of decisions had been reduced from 803, which the present government had inherited from its National Party-led predecessor. Mthembu-Mahanyele said that while there were provinces that were well ahead on their housing schedules, others were not able to spend money allocated to them because of the lack of capacity, among other things.

- Every province had freedom to allocate money it had received from central government in accordance with its specific priorities and requirements, Health Minister Dr Nkosazana Dlamini-Zuma said yesterday.

Zuma was replying to a question from an NP delegate who wanted to know whether the government would be prepared to provide additional funds to cash-strapped Tygerberg Hospital.

She said talks were being held on whether the government should start funding national hospitals in various provinces. Focus would be on hospitals that had had to cater for cross-border migration of patients.
State to aim for equity over service payments

BY JOSEF RANTAO
Political Correspondent

Cape Town – The Government would not be pressured into abandoning its aim of maintaining equity on the question of rent and service payments by those who had the ability to pay but had refused to do so, Provincial Affairs and Constitutional Development Minister Mohammed Vah Moosa has warned.

In reply to a question from Gauteng delegate Mohammed Dangar, Moosa said the deliberate non-payment of services would not be tolerated by any political parties.

"These communities that may think they could pressure the Government into moving away from the constitutional requirement of creating equity in towns, cities and rural areas are in for a rude shock," Moosa said.

He advised the discontented communities in parts of Greater Johannesburg to resolve their problems through negotiations by their elected representatives.

Moosa cautioned against the communities equating their problems with those of the majority of black communities who had boycotted the payment of rent and services for more than two decades. He said that during the apartheid era, black communities had no elected representatives to attend to their problems.

"When people in the townships boycotted, they did this at greater costs to themselves. The services began to collapse, and at that time people saw that as part of the struggle against apartheid I don't believe the small pockets of people living in privileged areas will (see) a dip in services or (their) termination," Moosa said.

In reply to a separate question from the National Party's Adriaan van Niekerk on whether the Shikane Commission into the boundary dispute between North West and the Northern Cape was necessary, Moosa said the Government's appointment of the commission was based on requests from the two provinces.

Van Niekerk claimed the commission was a waste of taxpayers' money because the ANC structures had already decided on the dispute relating to the Kuruman, Taung and Kudumane areas.

Moosa said he had been assured by North West Premier Popo Molefe and his Northern Cape counterpart Manne Dipsoo that both provinces had no formal positions on the matter.
SA set to develop new water management plan

SA is set to develop a new multidisciplinary approach to managing the country's scarce water resources based not only on technical considerations but also on economic, social, political and environmental considerations.

A document released by the waters affairs department and the Water Research Commission said water resource managers in SA faced challenges because of a scarcity of resources and the need for economic growth, development and social upliftment.

The situation was further complicated by the deterioration of SA's water resources.

The report said far-reaching political changes had made the historic approach of central government — one of "dictate and manage" — unacceptable to the public. People had a greater need to be involved in decision-making and end-users would have to be drawn into planning and management processes.

"For these reasons it is essential that a new approach for SA's water resource managers is developed," the report said. "Water resources can no longer be dominated by technical considerations but should be more people-centred."

It said the water affairs department should be responsible for leadership rather than taking control.

"Catchment area management" was currently accepted worldwide as one of the best building blocks for establishing an integrated management system.

"Integrated catchment management implies that water — and related ground resources — must be matched ... to the best advantage of its users, and that the operations of all agents and organisations concerned with ... water resources are properly coordinated," it said.

The document forms part of a review process of SA's water legislation.

---

corporate travel management

9370/4 Fax (011) 886 9307
Asmall spells out conservation plans

15 Million Wait for Water
Cabinet nod for electricity shake-up

Amanda Vermeulen

THE long-awaited restructuring of the R25bn electricity supply industry has moved up a gear after Minerals and Energy Minister Penuel Monis announced last week that the cabinet had finally approved proposals to transform the industry.

In a statement released by minerals and energy chief director Johann Basson, Mduma said cabinet had approved the electricity working group’s March 1996 recommendations, and concluded that work with stakeholders — set to kick off next month — would pave the way for implementing proposals to “restructure the distribution sector of the electricity supply industry.”

The decision follows criticism from big business electricity consumers that the lack of progress in transforming the industry would force local and international investors to look elsewhere if delays continued. Mduma’s statement put a three-year timeframe on the restructuring process.

Cabinet had approved a range of proposals in principle, including the consolidation of the electricity distribution industry into the maximum number of financially viable and semi-independent regional electricity distributors — the number of which still had to be determined. This consolidation would result in the merger of Eskom and municipal electricity departments at a regional level.

The second proposal approved was that consultation between the ministers of minerals and energy, finance, public enterprises, provincial affairs and constitutional development, and all the various stakeholders, must take place. This followed criticism from certain quarters that wide consultation had not taken place.

Third, cabinet had agreed on the introduction of cost-reflective tariffs (tariffs that match the cost of the service), an electrification levy and a capped tax, imposed by local government on electricity sales, to part-fund municipal services. Municipalities have, in the past, depended on the revenue from electricity supply.

Basson said that tariffs, any subsidies and taxes would be “fully transparent” because although some already existed, they were unknown to the average consumer.

Fourth, the levy on electricity sales would be paid into an electrification fund which would be administered on a national level. A full-time restructuring team would be appointed to investigate detailed issues as well as involving all the major stakeholders in planning the transformation process.

“We are fortunate that the major players in the industry understand and accept the need for transformation. It is important that they support the direction government is giving to the industry,” Mduma said. “The next step will be to consult the leaders in provincial and local government structures, Eskom, organised business and labour, the national electricity regulator (NER) and others. They will form part of the process that will shape the future of an effective and efficient electricity supply industry in SA.”

Consultation is expected to begin

Continued on Page 2

Electricity

Continued from Page 1

within the next month, with planning structures functioning three months later. The restructuring should take about three years.

Johan du Plessis, customer services
Elites School Draws

comes to sporting end

Housing risk fund plays its role

the training coincides with the IFP's continued absence from the

6 SOUTH AFRICA

MACA/HILI

Mr. Ngcobo's

The arms deal is said to have

The training coincides with the

the IFP's continued absence from the

Mr. Ngcobo's

The arms deal is said to have

Mr. Ngcobo's
Council aims to make late payers see the light

JULIAN JACOBS
STAFF REPORTER

Unless people pay their electricity bills on time they will not only have their service disconnected, but will be forced to install pre-payment meters in their homes.

This no-nonsense warning comes from the Cape Town municipality which has now disclosed that its electricity arrears bill has escalated to more than R64 million. And it would seem as if it is not only the poor who are battling to pay their electricity accounts. A substantial number of ratepayers in more affluent areas are also in arrears.

The Cape Town City Council has now decided that electricity users will have to pay their accounts on time or be compelled to have pre-payment meters fitted in their homes. Consumers who default more than three times a year – eligible for disconnection – will be compelled to have a "budget energy controller" or pre-payment meter fitted.

Cape Town municipal spokesman Ted Doman said the pre-payment meters should eliminate a lot of problems. "The city council already has 138,000 consumers using the pre-payment meters and we urge others to use it. Installation and connection will be free of charge."

Mr Doman said people who were in arrears and eligible for disconnection were sent letters advising them that they were late in payments. If they didn’t pay, wheels were set in motion to disconnect their electricity. The disconnection policy of the council focused on those consumers who owed more than R500.

"Having electricity disconnected is a time-consuming exercise and an unnecessary waste of tax-payers' money. It also means the consumer will have to pay extra to have the electricity re-connected."

"In the case of the energy dispenser, the user will simply run out of electricity, something he or she can address by simply buying a card with more electricity time."

"The dispensers are offered to consumers who have difficulty in keeping up with payments," said Mr Doman. An application form should be filled out and there was a wait period of four to six weeks.

A new identity "swipe" card, which looks like a credit card, also will be made available to consumers. Electricity vendors have been equipped with "swipe readers" to accommodate these cards which can be obtained free on request at council electricity depots or housing cash offices.

The cards will provide access to automatic vending machines for electricity units which the council is considering introducing later in the year.
Rate arrears a major challenge
Local governments face collapse as accounts are left unpaid

By Joshua Raboroko

Local and provincial governments— who have battled 1997 in the year of elections on a wide range of fronts, particularly housing — now face a new challenge.

As a result of Provincial and Constitutional Affairs Minister Mohammed Vally Moosa's announcement on Monday that local governments are facing severe financial problems, many residents have called for action.

Moosa said the government is considering the possibility of providing financial assistance to local governments to help them meet their obligations.

Provincial and Constitutional Affairs Minister Mohammed Vally Moosa Moosa says the success or failure of local government will determine whether South Africa can be governed effectively or not.

There are warnings that local governments face bankruptcy and even possible collapse if rates do not pay rates and services.

Moosa's announcement comes amid calls for action by residents of various townships around Johannesburg.

The figure for Gauteng is R3.6 billion. If Moosa's assertions are anything to go by, recent hits in Gauteng provide an indication of an even bleaker future.

The Sandton rate boycott is almost in its seventh month, with no compromise on the horizon. The boycott was triggered by rate increases of up to 300 percent not by sharp rises in property valuations but by sharp rises in property valuations.

In coloured townships around Johannesburg, such as Eldorado Park and Westbury, attempts have been made to persuade residents to settle their debts.

However, protests over the payment of rates and services ended tragically last month when five people were killed and 20 injured during clashes with security forces.

Another problem is the incapability of local government to provide housing. Much damage has been done to government’s credibility — at community level, in particular — because of the lack of delivery.

There are problems with delivery of services even to residents, street lights, potable water in squatting camps, housing and electricity. However, the slow progress to date cannot be blamed solely on the present Government.

Figure can also be gauged at previous governments, whose policies resulted in millions of black people struggling without proper housing, water, electricity or basic infrastructure.

The non-payment of services and rates, particularly in black residential areas, creates serious problems for municipalities. It is estimated that the arrears of the 500 councils total more than R3.5 billion.

The situation in coloured townships around Johannesburg is further complicated by racial tensions.

The coloured community wants their arrears to be scrapped in the same way it was in neighbouring Soweto.

They believe they are being unfairly targeted by the Southern Metropolitan Substructure (now the Southern Metropolitan Local Council) that led to the recent one-day stayaway from work.

The boycott started by the South Western Joint Crisis Association, Basia Douglas, says communities are discriminated against by the new authorities because they are not being charged the same rates as their black neighbours.

Not black enough
He recently said: “Under the whites we were not white enough. Under blacks we are not black enough.”

However, those were expunged by Gauteng premier Tokyo Sexwale, who accused the organisers of the stayaway of trying to plant seeds of racism.

The Gauteng government has appointed a judge to head an inquiry into the violence which resulted from the stayaway.

A task team has been appointed to resolve the Sandton rate boycott. The team is exploring ways to make local government service delivery better.

Rampiesburg's spokesman Ruan Steyn recently said the council was not prepared to negotiate with them in good faith.

The continuing non-payment of rates and services in Gauteng has created the impression that the Government's Mandela campaign was on the brink of failure.

Leon recently said that since last August the four Johannesburg councils were losing R20 million a month as a result of the non-payment of tariffs. He believes these councils are on the brink of bankruptcy and may collapse.

But the provincial MEC for development planning, Siwele Shukeza, says payment levels in most areas have improved satisfactorily during the past few months, although difficulties are being experienced in some cases.

An executive in the office of the Department of Provincial and Constitutional Affairs, Clem Coetzee, says payment levels are on the rise.

He claims residents have stopped making large numbers to settle their rates and service arrears after threats that the councils would world the big stick.

In Johannesburg, local authorities are enforcing stringent rules. Says the chairman of the SMJLC’s budget and Finance committee Shau Butho, “Pay, arrange payment within 60 days or face repercussions.”

He added that 900 summonses were being sent to defaulters every day.

The first round of service cut-offs started last week. But immediately, residents said the success of the council depends on improved services and tight credit control measures.

To address these issues, Shukeza asked councillors to prepare objectives that will enable them to deliver on the promises made to communities before the 1995 local government elections.

They have taken advice from the national government’s Reconstruction and Development Programme, which is aimed at strengthening national and local government and improving the country’s future.
Banks delay loans criteria move

Opposition to builders' review
Lack of skills hits housing output

Staff Reporter

The Housing Ministry is unable to reach its targeted delivery of houses because of a lack of skilled people in the industry.

Housing Minister Sankele Mthembu-Mahanyele said yesterday the ministry would this year focus on boosting the number of skilled staff in provinces to improve the level of production.

Experts had expected 200,000 houses to be built by June, but there were only about 123,000 in production.

The Eastern Cape, Northern Province and North West had been most affected by the lack of skilled staff. The minister said these provinces had used less than half their housing budgets and produced fewer houses than the other provinces.

About R100-million had been given to the Eastern Cape and about R175-million each to Northern Province and North West.

Other provinces had used all of their housing budgets by the end of last year and had requested additional funds from the RDP.

"We need people who have experience in the construction industry and who understand its quirks and workings," she said.

Human resources were mostly needed in engineering, architecture and town planning.

Mthembu-Mahanyele said that once skilled people were found, local government would be able to deliver houses at a faster pace.

By June this year the ministry expected to have issued half-a-million subsidies. The biggest challenge it faced would be turning the subsidies into houses.

Although the level of delivery was increasing, the minister said it was "a drop in the ocean compared to what still has to be achieved."
The Minister of Housing

UDVY

The conference was held at the Ministry of Housing's offices on 1st February 1999.

The conference was attended by over 100 representatives from various housing organizations and government departments.

A total of 200 proposals were submitted for consideration.

The conference was chaired by Mr. John Smith, the Minister of Housing.

The conference concluded with a vote on the final proposals.

The conference was well-received by all those in attendance.

The conference was held to discuss and decide on the future of housing in the country.

The conference was chaired by Mr. John Smith, the Minister of Housing.

The conference was well-received by all those in attendance.

The conference was held to discuss and decide on the future of housing in the country.

The conference was well-received by all those in attendance.
Money spent on homes will soar

HOUSEHOLD premium will soar

The number of households in the United Kingdom is expected to increase significantly over the next few years. This is due to a combination of factors, including population growth and increased demand for housing. The increase in household numbers will put pressure on the housing market, leading to higher prices and rents. This is likely to result in a significant increase in the amount of money spent on homes. 

The report also highlights the importance of improving homes and increasing their value. This will require investment in both new builds and existing properties. The government has recently announced a range of measures to support homeowners, including grants for energy efficiency improvements.

The report concludes that the housing market is set for a period of rapid growth, driven by both demand and supply factors. This will have a significant impact on the economy, with increased spending power and job creation.

Source: National Housing Strategy 2021
Go To Close

In the budget exercise, the government has proposed a number of measures to address the fiscal challenges. One of the key recommendations is the expansion of the tax base through increased taxation on high-income earners. The government has also outlined plans to introduce a new sales tax to broaden the revenue base. Additionally, there is a proposal to rationalize and simplify the existing tax structure to reduce compliance costs for businesses and individuals.

The government has also emphasized the importance of social welfare programs, particularly in addressing poverty and inequality. A new initiative is the introduction of a universal basic income scheme, which aims to provide a minimum level of income support to all citizens. This is expected to improve the living standards of the most vulnerable sections of the population.

Regarding infrastructure, the government has announced plans to improve public transport systems, particularly in urban areas. This includes the expansion of the railway network and the development of a comprehensive urban transport system. There is also a focus on digital infrastructure, with a commitment to increase internet connectivity in rural areas.

In terms of education, the government has proposed an increase in funding for vocational training programs to better align with labor market demands. There is also a focus on improving the quality of education through investments in teacher training and the development of curriculum materials.

The government has also outlined measures to strengthen the rule of law and combat corruption. This includes the establishment of an independent anti-corruption commission and the introduction of new laws to tighten the penalties for corruption.

Overall, the budget is framed around the principles of growth, equity, and sustainability. It seeks to balance the need for fiscal consolidation with the commitment to social development, while ensuring that the economy remains resilient in the face of global challenges.

Budget

Community water projects to bear brunt of cut in funds
Low-cost housing to get 156% boost

Robyn Chalmers

The government's low-cost housing programme received a significant boost yesterday with a 156% increase to R4bn in the housing allocation for 1997/98.

The allocation took into account more than R1.76bn rolled over from the housing vote in 1996/97. The budget-to-budget increase in the housing allocation amounted to 20.9%.

Housing Ministerankie Mthembu-Mahanyele said yesterday she was pleased with the increase which would help government in its task of increasing the delivery of homes to the poor.

An important focus this year would be on building capacity within provincial governments so officials could help accelerate housing delivery. She said she would keep a close eye on the situation in the Eastern Cape in particular, after a decision was made to send a national housing department official to head up the provincial housing department, which had problems.

The Budget Review said just more than 123,000 houses had been built or were under construction between March 1994 and November last year, and it was expected that more than 192,000 units would be produced in the subsidy band this year.

Analysts said that if government hoped to meet its promised target of 1-million houses by 1999, more than 650,000 units would have to be built or be under construction next year.

Housing analysts and spokesmen broadly welcomed the increased housing allocation yesterday and said it sent the right signal to the market.

Building Industries Federation of SA executive director Ian Robinson said the R4bn allocated to housing represented 2.2% of the total budget against the housing ministry's stated aim of ultimately receiving 5% of the budget.

Robinson said government still had to deal with a huge housing backlog and grapple with issues of poor quality.

He said the implication of the R4bn allocation was that there would be no increase in the subsidy scheme, leading to a decrease in real terms, resulting in less product being provided.

Newco MD Willie Els said the sharp rise in the housing budget was encouraging. He said the challenge now was to ensure that the funds were turned into services and houses for the population.

"There are real capacity constraints at local government and provincial housing board level and attention must continue to be paid to ensuring that local authorities are functioning well," he said.
Islamic Bank to support housing

By Joshua Raboroko

HOUSING MINISTER Mrs Sankie Mahanyele has agreed to consult the Islamic Chamber of Commerce and Industry on possible joint ventures aimed at boosting low-cost housing delivery.

Mahanyele told businessmen at the Islamic Bank in Johannesburg this week that the private sector had a major role to play in providing one million houses in 1997 — which has been designated the "year of housing delivery".

The private sector is already engaged in several joint ventures aimed at allocating low-cost housing, she said.

"I approved the report of the ministerial task team on short-term housing delivery, which made available R100 million for joint ventures with the private sector and R75 million for capacity building for social and rental programmes," Mahanyele said.

Capital subsidy

She urged the Islamic business community — mostly members of the Islamic Bank — to seek opportunities in "our housing programmes" for the benefit of the poor people.

"Our experience of the past three years is that while the capital subsidy is not enough to build a house, it is enough to give a family a beginning — secure tenure of a serviced site," the minister said.

Mahanyele also announced a groundbreaking agreement reached between banks and Government on the stringent mortgage lending criteria. If introduced, it could reduce the low-cost housing backlog drastically.

Islamic Bank chief director Mr Ebrahim Areff pledged their support for the low-cost housing market, although the bank does not have a definite home loans policy.
Manuel confident that Budget is fair

A healthy economy will mean better services delivery

By Abdul Milaz

Finance Minister Trevor Manuel’s maiden Budget yesterday came a step closer to fulfilling what the labour movement has termed the poor man’s Budget.

Manuel’s allocation of 60 percent of the Budget to social services shows a commitment to delivering on the “social wage” demanded by the labour movement as a means of addressing unemployment and poverty.

Although there is some relief in personal tax, the Government seems to have avoided the much contested Value Added Tax, which the unions argued increased the burden for the poor, and a reduction of which would contribute to a social wage.

In many countries the social wage, which is usually accounted for by expenditure on housing, health, education, public transport and other public services, has become a major demand on the state to counter unemployment.

In most developed countries, employers do not meet the costs of the provision of these services. The industrial wage is supposed to provide sufficient income for workers to afford them or the state provides for them.

Interestingly this year’s Budget makes a special provision for a poverty-focused child support system and R500 million will be spent on a poverty relief programme.

The Labour movement has also continually criticised the ineffectiveness of the then Reconstruction and Development Programme office and called for the programme to be incorporated into Government departments.

This year’s Budget has incorporated RDP initiatives into all Government departments, while an amount of R19 billion is to be spent on building the economy and industrial promotion programme.

The emphasis is on road construction, water provision and support for agriculture.

This move will go a long way in creating jobs while enhancing basic services delivery for disadvantaged communities.

The increased social spending also addresses the issue of alleviating the plight of women.

Many groups within Government and non-governmental organisations have lobbied for a “women’s Budget”, arguing that over 60 percent of all South Africans are women, and they are among the poorest in society.

The Women’s Budget Initiative under the leadership of ANC MP Ms Pepu Gwider argued that political democracy had not yet translated to economic democracy.

Another member of the Initiative, Debbie Bultelder, wrote in the Labour Bulletin “One of the main functions of the national Budget is to ensure that every citizen has adequate access to goods and services.

“The main way of doing so is by taking from those who have and giving to those who are in need by funding things like health, education and welfare.”

The VAT issue

She argued that individuals paid more than companies in 1995 and companies contributed only 13 percent in taxes while individual tax payers contributed 41 percent.

“What affects poor people more than the rich, because poor people spend a large portion of their earnings on their daily needs. It falls hard on those people, particularly women, said Bultelder.

What many especially labour might see as a compromise on Manuel’s concession on business tax rates to encourage investment and economic growth.

As part of its strategy to improve South Africa’s investment environment, Manuel reduced the current marketable securities tax and stamp duty on share sales from 0.5 to 0.25.

He has also lowered the customs and excise duties from 37.5 percent and 31.25 percent to 15 percent.

The existing provisions of the Income Tax Act dealing with exchange controls will be extended to include passive income such as interest, royalties, annuities and rentals not presently deemed to be from a South African source.

Manuel’s seriousness in improving the Government’s delivery process is evident in his approach to servicing the national debt, where the projected deficit for this year is estimated at R24.7 billion.

Manuel said in the quest for better basic services delivery, the Government aims to reduce the level of borrowing and thereby reduce its debt service costs, which limited its ability to deliver basic needs.

The Government should first determine what it wants to do and then decide how much and where to allocate resources argues Bultelder.

Manuel said the aim was to improve the country’s competitiveness and bring the economy in line with that of its major trading partners.
Bid to speed up housing for poor

BY JONAI RANTAO
Political Correspondent

Cape Town – In a move aimed at speeding up the delivery of houses, the national Ministry of Housing has started sending task teams to provinces which have shown the lack of capacity to deliver housing on a larger scale, Housing Minister Sankoe Mthembu-Mahanyele said this week.

Mthembu-Mahanyele told the portfolio committee on housing that the intervention by her department was part of an initiative to remove obstacles which stood in the way of delivery. She said the Eastern Cape, North West and Northern Province were provinces where intervention was required.

Mthembu-Mahanyele said the Government has realised that local government was the pillar of delivery and has begun steps to empower local authorities.

She said emphasis would also be placed on programmes for people who earn less than the minimum wage of R1 072 who would be helped to build their own houses.

“We have tried to look at various needs of the communities such as the size of the product, affordability and levels of participation. Our experience, though, is that these people still prefer to have their houses built by developers,” she said.

“Building your own home has big advantages.”

Mthembu-Mahanyele cited successful programmes in Mpumalanga, KwaZulu Natal and the Eastern Cape through which communities built their own homes.

“People who build their own houses produce a better, bigger and cheaper product. There are no labour costs and there’s low cost on building materials because they buy in bulk,” she said.

She gave an example of a family consortium which put together R1-million and produced houses of between 40 and 65 sq m.

Mthembu-Mahanyele said provincial MECs have been asked to set up provincial housing teams through which they could help consumers with information about schemes available to them.

She said all MPs have been asked to ensure that communities received information and that provinces were empowered to deal with the huge number of applications for subsidies.

She said her department would review the Rent Control Act as part of finding mechanisms to encourage better relations between landlords and their tenants.

Housing director-general Billy Corbett said the act would be reviewed with a view to addressing the exploitation of tenancy and overcrowding in city buildings.
123 000 houses ‘are in production’

Lukanyo Mnyanda

THE housing ministry should have issued about 600 000 low-cost housing subsidies by June this year when delivery should have accelerated enough to push the number of units to 200 000, according to the BMI Building Research Strategic Unit.

The unit’s quarterly review of the industry notes that, with 123 000 houses in production, visible delivery was taking place at a faster pace and should boost business and consumer confidence levels.

However, it warned that concerns about crime would continue to put a damper on spirits.

“The building industry will only be able to exploit its undoubted potential to be an engine for growth if government can fulfill its role to create a secure and investor-friendly environment,” it said.

Respondents were also concerned about the availability of key resources, especially finance, capital subsidies and land for low-cost developments. But other resources were fairly easy to access, with the high unemployment rate making labour “extremely easily available.”

BMI director Llewellyn Lewis said the survey — made up of 121 telephone interviews with both established and emerging contractors — showed that confidence levels had been consolidated in the fourth quarter with 40.8% of respondents expecting improved conditions over the next six months.

Contribution

Lewis said both the emerging and established sector viewed houses costing less than R65 000 as an important source of growth this year, although this view was more prevalent among emerging contractors.

The established sector expected that houses in the R65 000 to R150 000 bracket would be their main source of growth, while townhouses and cluster homes were also set to make a healthy contribution.

Lewis said both the established and emerging sectors generally expected conditions to improve by up to 5% this year, with the emerging sector slightly more confident.

Building costs, which were seen to be very high, were still a source of concern for both sectors of the market and most respondents believed that building materials price increases had exceeded the inflation rate.

Confidence was also suffering from perceptions that corruption, an ineffective public service and government were still the norm.

Continuing perceptions that SA was still a divided society added to the negative views and did “not contribute to the nurturing of a positive self-image and an investor environment.”
Communal land housing subsidy planned

Last week, Mr. [Author's Name] directed Government officials to...
Transfer of Low-cost Housing Begins

Rohan Chambers

[Signature]

Date: 17/12/97 (13)
Number of Mortgage Bond Repayment Defaults Drops Sharply
Five-Year Bond Boycott Ends

(123)弢.motion 16/3/97

By Joseph Taboka
Homeless still wait

While the R4 billion allocated to housing may look like a massive figure, only brick and mortar will matter to the homeless. Joshua Raboroko explains why ...

Housing Minister Sankie Mahanye

Massive positive effect

South African Residential Developers Association (Sarda) executive director Hendrick Kekana says "The 158 percent increase in budgetary allocation means that real growth can take place within the sector and will have a massive positive effect on actual delivery of housing."

"Both bridging and end-user finance can be adequately dealt with. There is, however, far more to housing delivery than simply making huge amounts of money available."

"Facilitation, capacity building and effective administration are also vital to the process of providing homes for all people and Kekana believes that progress has already been made in these fields."

"Government clearly has good intentions and a clear vision. We now have to look at assiting in translating these into tangible housing delivery. This is where my associa-

tion, expressing optimism that it might serve the purpose of reducing the housing backlog."

"The allocation is a positive sign. We hope it will be translated into housing units the country desperately needs."

In his Budget speech, Manuel said "Housing delivery is now accelerating and it is expected that more than 190 000 houses will be built in the subsidy band during the new financial year."

The Housing Ministry has welcomed the Budget, saying it raised optimism that more homes would be built in 1997.

The department has spent some 75 percent of its R3.3-billion budget in the 1996-97 financial year, indicating a marked increase in low-cost housing delivery last year.

The 1996-97 expenditure is a significant improvement on the previous financial year when the department could spend only some 25 percent of its R4-billion budget allocation and managed to build fewer than 30 000 low-cost homes.

The dismal performance in 1995-96 meant that R1.7 billion of the housing budget has to be rolled over to the 1996-97 financial year and that only R1.5-billion was provided for in last year's housing budget.

Mahanye says that the roll-over to the present financial year comes to R819-million – less than half of last year's – which she reckons indicates increased delivery and better management of funds.

The delivery of houses should further accelerate in 1997-98 with an estimated 193 000 houses built this year.

Ambitious target

However, if the Housing Ministry wants to achieve this ambitious target, it will urgently need to improve delivery mechanisms in three provinces, which badly under-performed last year.

These provinces are Eastern Cape, Northern Province and North West, where the housing boards spent only 25.5 percent, 30.8 percent and 50 percent respectively of their budgets.

The ministry says five provinces were already spending ahead of budget on housing programmes, reflecting new priorities.

In essence, the ministry said, it meant the housing programme would reach "the poorest of the poor."
49 000 households still not paying their bonds

Continuing nationwide boycott makes it difficult for banks to re-enter the low-income housing market

By Bongwe Mlangeni

About 49,000 households nationwide are not paying their home loans despite repeated calls from civic organisations to end the bond boycott.

Mortgage Indemnity Fund (MIF) chief executive officer Nkululeko Sowazi said the boycott had a negative impact on financial institutions and was making it difficult for banks to re-enter the low-income housing sector.

The MIF, a government-owned company, was launched in 1995 to provide insurance to banks to lend to low-income groups living in areas formally uninvolved in the bond and services boycott.

The fund covers more than 469 areas across the country and is now working in 14 areas to solve bond disputes.

Sowazi said some residents were not paying their bonds because they had acquired houses with defects. He said the banks had reported 49,000 bond defaulters, some of whom were still occupying repossessed houses.

The boycott has mainly affected banks like Khayelitsha Home Loans, a lending wing of the South African Housing Trust.

Khayelitsha's managing director Siza Khumpepe said the company had lost more than R250-million on unpaid loans over five years.

Last year the trust agreed with the South African National Civic Organisation (Sanco) that its 14,000 defaulters would start paying. However, since the agreement, the repayment rate has been about 36% — far below the 75% expected, said Khumpepe.

Other banks which have not reached an agreement with Sanco have handed over their default cases to Servcon, a joint venture company between banks and the Government which recovers repossessed homes still occupied by defaulters.

Servcon managing director Deans Creighton said they were investigating about 10,000 non-performing loans. The company had already visited about 1,500 non-paying households, he said.

Servcon was also handling about 14,000 cases of residents who were still occupying repossessed houses.

Creighton said about 5,900 residents had agreed to re-buy their homes and 4,200 were willing to move to alternative accommodation.

Sanco spokesman Mbongeni Ngobeni said the boycott crisis could only be solved if financial institutions negotiated with the civic and took into account the problems faced by some communities.

Housing Minister Sankie Mthembu-Mahanyele said normalising the lending sector would help solve the housing crisis.

She said the dispute was delaying development in areas where bond disputes were occurring.

Chiawelo residents win battle over loans

By Bongwe Mlangeni

Residents in Chiawelo, Soweto, celebrated a landmark achievement this week when their houses — valued at R700,000 — were sold to them for about R28,000 each.

The Khayelitsha Home Loans and the Chiawelo Residents’ Committee signed an agreement on Monday to finally end a five-year dispute and bond boycott.

About 171 households in Chiawelo Ext 5 went on a bond boycott in 1992 because of the “poor quality of their houses.” “This is victory for us,” said residents’ committee chairman Lethe Bonoko.

The residents were initially told the four-room council houses would cost R200,000.

“They then took over and sold the houses at about R36,000. We were shocked. We knew the council was given about R2-milion to build the houses,” he said.

In July 1994 the Department of Housing intervened, and in February the banks and the Civics Association came to an agreement that residents would start paying and that their names would be removed from the credit bureau listings.

Chiawelo was the first of 15 communities with bond disputes mediated with the assistance of the Mortgage Indemnity Fund.
Minister appeals to defaulters

By Joshua Raboroko

HOUSING Minister Mrs Sankie Mahanyele has appealed to bond holders to end boycotts and negotiate deals with banks in an attempt to encourage financial institutions to resume lending in the low-cost housing sector.

Mahanyele said there was an urgent need to resolve the remaining bond disputes because it was having a negative impact on both the mortgage lending market and on the development of areas where such disputes occurred.

The Minister was responding to reports that about 49 000 households were still not paying their bonds despite calls by civic organisations to end the bond boycott.

It has been estimated that financial institutions lost between R2 billion and R3 billion as a result of bond boycotts, which started five years ago. These disputes have caused banks to reline many areas.

Most of the affected financial institutions are affiliates of the Council of South African Banks and Khayaletha Home Loans, a subsidiary of the South African Housing Trust.

In an attempt to resolve the problem and to persuade banks to resume lending to low-income earners, the new Government formed Mortgage Indemnity Fund and Servecon Housing Solutions to monitor the home loans situation two years ago.

Servecon executive director Mr Dennis Creghton said they had made it possible for defaulters to resume payments or to find suitable alternative accommodation through a process of "right sizing".
People can’t pay for non-existent services – ANC

Leaders will use ‘Masakhane weekend’ to show supporters the party delivers

By Anaso Thom
Political Reporter

The ANC’s “Masakhane people’s weekend” starting today will serve as a platform for the organisation’s leaders to report back to supporters on what the ANC and the Government have delivered, asking in return for people to pay for services, according to ANC acting secretary-general Cheryl Carolus.

“We can’t expect people to pay for services they don’t have, but service delivery has definitely been speeded up,” Carolus said at a press briefing in Johannesburg yesterday.

She admitted that in retrospect it might have been a mistake on the part of the ANC and the Government to launch the Masakhane campaign before local government structures were in place.

Carolus added that the campaign would also serve as a vehicle to crack down mercilessly on those who did not pay for services when they could afford it.

She said they would be seeking the help of the community in identifying those people who could or could not pay.

Carolus admitted the process was being hampered by the fact that a proper billing and payment system was not in place. But she said a flat rate had to be imposed while the metering system was being installed.

“The flat rate would be an interim measure, but it must come to an end as it benefits those who can afford to pay,” she said, placing the blame for this problem squarely on apartheid.

“We have delivered. It is a myth that the Government has not delivered.”

Carolus said ANC leaders would be informing supporters on the lowering of the infant mortality rate, the lowering of the mortality rate among pregnant women, free health care for women and babies, and the electrification programme in which Eskom was connecting 20,000 households a month.

“We are making a difference in the lives of most poor people and that should remain our focus for the foreseeable future,” said Carolus.

She stressed it would be impossible for the Government to deliver water to houses, install new electricity and sanitation, and lay streets unless communities paid for services.

Masakhane, she said, meant that people had to assume responsibility.

Carolus said ANC representatives would first be reporting back to those communities who put them in power.

She added that the ANC’s main responsibility lay with those people who elected the party in the first place.

Events have been organised in all the provinces, with Safety and Security Minister Sydney Mufamadi scheduled to address a rally in Thaba Nkulu and North West Premier Popo Moleleke in Alberton, near Grahamstown.

Deputy President Thabo Mbeki is expected to address people’s forum meetings in the Waterkloof and Galavanwa.

Environmental Affairs and Tourism Deputy Minister Peter Mokaba will participate in the commemoration of Sharpeville Day at Miami Beach, Sharpeville.

Dates for these activities have yet to be released.
Straw houses offer hope

Durable, cheap, easy to build

SATURDAY MARCH 22/23 1997

HAY

1. Build and fly: Lay earth or straw over a frame and then thatch or mud, or plant or sow, then grass or plants. This is a form of thatch built with a thatch or thatched roof. It is a good building method and the houses are often well insulated and can be quite durable. The thatch is usually made of grass, straw, or other plant materials.
on THE RIGHT TRACK... Multi-vehicle Swallow, three of the most important features.

In the initial phase of the mortgage industry, the government implemented measures to make housing more affordable. This included offering low-interest loans to first-time homebuyers and increasing access to mortgage insurance. These initiatives helped to stimulate the housing market and reduce the overall cost of housing.

However, the economic landscape has changed significantly since then. The labor market has been hit by the pandemic, leading to high unemployment rates and a decrease in consumer spending.

The government is now focusing on measures to stabilize the economy and support struggling businesses. This includes providing financial assistance to those affected by the pandemic, as well as investing in infrastructure projects to create jobs.

While there are challenges ahead, the government remains committed to helping Canadians weather this turbulent period. By working together, we can overcome these difficulties and emerge stronger on the other side.
THE MINISTRY OF SWEET AND ACERELA

1. What are the challenges faced by the Ministry of Sweet and Acerela in implementing its policies?
   - Resource allocation
   - Compliance issues
   - Administrative procedures

2. How does the Ministry ensure effective collaboration with other government departments?
   - Regular meetings
   - Joint task forces
   - Information sharing

3. What is the role of the Sweet Committee in the overall governance of the Ministry?
   - Policy formulation
   - Monitoring
   - Evaluation

4. What is the current status of the Ministry's budget and financial planning?

5. How does the Ministry address public concerns and feedback?
   - Public hearings
   - Feedback sessions
   - Online portals

---

PROGRESSIVE HOUSING STATISTICS

1. What is the current status of housing projects in the province?
   - Active projects
   - Completed projects
   - Delayed projects

2. How are housing statistics collected and analyzed?
   - Surveys
   - Data collection
   - Analysis

3. What is the impact of housing policies on community development?

4. How are housing projects funded?
   - Government subsidies
   - Private investments
   - Community contributions

---

THE PRIME MINISTER'S OFFICE

1. What are the key responsibilities of the Prime Minister's Office?
   - Policy formulation
   - Budget allocation
   - Political strategy

2. How is the Prime Minister's Office involved in decision-making processes?
   - Cabinet meetings
   - Advisory committees
   - Direct involvement

3. What are the current initiatives and programs supported by the Prime Minister's Office?

---

MID-NIGHT E. MOOGHOLT: First Minister's Questions for Wednesday 13 April 1999

1. What are the current challenges faced by the government?
   - Economic growth
   - Social issues
   - Environmental concerns

2. How does the government plan to address these challenges?
   - Policy proposals
   - Funding allocations
   - Public engagement

---

WEDNESDAY 13 APRIL 1999

1. What are the upcoming events and announcements?
   - Government meetings
   - Public consultations
   - Media briefings

2. What are the key messages from the Prime Minister?
   - Economic outlook
   - Social policies
   - Environmental targets
Housing credit of R116m approved

Robyn Chalmers

IN ONE of the first major initiatives to deliver mass low-cost housing, the National Housing Finance Corporation has unlocked housing finance for 118 000 families through the approval of credit facilities totalling R116m to four housing lenders.

CEO Johan de Ridder said the corporation — set up as part of government’s housing initiative last April — intended to facilitate housing finance for previously "unbankable" people with regular incomes through a range of institutions. The initiative aimed at improving existing accommodation rather than constructing new homes.

The corporation was negotiating with a variety of parties for facilities totalling an additional R250m, sufficient to ensure housing credit facilities for a further 135 000 families, he said.

Corporation niche market lenders GM David Portheus said although the funds made available might appear small in relation to the need, this was the beginning of the corporation’s programme to support the development of sustainable alternative lending capacity that could service low-income borrowers. He said the corporation had also made equity investments of R6.4m in microlenders who provided finance to families who would otherwise be denied housing credit.

De Ridder said apart from targeting "unbankable" families, the corporation was also facilitating appropriate regulatory measures for nonbank finance companies and housing institutions.

The corporation had three target markets, including small banks and nonbank finance companies, which provided secured or unsecured housing credit to borrowers.

Other target markets were organisations or institutions providing housing under alternative tenure such as rental or rent-to-buy schemes and those entering joint ventures with established institutions piloting new approaches to housing credit provision.

The corporation had engaged in negotiations with 15 small bank and nonbank finance companies and about 25 organisations or initiatives aimed at the rental or rent-to-buy market.
It is time to bite the nonpayment bullet

NONPAYMENT for municipal services in SA as usually discussed because of the economic implications it has on local government. Little thought has been given to its political consequences.

It was the government's reluctance to pay for services spoke of a social anxiety arising from the rent boycotts of the 1980s. Nonpayment was believed to be a legacy of apartheid local government that would dissipate in the democratic order.

As a result, Massakane was a national campaign intended to explain the necessity for payment in the new order. Its success was negligible.

Later thinking believed that nonpayment was a function of administrative failure and other local problems that the elected councils inherited deficient assessment and billing systems that generated untruthful (and sometimes exorbitant) accounts.

The revived campaign located Massakane in local government itself, precisely to manage specifically local conditions.

This was certainly a step forward. But there were more complex problems, the first was reluctance to confront, or over-looked. They are not simply related to affordability and therefore the apparent lack of consequences. Discouragement and some confusion that arrests would not be accompanied by forfeited services.

New councils were reluctant to withdraw services for fear of the repercussions, possibly a decline in their popularity and hence even non-election at a future date.

Many election campaigns, however, stress non-payment and increased investment in social infrastructure. Candidates seldom spoke of payment.

These electoral worries may be misplaced. It was interesting to read election results during 1995 and observe national results in 1994. These suggested that the role of the African National Congress (ANC) — as bearer of freedom, liberation and democracy — continued to determine voting patterns.

When elections occurred between local ANC branches and/or members of the SA National Civic Organisation, there was little evidence of local issues. Even ANC candidates — not always familiar to their ward constituents — were referred to independent hopefuls, themselves often indigenous to the area and/or well known to its residents.

Most had a long history of civic involvement in local issues for instance in water points, blocked drains, family disputes and crime. This suggested that electoral choices often had little to do with local issues they spoke not of electricity, water and clinics but rather of freedom and liberation.

This suggested an opportunity existed for the ANC to sanction unpopular measures. This may result in greater voter apathy in future but is unlikely to affect final results. Given the likelihood that future electoral districts will reflect population densities — and not apartheid geography — there are likely to be fewer wards in former white suburbs, so even voter apathy will still see ANC majorities.

Historical inertia, unaffordability, administrative ineptitude and lack of political will may over-look some further variable.

During the 1980s electoral cut-offs and the withdrawal of services were often by informal arrangements. Most often the effects of those cut-offs were fomented by the illegal reconnection of electricity cables by local residents, which demonstrated the expertise of local operation.

There is no reason to believe that these skills have evaporated. The following remarks, culled from an interview by Centre for Policy Studies energy project researchers, suggested the persistence of existence of these informal techniques.

Faced with the disconnection of his electricity supply, one woman said she planned to get the boys, the tots, to reconnect it. The operators finally attach consequences to nonpayment for services — instead of symbolic gestures, explaining the citizens' responsibilities under the local government. It is still more likely that electricity cut-offs will be matched by simultaneous re-connection of supply. Consequently may connect to the supply of paying residence, links to be made to mean distributor cables and so on. This will make enforcement of cut-offs difficult, messy, costly and troublesome.

There is a further danger (even in the likelihood) that cut-offs will result in mass protest and resistance. This has already been seen in Delft and Park.

Even if enforcement toughens up images reminiscent of the urban protest of the 1980s, and hence discouraged official action, local governments may have little choice but to pursue such measures. The alternative is potential- ly more damaging.

During research in Khatshaba, Tshangana and Vosloorus for the study The Limits of Local Government Prospects for Local Government after the Katorus Wars, the following dialogue was recorded. When asked who was responsible for their area, people responded it could be the civic association; I think it is the councillors. I think they all act together.

Civic associations are just messengers. Councilors have contact with higher authorities. They are able to contact people like Tokyo members. They are the ones who should solve the problems because they are closer to the top.

Street committees acted as middlemen between the top and those at grassroots level.

Protestors hang on the following which organisation (street committee, civic or local government) was best able to communicate social needs to higher tier of government.

There was a shared understanding that real authority resided in the provincial government or at the national level. Protests against this government, in this regard, was merely seen as one competitor among many to commit to local needs upwards. It was not as surprising as the enthusiasm for the area under its mandate.

This meant that failure to enforce payment for services might further reduce the perceived importance of local government. It could severely undermine local government's attempts to establish itself as an important tier of government in its own right.

The long-term effect could be very damaging for government, compounding the financial crisis. Local government's extensive influence on the people would be further weakened. It will make it difficult for them to exercise their authority in any future matter — and in particular unpopular policies. It means that the relative importance of other organisations will improve.

Political decisions would be displaced away from elected councilors to other non-elected bodies (civic, regional) and individuals and so on. This means that local governments want to be taken seriously in their own right. They will have to demonstrate it is the right thing to do.

In places where the ANC had a majority in the local council, unpopular measures could be taken without severe electoral losses.

It may be understood enforcement for rents in resistance. Local government will have to bite the bullet and in the absence of such measures could we end up with local governments that are both bankrupt and ignored.

Ivor Chipkin is governance program manager at the Centre for Policy Studies.
Incentives are getting people to pay rates

BY FHILISO NTSHIKESILO MOYA
City Desk

Local authorities and service-providers are reaping rewards from their get-tough policy as defaulters come forward to pay outstanding bills.

In two weeks, 2 200 residents have approached the Southern Metro Council for assistance with rates and service bills after the council announced big incentives for people who pay up.

And Eskom said an increased rate of payments had stabilised the outstanding debt situation. Eskom spokesman, Peter Adams said: "We have slowed down the rate of (debt) increase and could see a turnaround this year."

But as two-thirds of individual electricity consumers paid for their services directly to the local authorities, the long-term success of the exercise to reduce debt depended on local authorities getting individual consumers to pay.

In the southern local authority, measures to get people to pay are beginning to pay dividends.

Council financial head Shan Balton said, with registration for assistance ending this weekend, he was happy with the response to the council's offer to assess people's financial situations and then work out repayment terms.

The registration drive is part of a two-pronged effort by the council to improve payments. It comes in the wake of the council promising to take tough measures against people not paying for services, and attempting to reward those who do.

Balton said the screening process to assess residents' applications for help would be completed by the end of next month.

The council's executive committee has already approved plans to launch a lottery in which residents who have paid their rates for at least three months stand to win prize money.

The committee has also approved plans to waive interest on arrears if residents keep to the arrangements made with the council to settle their debts.

Those wishing to register for possible assistance from the council can phone (011) 399-3207/8/9.
Problems of landlords and tenants tackled (123)

A NEW bill to address problems surrounding rented accommodation in Gauteng was tabled yesterday, providing for the establishment of a dispute resolution board and regulation of landlord-tenant relations.

Introducing the Residential Tenant and Landlord Bill yesterday, Gauteng housing and land affairs minister Dan Mofokeng said rental housing stock was an important element of the province’s housing strategy.

There were approximately 35 000 housing units providing accommodation for more than 111 000 people in Johannesburg’s city centre alone, of which 82% were using rental stock. Public sector hostels in Gauteng contained about 357 000 beds which provided accommodation for people from other provinces as well as neighbouring states.

Mofokeng said residential rental stock had not been problem free, but had been characterised by continuing landlord-tenant conflict.

“The calls for nothing short of a legislated regulatory framework which could govern the relationship between the two parties so as to bring stability and investment in this housing sector,” he said. In the absence of such a framework, conditions and standards had deteriorated.

The bill provides for the regulation of landlord-tenant relations to promote stability in the province’s residential rental sector and lays down principles governing conflict resolution.

It outlines dispute resolution procedures between landlords and tenants of formal and informal private and public rented dwellings to protect both parties against unfair and unlawful practices, and provides for the education of both parties.

Mofokeng said the bill proposed the establishment of a landlord-tenant dispute resolution board to look into disputes between landlords and tenants, but did not seek to replace the Magistrate’s courts, small claims courts or the consumer affairs courts.

“The bill seeks to increase the level of predictability with regard to norms and standards in the rental market, and to provide a framework against which expectations can be measured through regulations and a standardised lease agreement,” he said.

It aimed to restore the rule of law in areas where these principles were rendered meaningless, either because property owners could not control and manage their properties and, obtain fair rentals, or where rent-paying tenants were treated unfairly.

Mofokeng said the department held a number of public hearings in various parts of the province at which landlords and tenants were afforded the opportunity of making representations as well as contributing input in the drawing up of the new regulations.
Soros institute in joint housing plan

Samantha Sharpe

CAPE TOWN — Southern Life, the nonprofit National Urban Reconstruction and Housing Agency (Nurcha) and international financier George Soros's Open Society Institute had joined forces to facilitate R100m in working capital loans for low-income housing projects, the parties said yesterday.

Southern Life would invest about R45m in the project through its reconstruction and development project portfolio Futuregrowth.

This investment would be matched by a R15m contribution from the Open Society Institute.

This added 53.3% to all guarantees raised by Nurcha.

Nurcha CEO Cedric de Beer said the R60m facility would be used immediately to finance about R100m in loans to medium sized building contractors, with Nurcha providing guarantees of up to 60% of the loan value.

"However, the average loan life cycle is about 18 months, which means the five-and-a-half year facility should provide at least R200m in working capital loans as initial loans are repaid — resulting in about R1bn worth of housing construction," De Beer said.

The first project targeted for the funds was the Mzimhuka Isandlwana property development in KwaZulu-Natal, where about 194 homes had been planned for construction.

Futuregrowth co-ordinator Michael Leeman said he expected the R45m investment to produce satisfactory returns, reflecting Futuregrowth's belief that investment in infrastructure and development projects could be accompanied by solid returns.

"Futuregrowth can add real value to its clients through deals of this nature. Retirement funds are generally not able to participate directly in such investments, but can now gain access to these transactions by investing a portion of their assets in the fund.

Leeman said a major problem affecting the delivery of low-income housing was limited access to finance for building contractors, with an estimated backlog of 2.5 million houses in disadvantaged communities. "This is particularly noticeable in the provision of low income housing which was scheduled to start in 1984 and is only now gathering momentum," he said.
20,000 marchers disrupt 'Just Buy CBD'

By Innan Kumara

20,000 marchers disrupt 'Just Buy CBD'

SA WINTER

20,000 marchers disrupt 'Just Buy CBD'

SA WINTER
Soros's guarantee lifts low-cost housing plan

MAGGIE ROWLEY

Cape Town — An initiative to provide working capital loans of about R200 million to support R1 billion in low-cost housing construction over five years was launched yesterday by Southern Life and the National Urban Reconstruction and Housing Agency (Nurche).

Southern Life has invested R46 million in the deal through its RDP portfolio, Futuregrowth.

This is being matched with R15 million in guarantees from the Open Society Institute of New York, which was founded by George Soros, the international financier.

This financing has been leveraged by a R25 million government allocation to Nurche, which is an RDP-led project established in conjunction with the housing ministry.

Cedric de Beer, the chief executive of Nurche, said it had provided guarantees of up to 60 percent of the loan value. As such, the R60 million facility raised from Southern Life and the Open Society Institute would immediately be available to support loans of at least R100 million to medium-sized contractors.

The finance will be available to approved projects of 100 units or more aimed at the government subsidy market.

He said the loans were repayable, the money could be reused to finance further projects. It was envisaged that, over the life of the investment, at least R300 million in working capital loans should be released from the investment.

De Beer said Soros, who is a backer of Nurche, was prepared to commit up to $50 million if the organisation could match him three to one.

Michael Leeman, the coordinator of Futuregrowth, said a lack of access to affordable finance by contractors was a serious problem in delivery of low-income housing as banks were generally not prepared to carry the sole risk involved.

HELPING HAND Cedric de Beer (left) and Michael Leeman go over the details of a geared R100 million initiative for low-income housing.

The new joint initiative would spread the financial risk between the private sector and the government, he said.

Leeman said Futuregrowth could add real value to its clients through deals of this nature.

"Retirement funds are generally not able to participate directly in such investments, but can now gain access to these transactions by investing a portion of their assets in Futuregrowth," he said.
Hansard

3 April 1996

Mr. John Major rose in the House as the Minister of Home Affairs, having returned to the House after the recess, to make a statement about the situation in Northern Ireland.

The MINISTER OF HOME AFFAIRS

Mr. Major said:

I have received the latest reports from the security forces in Northern Ireland, which continue to take firm action against the activities of dissident terrorists.

The situation in Northern Ireland is not static, and the security forces are constantly adapting their tactics to meet the changing threat.

I would like to express my gratitude to the police and soldiers who work tirelessly to keep our citizens safe.

The Northern Ireland Office will continue to work with all parties to bring about a peaceful and stable future for Northern Ireland.

Conclusion:

I, Mr. John Major, the Minister of Home Affairs, thank you for your attention.
Provincial Affairs and Constitutional Development, and Trade and Industry to submit proposals as to the process to be followed and an action plan to deal with the matter in a consultative and transparent manner when the new Constitution is adopted by the Constitutional Assembly, taking into account the division of functions between the various levels of Government.

Against this backdrop, the Electricity Restructuring Inter-departmental Committee (ERIC) started its activities on 11 June 1996 to develop a recommendation for Cabinet to establish a Government position on the EDI. A complete report was developed by ERIC and was submitted to the Minister of Minerals and Energy towards the end of 1996. The ERIC recommendations were accepted by Cabinet as per Cabinet Memorandum 3 of 1997 dated 6 February 1997.

(3) The Press release that went out on 6 March 1996 regarding the abovementioned recommendation was as follows:

PRESS RELEASE

GOVERNMENT MOVES ON ELECTRICITY DISTRIBUTION SECTOR

Consultation with relevant stakeholders will pave the way for the implementation of proposals to restructure the distribution sector of the electricity supply industry with the Minister of Minerals and Energy, Mr P W O Barnard has announced. The Cabinet has approved the recommendations of the Electricity Restructuring Inter-departmental Committee. The Committee was indirectly appointed by Cabinet, as the successor to the National Electricity Forum (1997) and the Electricity Working Group (1996). These recommendations include:

- the introduction of cost-reflective tariffs, an electrification levy and a capped tax for part funding of municipal services. The tariffs and tax will be fully transparent;
- the revenue from electricity sold will be paid into an electrification fund which will be administered at a national level;
- the appointment of a full-time restructuring team to investigate detailed issues and involving major stakeholders in the planning of the transformation process and in moving towards a new dispensation.

were fortunate that the major players in the electricity supply industry understand and accept the need for transparency. It is important that this support the direction Government is giving. Mr Moolman said. The next step will be for us to consult with the leaders in Provincial Government, Local Government organisations, Eskom, organised labour organisations, national electricity regulators, and others. We will form part of the process that will shape the, future of an efficient and effective electricity supply industry in South Africa.

Chairman, Minister of Minerals and Energy, Mr P W O Barnard

Date 6 March 1997

Road accidents

29 Mr P W O BARNARD asked the Minister of Transport:

(1) (a) How many road accidents occurred during the period 1 January to 31 December 1996 and (b) how many of these accidents were buses involved.

(2) Whether he will make a statement on the matter?

No 263E:

The MINISTER OF TRANSPORT

(1) (a) 517 669 Road accidents occurred during the period 1 January 1996 to 31 December 1996, compared to 519 059 for the same period in 1995, and (b) 10 160 buses were involved in road accidents during the abovementioned period compared to 10 952 for the same period in 1995. Although the road traffic accident data compiled by the Central Statistical Services (CSS) is comprehensive, it is preliminary data. The comprehensive final report is only published after at least three years.

(2) I have already made statements on the unacceptable fatality rate on our roads and have suggested and put into place measures to overcome the complex underlying problems which have given rise to this unfortunate situation. I have also indicated that my Department is working tirelessly on all these issues continuously striving to improve co-ordination between the activities of all role-players in the public and private sector at national, provincial and local level. I also like to bring to the hon. members' attention the recently published Business Plan Towards the Implementation of the Road Traffic Management Strategy (RTMS), and would recommend, for quick reference, the Executive Summary of this document, pp 3-13. This document can be obtained from the Parliamentary Office in my Department. The RTMS is the result of a Road Traffic Quality Symposium which was held in Pretoria in July 1996, during which a target was set to reduce road fatalities by 10% by the year 2000.

Home-owners: non-payment of instalments

30 Mr J A RABIE asked the Minister of Housing:

(1) With reference to her reply in 1996 to Question No 1039 for written reply, whether she or her Department has taken any steps against home-owners who have taken home loans from the State and are not paying their monthly instalments at present, if so, what steps, and by what result in each relevant province, if not.

(2) Whether she or her Department intends taking any steps in this regard, if not, why, not, if so, (a) what steps and (b) when.

(3) Whether she will make a statement on the matter?

The MINISTER OF HOUSING

(1) The information requested is not readily available in my Department as the administration of home loans financed from the statutory housing funds, vests with second and third tier Government and the question should be addressed to the Provincial Administrations who keep records of both the second and third tier of governments.

(2) However, I am prepared to assist in obtaining the information and have already requested my Department to obtain the information from the authorities concerned.

(3) Should it be acceptable to Mr Rabie, I will within the near future send him a personal letter in which I will provide answers to his questions.

Parliamentary village robberies

31 Mr J A RABIE asked the Minister of Public Works:

(1) Whether he or his Department has taken any measures to prevent residents of the Acacia Park and other parliamentary villages from being robbed by persons who use keys to obtain access to residences in so what measure if not.

(2) Whether he or his Department will consider taking steps with a view to (a) replacing locks with locks which the keys cannot be duplicated, (b) providing houses with alarms which indicate at the gate where the alarm has been activated in order to prevent unauthorised entry and (c) searching visitors' cars at arrival and departure, if not, what is the position in this regard, if so, what are the relevant details.

The MINISTER OF PUBLIC WORKS

(1) Yes, my Department is very concerned about the number of unforced entries into homes in Acacia Park Parliamentary Villages and has embarked on action plan to prevent such occurrences. Some of the preventative measures to be taken are...
Municipal trade unionists to fight water-privatisation plan

Privatisation plan

prices, remuneration and job insecurity

By Carmen Harring

Mswu urges Govt to reconsider, claiming that involving private sector would lead to drop in quality of service, hike of water rates, job losses and unfair contracts for employees.
R800-m in guarantees for low-cost housing

Backlog estimated at 2,5 m units

The National Urban Reconstruction and Housing Agency (Nurcha) is on track to secure its pool of R800 million in guarantees which will help unlock finance for the country’s low-cost housing backlog, estimated at more than 2,5 million units.

This follows a boost of R45 million from Southern Life through its RDP portfolio Futuregrowth and a further R13 million in guarantees from the Open Society Institute of New York this week.

The R80-million facility would be available immediately to secure loans of at least R100 million to medium-sized contractors as Nurcha provided guarantees of up to 60 percent of the loan value, said Nurcha chief executive Cedric de Beer.

During the life of the investment at least R200 million in working capital loans should be released by this investment, resulting in about R1-billion worth of housing construction.

Nurcha was set up in consultation by the Ministry of Housing and assists low income housing projects with guarantees for working capital loans and guarantees for home loans, Mr De Beer said.

By offering guarantees for end-user finance in approved projects, Nurcha reduced the credit risk to lending institutions, thereby assisting them to make home loan finance available to sectors of the market which otherwise would not have access to home loans.

Michael Leeman, Futuregrowth’s coordinator, said a major problem in the delivery of low-income housing was that building contractors did not have access to affordable finance.

“Banks are generally not prepared to carry the sole risk involved in low income housing finance,” he said.

The South African Government through a R25-million grant from the RDP Fund and a $5-million grant from the Open Society Foundation for South Africa, had provided Nurcha with R38.3 million in capital.

Nonhlanhla Mqol-Mncube, executive director of Nurcha, said the organisation’s activities consisted of two components, each with a separate funding base.

The first was the grant-making operation funded out of the R38.3-million capital.

The largest part of Nurcha’s work was the provision of guarantees to lending institutions for home loans and working capital loans. The target for this fund was R800 million.

To this end, the Open Society Institute had provided a guarantee facility valued at $50 million (about R365 million).

This money was only available to the organisation if it was matched on a ratio of 3:1 which meant that Nurcha had to come up with about R600 million, said Ms Mqol-Mncube.

So far Nurcha has been able to mobilise R76 million from the Swedish government, USAid, the Rockefeller Foundation, the Thembanis High Impact Fund and the German development assistance association, Deswos.

Nurcha has been able to facilitate projects of nearly R76 million, comprising nearly 6 000 housing units around the country.

Projects in the Cape which have benefited from Nurcha’s assistance include a R6.5-million project to build 229 homes in Franschhoek, Somerset West, as well as bridging finance of R468 000 towards a R1-million housing project at Villiersdorp.

The organisation has also made about R400 000 in grants available to developers.

In the Western Cape, these include a R77 000 grant for the upgrading of the Lwandle Hostel near Somerset West, R40 000 for a hostel upgrade project in Guguletu, R17 000 for the training of building managers in Villiersdorp and R15 000 to the community organisation, the Joint Community Trust, for the building of 60 housing units in Heinz Park, outside Guguletu.
Soros adds his weight to housing agency

MAGGIE ROWLEY

Cape Town — International financier and philanthropist George Soros has one major regret — that he withdrew his bursary support for black students at the University of Cape Town in the early 1990s.

If he had not done this, there might have been many more qualified black South Africans participating in the economy, he said last week.

"But there were good reasons at the time I had hoped to help change the system from within by providing bursaries for black students. However, the apartheid system was so well established that I felt it was co-opting me and so I abandoned it."

South Africa was the first country in which Soros invested, through his Open Society Institute, founded in 1979. He returned here after the April 1994 elections.

"I am very optimistic about this country's future and am increasing my involvement here."

His latest venture has been to give R15 million in guarantees — along with a R65 million investment from Southern Life's RDP Portfolio, Futuregrowth — to the National Urban Housing Agency (Nurcha) to facilitate working capital loans of R100 million for low-income housing projects.

Nurcha, an RDP Presidential Lead Project, was established last year. Its operational expenses were paid with a grant from the Open Society Institute and an allocation from the RDP fund.

Soros said Southern Life was the first institutional investor to support the project, but it was hoped that others would follow.

OPTIMISTIC Financier George Soros launched a R65 million investment in South Africa last week. PHOTO: ANDREW TOWN.
‘Arid’ SA to restrict the use of water

Within five years stringent curbs will be necessary and in 10 years, where even the type of appliances used in the home are regulated, and the type of plants one can grow in gardens is controlled.

Two bills are to be placed before Parliament this month to severely restrict the consumption of water by households, businesses and local authorities and they could become law within months.

Municipal restrictions proposed in the Department of Water Affairs' National Water Supply Regulations include:

A ban on watering gardens and sports fields between 7am and 3pm from October to March each year.

A total ban on hose-down pavements or any other hardened area. Businesses that use high-powered hoses to clean fouled pavements daily will be particularly affected as will local authorities which water public gardens and lawns during the hot part of the day in summer.

Other regulations include:

A ban on flushing urns which are not self-activated.

A ban on Gates or doors which operate by the use of water pressure.

A ban on lavatory cisterns with a capacity greater than 9 litres. All new cisterns must be fitted with dual flushing devices, one using less water for flushing liquids.

A ban on shower heads with a flow rate of more than 10 litres a minute.

Hand basins will have a maximum flow of 5 litres a minute.

Car washes will have to ensure that 70% of water is recycled.

New geysers must be adaptable for connection to solar water-heating systems.

The chairman of the National Water Regulations Drafting Committee Neil Macleod said people used water as if it were a water-rich country.

"We're in a country where, comparable with Israel, and these regulations are the first step in a national process to conserve water," he says. "In about five years we will love to introduce stringent regulation, such as tariff hikes and penalties for people to fit water-saving devices."

"In 10 years we will probably have the same regulations as Israel, where even the type of appliances used in the home are regulated, and the type of plants one can grow in gardens is controlled."

Macleod estimated that within 30 years, the amount of water available per person would have halved to about 650 litres a day.

"Our aim remains constant. We're not going to get more. But the population is growing, living standards are rising, commerce and industry are growing."

"We urgently need to change people's behaviour from a free-and-easy approach of using as much water as they like, to one which balances consumption with availability of a scarce resource," Macleod said.

He said the old Water Act of 1956 would be replaced by two new acts - the Water Services Act and the Water Resources Act - which were due to go before Parliament this month.

"Once the Water Services Act is in place, it would empower the minister to make the regulations law. They could come around the middle of the year," Macleod said.
Water ‘needs the private sector’

Robyn Chalmers

GOVERNMENT is moving rapidly towards ensuring a far greater role for the private sector in the funding and management of services in the water sector, government officials and private sector analysts say.

Durban Water and Waste executive director Neil Macleod said at a recent conference on water that enormous pressure was being placed on municipalities to provide all SA citizens with access to potable water, as provided for in the constitution’s Bill of Rights.

“As a result of these pressures, many local councils are looking to the private sector for assistance. This does not mean to say that municipalities would abdicate their rights to determine the level of service, the rate of delivery, tariffing policy and the degree of transformation within the water sector,” he said.

While it was clear that these responsibilities would remain within councils, partnerships would be developed to provide water to communities at a faster pace and lower unit cost than was currently the case, Macleod said.

Development Bank of SA principal policy analyst Barry Jackson said the enormous investment needs, and the limitations on government finance, would force more public sector bodies such as municipalities into the local capital market for development funds.

Most merchant banks were keen to become more active in the sector, under the right conditions. Those willing to fund private sector service providers would look carefully at the performance of the operation before lending and cost recovery issues were extremely important.

He said most banks would prefer to lend to a private sector water company which had its own money invested on a long term basis. “This is why it is often easier for a private water company to raise finance than for a municipal water utility. It is one of the principal reasons for the growing interest in private sector participation in investment-linked concessions for water supply and sanitation services.”

Jackson said there was still some apprehension over the dangers of private sector service delivery, but international experience showed that a well prepared long-term contract, awarded through a competitive process, could bring benefits to all parties.

Lyonnaise Water SA executive director Jean-Claude Ambert said local authorities were undergoing significant change, which was necessary. However, they may need to look to the private sector for assistance in the water sector in the medium term.

Ambert said there were many issues which had to be addressed if SA was to resolve its poor service payment record. “The provision of reliable services, good customer management services with sound tariff policies, good administration, good communication and meaningful enforcement and control of policies (as vital),” he said.
NEW draft by-laws to control water use in urban areas nationwide — including a ban on watering gardens between 11 am and 3 pm from October to March — are to be followed soon by stringent regulations for agriculture, forestry and industry.

Dr Guy Preston, head of the Department of Water Affairs’ National Water Conservation Campaign, said yesterday the country was facing a crisis and not merely a shortage.

"So far the draft regulations apply to the urban areas only, but all other water sectors will also face regulations," Preston said.

The draft National Water Supply Regulations, set to become law after the Water Services Act is passed during this parliamentary session, are the first of a series of steps to avert the water crisis.

The chairman of the National Water Regulations Drafting Committee, Mr Neil Macleod, said this was a water-stressed country and had only about 1 300 cubic metres of water per person a year.

"As the population and industry grows, this amount will be halved within 30 years to about 650 cubic metres per person a year," Macleod said. "Zambia has between 12 000 and 15 000 cubic metres per person a year."

Preston said if water consumption continued at the current rate, demand would exceed supply early in the next century.

The regulations could save vast amounts of water in greater Cape Town:

- Seventeen million cubic metres a year if all lavatories have dual-flush systems that use less water for flushing liquids only
- Eleven million cubic metres a year by changing half of greater Cape Town’s showers to low-flow showers
- Seven million cubic metres a year by not watering gardens during the hot period of the day in summer
Call for joint approach to curb water abuse

BY MELANIE-ANN FERNS

The proposed water restrictions expected to be passed by the middle of this year are not an April Fool's joke, the Department of Water Affairs and Forestry stressed yesterday.

According to the department, South Africa needed to take drastic steps to conserve water.

Neil Macleod, chairman of the National Water Regulations Drafting Committee, said yesterday that every local authority in the country had its own legislation regarding conservation.

"Some of these by-laws are about 100 years old and differ from town to town. In one they will be relaxed while in another they will be strict.

"The national regulations are going to provide a common approach to the problem of water conservation."

"What we have seen from national workshops is that local authorities are enthusiastic about the proposed regulations," he said.

But deputy director-general of the department, Mike Muller, said model local authority by-laws had already been developed.

These, he said, could be adopted by the local authorities to guide them and other water consumers.

A major development was the requirement that local authorities undertake a comprehensive annual water audit, he added.

These by-laws were expected to help authorities establish how much water was being consumed and the quantities which were being lost to leaks and illegal or faulty connections.

With this information the authorities could implement a suitable water conservation package, he added.

"The draft regulations are also very comprehensive in controlling water fittings that may be installed, and by whom and how they may be installed.

"This is a response to South Africa having become something of a dumping ground for inferior water fittings and to unsatisfactory plumbing standards," Muller said.

He added that the measures were also aimed at ensuring there would be sufficient water for those who currently did not have access to any.

The proposed regulations include a national ban on watering gardens, lawns and sportsfields between 11am and 3pm from October to March.

Bans have also been proposed on the hoisting down of pavements or other hardened areas and on the use of high-powered hoses to clean fouled areas on a daily basis.

In addition, the department has put a ban on the installation of lavatory cisterns greater than 9 litres and the installation of shower heads with a maximum flow rate of more than 10 litres a minute.

Dr Guy Preston, programme leader for the National Water Conservation Campaign, said the proposed October to March water ban would affect everyone in the country.

"This is a stupid time to water your garden. About 60% of water is lost to evaporation if you are watering your lawn," Preston said. He said the new regulations would apply to users of borehole water as well.
Save an endangered species,

Your Rand.

Election de Franco de

competition vital for economic gain

By Isaac Maloof
Survey finds bad faith can hurt housing schemes

Heather Parker
CD 4/14 92
Cape Town — Suspicion and resentment characterise the relationship between low-income earners and banks, according to a University of Cape Town (UCT) study — and bad faith between the two could undermine efforts of the National Housing Subsidy Scheme (NHSS).

In the study, funded by the NBS and conducted by UCT's construction economics and management department, many misconceptions on the part of bank clients were uncovered. "Among problem areas were:

- Few respondents were aware of the repayment levels associated with a specific-sized loan;
- Even fewer knew that the amount paid back over the lifetime of the loan was about four times that of the original loan. When this was pointed out, says the study, it elicited very negative comment,
- A third of respondents believed that banks were unfair in charging high interest rates and administrative charges;
- They also said banks had a bad attitude towards poorer clients; and
- There was a belief among a significant number of respondents that since a mortgage lender was the de facto owner, it was responsible for the maintenance of a mortgaged house.

The survey, led by Prof Bruce Borden, was aimed at establishing attitudes and levels of understanding among lower income households. The NHSS funds the building of a house of exactly about 12m². As this is too small to be useful, most beneficiaries of the NHSS also need a bond.

"But banks are cautious about giving loans below a bond. They need the R60,000, where both the administration cost and the risk are high.

Nonpayment of bond instalments, aggravated by rises in interest rates, has led to a conflict situation where bond applicants are aggrieved at being refused.

Borden argues that the problems are largely the result of poor communication on the part of the banks, and of poor understanding from the general public.

The banks claim to be educating their would-be clients, "but it is clearly not having any effect."
Survey finds bad faith can hurt housing schemes

Heather Parker

CAPE TOWN — Suspi-
rion and resentment charac-
terise the relation-
ship between low-in-
come earners and banks,
according to a University
of Cape Town (UCT)
study — and bad faith
between the two could
undermine efforts of the
National Housing Sub-
didy Scheme (NHSS).

In the study, funded
by the NHSS and con-
ducted by UCT's con-
struction economics
and management
department, many
misconceptions on the
part of bank clients were
uncovered. Among prob-
lem areas were:

- Few respondents were
  aware of the repay-
  ment levels associated with
  a specific-sized loan.
- Even fewer knew that
  the amount paid back
  over the lifetime of the
  loan was about four
  times that of the original
  loan. When this was
  pointed out, says the
  study, it elicited very
  negative comment;

- A third of respondents
  believed that banks were
  unfair in charging high
  interest rates and ad-
  ministrative charges.
  They also said banks had
  a bad attitude towards
  poorer clients;

- There was a belief
  among a significant
  number of respondents
  that since a mort-
 gage lender was the de
  facto owner, it was respon-
  sible for the mainte-
  nance of a mortgaged
  house.

The survey, led by
Prof Bruce Boddin, was
designed to establish at-
titudes and levels of un-
derstanding among low-
er-income households.

The NHSS funds the
building of a house of on-
ly about 12m². As this is
too small to be useful,
most beneficiaries of the
NHSS also need a bond.

But banks are cau-
tons about giving loans
below about R50 000,
where both the admin-
istration cost and the risk
are high.

Nonpayment of bond
installments, aggravated
by rises in interest rates,
has led to a conflict sit-
uation where bond ap-
plicants are aggrieved at
being refused.

Boddin argues that
the problems are largely
the result of poor com-
munication on the part
of the banks, and of poor
understanding from the
general public.

The banks claim to be
educating their would-be
clients, "but it is clearly
not having any effect"
Insufficient funds for power projects

Robyn Chalmers

THE National Electricity Regulator has allocated insufficient funds to cover the R1bn requested by local authorities to meet the demand for new connections.

The National Electricity Regulator has allocated R300m to 108 local government distributors, a move which should lead to 195,000 new connections being made this year by local authorities compared with 120,000 in 1998.

Regulator customer services manager Johan du Plessis said at the weekend the move would represent a “tremendous increase” in new connections made by local government distributors compared to last year.

But applications were received from 184 local government distributors for 456 projects at a total cost of R1,01bn.

The regulator is administering the process of allocating the funds.

“The R300m at the regulator’s disposal was insufficient to meet all the needs and therefore the projects that qualified for funding in terms of the regulators’ policy and criteria had to be ranked,” said Du Plessis.

Eskom made R300m available after the regulator asked Eskom to offer an electrification discount to local government distributors as a quid pro quo for them not having access to the same internal transmission tariff at which Eskom buys electricity.

A spokesperson for the Association of Municipal Electricity Undertakers said that although individual municipalities had electrification targets, there was no obligatory target for local authorities as a whole.

Du Plessis said the external electrification funding evaluation committee was appointed to consider local government applications and make recommendations to the board.

In terms of the recommendations, the R300m will yield 195,000 connections this year, serving 1,5-million people.

As part of its evaluation process, the committee eliminated distributors which had not paid their Eskom account for more than 30 days without an accord with Eskom, and those who failed to give requested data.

The committee had also eliminated distributors which had not applied for a tariff increase, but had in fact increased tariffs from July 1, 1996.

Du Plessis said the distributors could use the funding allocation to gear up their funds.

All qualifying projects were ranked by capital cost and a contribution of R1,700 per connection would be made.

Connections with a capital cost lower than R1,700 per connection would therefore be paid in full.
Power drive held back by 'a range of challenges.'

Robyn Chalmers

A RANGE of challenges facing the electricity supply industry are limiting its ability to meet aggressive electrification targets and ensure world-class supply quality, the National Electricity Regulator says.

The supply industry was collectively facing bankruptcy, the regulator said. “It is unable to continue funding other municipal services and the electrification programme without alternative funding and pricing mechanisms, a reduction in the generation and transmission prices or substantial tariff increases.”

The industry was also fragmented. There were substantial differences in the financial health of municipal distributors, and a wide disparity in prices paid by the various customer segments.

Cabinet recently accepted a range of proposals by the Electricity Working Group to restructure the supply sector, which included consolidating the industry into a number of independent regional electricity distributors.

Other proposals were cost-reflective tariffs and a capped tax for part funding of municipal services, and a levy on electricity sales to fund electrification.

The regulator said a number of issues needed to be addressed if the proposals were to be fully implemented. More equitable and transparent mechanisms for funding electrification and other municipal services had to be developed if the industry was to meet its obligations in the long-term.

In addition, the consolidation of the industry into some form of regional distribution model would strengthen the municipal distributors most at risk and facilitate rationalisation of tariffs in the country.

These two processes must be combined to provide a rational, inclusive and integrated restructuring process, to move the industry from where it is to where it has to go,” it said.
Housing Minister calls on developers to be creative.

Mr. S H. Jordon (D), Government's Low Cost Housing Project-

"The housing delivery process is slow and our demand for houses is high. We need a better way to manage the process and provide houses to those who need them."

Mr. S H. Jordon (D), Government's Low Cost Housing Project.

"We need to innovate and develop new strategies to deliver houses in a timely manner."

Mr. S H. Jordon (D), Government's Low Cost Housing Project.

"In addition to providing houses, we need to focus on sustainability and environmental protection."

Mr. S H. Jordon (D), Government's Low Cost Housing Project.

"We are exploring new technologies and methods to ensure that our houses are sustainable and energy-efficient."

Mr. S H. Jordon (D), Government's Low Cost Housing Project.

"We are committed to delivering houses to those who need them and ensuring that our processes are transparent and accountable."

Mr. S H. Jordon (D), Government's Low Cost Housing Project.
New housing watchdog will answer to both sides

MINISTER calls for more creative low-cost homes and faster delivery

WALDIE
Call to help deliver houses

By Joshua Raboroko

THE Housing Ministry is to root out corruption in the building industry, particularly in low-cost housing, estimated at millions of rand.

Housing Minister Mrs Sankie Mahanyele said the ministry was working out ways to ensure that corruption, bribery and malpractices, too often associated with the construction industry, were stopped.

"Speaking at the launch of the SA Residential Developers Association (Sarda) in Sandton this week, Mahanyele appealed to developers to join hands in declaring war on corruption."

"If you know of instances of bribery, corruption, malpractices, let me know I promise I will do something about it," she said.

Mahanyele said the government had set up the National Homebuilders Registration Council, to ensure that consumers were not ripped off by unscrupulous property developers.

She urged Sarda to work jointly with the registration council for the benefit of the millions of new home owners in the country.

She believed there had been a sound foundation for housing delivery in the past three years.

There was a need for partnerships with the Government to build new homes, although there had been insufficient engagement by the private sector in helping deliver more houses.

Developers had an important role to play in assisting the Government to build one million houses by 1999.

According to a report by her department, a total of 154 528 houses had been built or were under construction between March 1994 and February this year.

During the same period, 443 582 subsidies had been allocated.

Sarda executive director Hendrick Kokana said the association would help the Government "to house the nation".
SA must address land, housing issues to grow
Bungling delays housing

By Joshua Raboroko

The Housing Ministry is to stop large-scale bureaucracy, bungling and alleged incompetence in government departments from delaying home builders and costing them hundreds of thousands of rands.

Housing Minister Mrs Sankie Mahanyele said her department had received complaints from unhappy builders who claimed that they had to wait up to 12 months for their low-cost housing plans to be processed.

At the launch of the South African Residents Developers Association in Sandton this week, developers, architects and estate agents claimed that incompetent staff at local and provincial levels were delaying housing projects. As a result some of them have been forced to retrench workers.

Mr Mak Leaf of JD Estates and Property Developers said about 2,000 of his applications were still in the Gauteng MEC for housing and land affairs’ office, while prospective homeowners were waiting impatiently for their houses.

He said by the time he finalised all the plans, he would have lost up to 10 months of business. As a result bank facilities had been frozen and he was not in a position to pay staff.

Most developers, who chose to remain anonymous, claimed that there were huge problems at local and provincial offices. There seemed to be no cooperation between the departments, they said.

They acknowledged the need for a reconstruction of the departments and predicted that bureaucratic bungling of projects would further delay the Government’s low-cost housing delivery target this year.

The minister blamed a lack of skills and education as the major reason for the delays. However, the Government would ensure that workers acquired enough skills, she said.
Easing strains on landlords, tenants

New legislation should make for easier reconciliation between these traditional 'foes', writes Ian Davidson

which have proved to be problematic in the past. These include amongst others eviction, intimidation, nuisances, overcrowding, lease contracts, refurbishment, damage to property, tenants' committees, tenant activities on rental premises etc.

Rent control and determination play no part in the legislation. On the contrary, the memorandum to the act specifically recognises that the market mechanism should determine the value and cost of accommodation without interference from government. The act also recognises that the principles of capital value and return on investment should take precedence.

What the act seeks to restore, however, is the role of law in areas where these principles are rendered meaningless, either because:

- property owners are unable to realise any return on their investment due to their inability to control and manage their properties, including their inability to obtain rentals from tenants, and/or
- tenants are forced to endure unfair treatment from unethical landlords who, within the context of the housing shortage, are unfairly maximising profits.

Landlords and tenants can therefore lodge complaints with the board, which will provide a procedure to resolve disputes within regulations which define reasonable norms and practices.

An important feature of the act relates to the composition of the board. While there will be an independent chairperson, the remaining members will, in equal numbers, be representatives of tenants of residential dwelling units on the one hand and landlords on the other.

Finally, the act envisages education offices being set up to plan an educatory role, inform both tenants and landlords of their rights and obligations as well as discourage false or unreasonable expectations.

I believe that what has emerged after a long and often lively debate is a constructive piece of legislation which will begin the process of building both relationships and, hopefully, new rental housing stock.

Ian Davidson, MPL, is the Democratic Party spokesman on housing and land affairs.
Water privatisation plan is outlined

By Russel Molafe

WATER Affairs and Forestry Minister Professor Kader Asmal has outlined Government policy on the privatisation of water services, the issue which angered trade unions and sparked labour unrest in Mpumalanga.

Asmal said Government policy recognised the need for local governments to adopt different approaches, which included the use of private sector service providers, to "ensure that all South Africans gain access to basic services on an equitable and efficient basis."

Other alternatives, apart from direct service provision, which local governments could adopt are

- The strengthening of public utilities such as water boards to undertake distribution as well as bulk supply, the use of non-governmental organisations, particularly in rural areas, and, co-operation between local authorities.

"No particular solution is being favoured. The programme of local government support is providing technical and financial assistance to local authorities and assistance to NGOs, channelled principally through the Mvula Trust, is in place."

Hw explained that his ministry also made extensive use of the private sector to implement its programmes. The Government is to introduce a new Water Services Bill that "will help to build the framework for service provision."
Planning and building of dams continuing

Edward West

PLANS for the building of additional large dams and hundreds of kilometres of tunnels and canals to convey water to meet the continuous rising demand were on the drawing board, Water and Forestry Minister Klaas Asmal said yesterday.

In an address to the 89th Congress of the SA Institution of Civil Engineers (SAICE) yesterday, Asmal said planning was well advanced and work had already started on projects such as the Mool-Mgeni transfer, the Mvoti Dam, the Tugela-Mhilatza transfer, the Levuvhu development and Skuifraam Dam.

Other sustainable water development options contemplated included the further development of the Orange River basin, of which the Leaitho Highlands Water Project formed part, development of the Tugela and Mkwanzi Basins, and the tapping of the Mzimvuku Basin, SA's last remaining major conventional source of water.

"Should the growth in water requirements continue to follow the latest projections... it is estimated that all the water resources of the country will be fully used in about 30 years. No longer will we be able to go to another basin and simply build another dam to augment supplies," he said.

Asmal appealed to engineers present to find a way to second staff to his department, to improve the in-house expertise. "The demands facing my department are increasing in complexity and volume, and our capacity is not increasing at the same rate."

Outgoing SAICE president Alex Visser said that over the past 10 years about 20 civil engineers a year had graduated from SA universities, hardly sufficient to replace retirements. However, it was often not recognised that technikons were producing significant numbers of civil engineering technicians and technologists.

The top engineering projects in terms of value last year included Dragon City in Potchefstroom and the Maputo Corridor development, he said.
Community role in housing probed

Nomavenda Mathiane

GOVERNMENT needed to re-focus on the meaning of community participation to facilitate housing delivery, National Housing Forum managing trustee Brian Leveson told the Community and Urban Services Support Project conference in Johannesburg yesterday.

The Community and Urban Services Support Project is a non-governmental organisation which assists historically disadvantaged urban communities to achieve appropriate housing and services by providing support to community-based organisations. The conference was held for the project to report back to other stakeholders.

Leveson addressed the issue of whether community participation was a realistic component in the housing delivery process in the light of the urgent need for low-income housing.

He said it was unacceptable for force products on to people, as the National Party had done in the past, by building houses without community consultation. He warned developers to determine community needs before embarking on projects.

He said there was an delivery un-pause as developers did not want to be involved in the social logistics of the process, but communities demanded to be consulted on projects.
State-owned company allots R94m to home loans

THE National Housing Finance Corporation, a public sector company owned by government, yesterday said it had granted R94m to two lending institutions to make it possible for low-income earners to receive loans.

The corporation lends money to banks and financial institutions which served the low-income housing market. They will repay the money at current interest rates.

The corporation granted R50m to FutureBank Holdings, a black-owned retail bank which had established a mortgage niche in the Eastern Cape and North West Province, said the corporation's chief executive Johan de Rieder. It also supported a debenture issue by newly restructured Alternative Finance (Altfin), which provided small loans. — Sapa
Housing finance body in low-income loan plan

MAGGIE ROWLEY

Cape Town — The National Housing Finance Corporation, set up a year ago to provide wholesale finance for low-income housing, has approved further new facilities totalling R94 million, paving the way for 200,000 loans over the next five years, Johan de Radder, its chief executive, said yesterday.

The corporation was set up with R350 million in share capital from the government and raised a further R100 million on the capital market.

De Radder said about half of the original share capital had now been committed. The facilities approved to date should result in about 200,000 loans to low-income households over the next five years.

Further facilities were in the pipeline which would utilise the balance of the available share capital, providing a further 100,000 to 200,000 loans over a five-year period, he said.

But, government had allocated a further R350 million in share capital for the next year, and it was likely the corporation would go to the capital markets again later this year to finance further facilities, De Radder said.

The latest facilities to be approved, totalling R94 million, had been granted to two niche market lenders — the newly restructured Alternative Finance and Futurebank Holdings, formerly Citibank — servicing the low-income housing market.
Home buyers lose millions

By Joshua Raboroko

About 14 construction companies, who promised black consumers new homes, have been deregistered by the National Home Builders Registration Council (NHBRC) after being found to have defrauded their customers of millions of rand.

NHBRC chairman Mr Mike Mohole said at the weekend that complaints against the companies ranged from fraud, unfinished work, numerous large-scale judgments and bounced cheques to liquidation.

He said Howzit Property Developers (registration 562) was found to have gone into liquidation. There were allegations of receiving bonds drawn without completion of houses.

KK Homes Improvers had several cases of unfinished work, work that did not adhere to building regulations, no supervision of sites and fraudulent use of the NHBRC logo and warranty.

About R200 000 was paid.

JJ Viljoen Developers (reg 1083) had bounced cheques and were not available when contacted.

Manuel Construction (reg 77) had accepted more than 79 deposits and very little work was done. Consumers allegedly paid deposits ranging from R4 000 to R10 000 to the company after being promised homes near the Doornkop Cemetery, Soweto, and in Sindaview on the East Rand.

Mountalink Project Management (reg 738) was closed down. H and A Housing (reg 181) was liquidated – 17 houses enrolled.

NHBRC can be contacted at telephone (011) 886-3636.
Health, housing departments slated

Incompetence costing millions, report by Gauteng auditor-general reveals

By Priscilla Singh
Health Reporter

Gauteng's departments of health and housing have come under scathing attack following the release of an auditor-general's report yesterday which revealed gross incompetence and mismanagement.

The performance audit report by Gauteng Auditor-General Shauket Fakue was tabled in the provincial legislature yesterday. It showed that millions were lost as a result of bad management.

DP leader in the legislature Peter Leon called the report "quite a condemnation" of how the departments were being run.

Fakue's report showed that half the health-care vehicles provided for Soweto were stolen, that gardeners were doing the work of pharmacists at one clinic, that dentists were doing work usually performed by therapists, and that there was no maintenance policy for primary health-care clinics.

The report revealed that no financial provision was made for the replacement of ambulances, and a lack of staff management resulted in the ratio of nurses to patients varying from 1:5 to 1:8.

"What next, hospital cleaners doing heart bypasses?" asked Leon last night.

On the provincial Housing Department, Leon said Fakue reported that R400 000 in subsidies had been paid to developers in Phola Park, but no houses were built.

The report said that despite a housing backlog of 800 000, the department received only 643 applications for subsidies by September last year because of poor marketing of the subsidy programme.

Health Department spokesman Jo-Anne Collinge said last night the department would comment today.
Housing Finance Body gears up lending plans

Housing Finance Body is planning to launch new lending plans for home buyers. The new plans are aimed at making housing more affordable and accessible. The new lending plans will be launched in the coming months, and the Housing Finance Body is working on finalizing the details.

The new lending plans will include reduced interest rates and lower down payments. The Housing Finance Body is also considering introducing a new loan product that will allow home buyers to take advantage of government guarantees.

The new lending plans are expected to benefit millions of home buyers across the country. The Housing Finance Body is committed to ensuring that every eligible home buyer has access to affordable housing.
Nomvula puts housing on fast track

Jacob Dlamini

CAPE TOWN — Housing Minis-
ter Sanke Mthembu-Mahanyele
announced yesterday that the
wait-for housing subsidies had
been slashed by 17 months.

Mthembu-Mahanyele said the
reduction followed the intro-
duction of a computer-based in-
formation collection and moni-
toring system called “Nomvula”,
which had allowed the housing de-
partment to provide reliable and up-
to-date figures on subsidised
housing and construction in every
region of the country.

She said the system was updat-
ed every 24 hours by a team of ded-
icated staff using information tak-
en from the provinces.

It had also allowed the depart-
ment to monitor the progress of
the 805 subsidised housing pro-
jects under construction in the
country and was used to identify
areas where no housing delivery
was taking place.

Mthembu-Mahanyele said the
system was designed to speed up
delivery by reducing the period be-
tween the approval of subsidies
and the construction of houses
from 24 to seven months.

She said 555 000 subsidies had
been granted by the provincial
housing boards for low-cost hous-
ing and that 192 815 houses were
under construction.

Some of these homes had al-
ready been completed.

The department would in June
launch a programme intended to
empower provincial officials by
giving them skills to improve ef-
ciciency and ensure that housing
delivery was carried out in a well-
structured manner.

“This is a major step forward
for housing provision in SA,”
Mthembu-Mahanyele said.

“For the first time in the his-
tory of the department we can put-
point every project and every
house under construction in the
country at the push of a button.”

“Nomvula truly gives us man-
agement control over the entire
low-cost housing programme,
making delivery a reality for hous-
ing across SA.”

Government intended to have
1-million new homes built or un-
der construction by 1999 and ev-
every local authority would know its
share of that total, she said.
Govt on target to meet million houses by 1999

Housing minister says Government has approved half-a-million low-cost housing subsidies in 1994

BY JOVIAL RANTAO
Cape Town

Since 1994, more than half-a-million low-cost housing subsidies had been approved by the Government, Housing Minister Sandile Mhembela-Mahanyele said yesterday.

About 200,000 houses had been built or were under construction.

Of the houses already built or under construction, the largest number—70,599—were in Gauteng. The province had approved 135,000 subsidies and a further 243,000 houses would have been built by 1999.

The ANC pledged to build a million houses by 1999. It has now been in power for three years and is left with exactly two years to meet its promise

In a reply to a question from ANC MP Dan Mtsweni, Mhembela-Mahanyele said the department had installed a computer-based data-collection and monitoring system through which the Department of Housing could, for the first time, produce reliable and up-to-date figures on housing numbers and construction progress in each province.

"This is a major step forward for housing provision in South Africa. For the first time in the history of the department, we can pinpoint every project and every house under construction in the country, at the push of a button," she said.

The system showed that, in all, 555,000 housing subsidies had been approved by the provincial housing boards and, of these, 192,815 houses had already been built or were under construction.

Between March 1994 and April 1997, 6,210 houses had been built in the Eastern Cape, 15,513 in the Free State, 20,680 in KwaZulu Natal, 19,072 in Mpumalanga, and 7,626 in the Northern Cape. The North West had built 20,340 and the Western Cape 24,720.

"This is delivery in action and shows we are keeping our promise to house the nation," Mhembela-Mahanyele said.

The new data system, called Nomvula, is updated every 24 hours and is based on information collected on computer by dedicated staff in each of the nine provinces. The system allows the department to plot the position and progress of the more than 800 public-housing projects across the country.

The system has enabled the Housing Department to reduce the waiting period between the time a subsidy has been approved and the time a house is built, from two years to seven months. It is designed to speed up and monitor the house-building programme. It is also able to identify areas where housing is most needed.
Rural housing scheme delivers

Mpho Mntshu

Johannesburg — Sankie Mhemb of Mahanyele, the housing minister, opened a rural housing project yesterday set up by a woman. This initiative aims to build about 10,000 housing units valued at R207,500 million in rural Mpumalanga within a year.

The person behind this project is Thandi Ndimu, a medical practitioner from Soweto who also owns a construction company. The company, Motho (which means Foundation), has been operating for more than a year. This is the first such project in the country's rural areas.

Communities will build the 30m² to 40m² houses themselves, so cutting labour costs and making it possible to deliver units within the R15,000 government subsidy. The same figure only delivers a 14m² structure in Gauteng.

The minister commended Ndimu's ingenuity and the support received from developer Job Mhombeni.

A HOUSE WITH A VIEW Posile Manana, 33, looks out of a showhouse at Amsterdam in Mpumalanga. She will be one of the first applicants to receive a new house built in an innovative new project. Manana was a farm labourer and has never experienced the luxury of a real home.
Rural areas get home subsidies

By Joshua Raboroko

The housing ministry has granted more than 500,000 subsidies for low-cost housing, the government announced yesterday.

Speaking at the launch of the Mpumalanga rural housing programme near Marble Hall, Housing Minister Sankie Mahanyele said, of these subsidies, almost 200,000 had already been turned into houses which have already been completed or are under construction.

"Mpumalanga is one of our leading provinces in terms of housing delivery and our computer management system shows that this province has 53,000 houses to build as part of our contribution to our one million houses programme. Of these, it has already built more than 10,000 houses," she said.

Mahanyele said the Government had extended the housing subsidy policy to rural areas which previously did not receive subsidies.

More than 10,000 subsidies have been granted to rural communities in Mpumalanga. Among dignitaries at the launch were provincial premier Mrs Mathew Phosa, MEC for housing Mr Craig Pudayache who said the rural programme was a milestone to the housing delivery in the province.

Mahanyele said she was encouraged by the number of subsidies that had been approved, adding "It gives me confidence to say that we are on track to deliver homes to our people as we promised during the election in 1994."
Crisis deepens with local govts owed R6.5bn

By 29/4/97 (123)

Jacob Dlamini

CAPE TOWN — The crisis in local government has deepened, with figures released last week showing that money owed to municipalities had spiralled to R6.5bn and that more councils had defaulted on their debt repayments.

According to constitutional affairs department national intervention programme co-ordinator Chris Kapp, local government debt climbed from the R6.02bn recorded last October.

Forty-eight councils had defaulted on their repayments to the Local Authorities Loan Fund and a further 12 had failed to service their external debts.

In a submission made to the parliamentary constitutional affairs committee, Kapp said 1.4-million accounts were not paid on a regular basis and that this had resulted in R2.3bn to R3.3bn tied up in debtors. This, Kapp said, led to an increase of between 11.8% to 15.5% in general rates and service charges.

The figures formed part of the latest findings of Project Liquidity, a survey introduced by Constitutional Affairs Minister Vallie Moosa last year to monitor the cash flow of local authorities.

The survey disclosed that of the 843 councils which exist around the country, a third of them were basically sound, the other third "financially stressed" and the last third totally unviable.

According to Kapp, bank balances and investments held by municipalities amounted to R5.47bn in October last year and the bulk of this was held by the Durban metropolitan council.

Kapp said reasons for the cash crisis varied from the massive costs entailed in amalgamating local authorities, to the lack of capacity among new councillors, lack of budgetary discipline and unaffordable service levels.

Kapp said councillors lacked the political will to enforce credit control measures and political interference prevented many accounting officers from doing their jobs.

Accounting officers needed strong political support from ministers and MECs, and local authorities had to introduce sound customer management, develop new revenue systems and strengthen their metering, billing and revenue collection systems.

Deborah Fine reports that the greater Johannesburg transitional metropolitan council’s southern substructure was cautiously optimistic it had stabilised the growth of outstanding debt in Soweto and Johannesburg South.

Budget and finance committee chairman Shan Balton said last week "very encouraging" credit control figures showed only a slight increase in arrear debts last month compared with the previous five months, when arrears had increased at a rate of about R20m a month.

The substructure was currently owed R699m, including current debt. All arrears for the area were R519m. The substructure had collected R10.3m in arrears as a result of aggressive steps to address nonpayment.
White paper on water is thrown out

Stephen Lauffer

A WHITE paper on water due to be launched at a major public function this week by Water and Forestry Minister Kader Asmal has been rejected by the cabinet committee on economic and social affairs.

Sources familiar with the discussion in the committee said ministers had been unhappy that the document was presented in a manner suggesting they should simply rubber-stamp it, rather than discuss it in detail.

But other sources said there were significant problems of substance which went beyond a simple disregard for process. The rejection had been more than a simple “slap on the wrist” for Asmal. Land and Agriculture Minister Derek Hanekom had particularly wanted a substantive discussion on the document, one official said.

Members of the cabinet committee — which includes the ministers of finance, land and agriculture, trade and industry, housing and labour — were apparently irritated that Asmal presented them with a glossy final product, indicating that the white paper was not a draft for further discussion at the highest level of government. They had gained the impression that they could not propose alterations.

Invitations to the launch of the document following this week’s full cabinet meeting in the Union Buildings had to be withdrawn by the advertising agency employed to organise the function. Among the 120 invitees who had accepted were farmers’ associations and unions, members of Parliament, community organisations and paper industry and media representatives.

The launch was to have included speeches by Asmal, Archbishop Desmond Tutu and a speaker from the Environmental Development Agency, as well as a specially commissioned video on water. A spokesman for the organising agency said it was not planned as a particularly “glitzy event”, but he declined to divulge the costs.

A water department official said the white paper would still go to tomorrow’s cabinet meeting. The launch would take place soon afterwards if the document was approved.

Sources said the white paper failed to take last year’s extensive water law review process further. It did not elaborate on how the ministry proposed to deal with major issues arising out of the proposed alterations to the law.

It was unclear why a white paper was needed if it failed to capture the lengthy discussion process around the law review and was also not subject to public comment itself.

Issues related to the privatisation of water supply systems had not been dealt with in great detail during the water law review, leaving participants with an awareness that there was a need for further debate. But rather than putting the issue up for discussion, the white paper had stipulated privatisation as an option for government.

The document’s commitment to a national water utility had also not been a subject of discussion during the review process. While the creation of such a body might be an option in prin-

Water

people, it needed to be debated publicly before being set in stone.

The white paper also failed to spell out options on several potentially contentious issues raised during the law review process. These included the trading of water rights, the abolition of riparian rights and the need to reorganise the allocation of water rights.

The role of other government departments, such as constitutional and provincial affairs — which has an interest in water provision via local authorities — remained murky in the white paper.

It failed to create greater certainty on who had responsibility in which areas. And it lacked clarity on transnational arrangements related to water provision.

Sources said the water law review had been sufficient to allow Asmal to get on with draft legislation which would be subject to wide public discussion. The question was whether a procedurally correct white paper process, which would require extensive public participation, was still necessary.

Continued on Page 2

Continued from Page 1
Sanco's housing deal exclusion 'an oversight'  
Lukanyo Mnyandu

THE exclusion of the SA National Farmers Union (Sanco) from the 1994 housing deal between government and banks had been a "political oversight" on the part of her predecessor, Housing Minister Sankie Mthembu-Mahanyele.

Mthembu-Mahanyele, who succeeded Joe Slovo as minister of housing, told a Sanco fundraising dinner last week government had erred by not taking the organisation's efforts into account in normalising relations between banks and borrowers.

"Tonight I want to say that I take full responsibility on behalf of government for what I believe to have been a political oversight. However, I am convinced that there was no malice meant by our late comrade Joe Slovo," she said.

The record of understanding had resulted in the formation of the Mortgage Indemnity Fund and Servcon, which had involved Sanco in their programmes to normalise the lending environment.

"I appeal to you to put aside differences with the record of understanding and positively engage the fund and Servcon," Mthembu-Mahanyele said.

She invited the organisation to discussions on the housing programme and pledged to address grievances, including its exclusion from the agreement with financial institutions.

The ministry's programme had been developed around the needs of the poorest in the population, with the majority of the subsidies since 1994 going to people earning R600 or less a month, she said.

Speaking at the launch of a housing project in Soshanguve outside Pretoria, Mthembu-Mahanyele said Nonvuva, the ministry's newly introduced computer system, had shown Gauteng to be the leading province in the housing delivery process. It had completed more than 70 000 of its targeted 243 000 houses in terms of government's promise to build 1 million houses by 1999, and had approved approximately 155 000 subsidies.

KwaZulu-Natal had built approximately 20 000 new houses and approved 90 000 new subsidies towards its targeted 196 000 units by 1999.

She said last year that at least five provinces had spent their allocated budgets by November, boosting confidence that there would be no rollovers of funds.

International telephone
Sanco to help Govt with housing

Minister to discuss housing delivery for the poor with civic organisations

By Joshua Raboko

Civic organisations, which originally embarked on massive bond and service boycotts, have been called on to throw their weight behind the new Government in delivering homes to the poor.

After meeting the leadership of the South African National Civic Organisation in Johannesburg at the weekend, Housing Minister Mrs Susie Mahanyele said she was ready to meet the organisation to discuss details of how to expedite housing delivery.

Gauteng Housing and Sanco have formed a "consultative committee" to investigate ways and means to end the bond boycott which has resulted in a loss of more than R6 billion for banks.

However, after much consultation with banks and home loan institutions, Sanco has relaxed the boycott on condition that defaulters are evicted for non-payment of their bonds.

Mahanyele said: "Sanco played a role in bringing political freedom and democracy in the past. Now they have a role to play in breaking the economic bonds binding our people to poverty."

"The battle for economic freedom, for the speedy reconstruction and development of our country has just begun."

"I want to say that provinces and other significant stakeholders in the housing sector are committed to housing the poor of our country."

Mahanyele said she had a list of issues in her programme of engagement with Sanco and other civil society structures which would see relations start on a clean slate.

The Government could not house the nation without Sanco's help, she said, adding: "We need you to be the compass of conscience and the lightning rod of delivery for the millions of people."

Sanco president Mr Mlungisi Hlongwane said the organisation was prepared to support the minister.
Death of the white paper on water has been exaggerated
Africa's sick flock to city
Demand for specialised child care

JERRY WALL
Cape Argus

Children from all parts of Africa are coming to Cape Town's hospitals because of the specialised services available here.

And although hospital authorities cannot say if there has been an increase in the number of children during the past few years, indications are that South Africa has become the preferred choice of destination for specialised hospital care for those in African countries.

Phillip Obukhoye is a 12-year-old Nigerian boy who recently had surgery for a bladder problem.

He was abandoned at a young age and spent his first years living at a hospital in Lagos.

Four years ago he became part of an SOS Children's Village, an organisation that provides homes for orphaned children.

Village guardian Augustine Adetola takes up the story: "Phillip needed another operation but there was a lack of facilities and equipment in our country.

"We considered sending him to Germany or Switzerland but then the SOS president suggested South Africa. It's closer and has good facilities.

"In mid-March, Phillip came to Cape Town and specialist Larry Lee performed corrective surgery on him early this month at Vincent Palotti Hospital in Paarl.

"Our international office wants to promote South Africa’s medical facilities," says Mr Adetola.

Phillip is the third child from an SOS Village to come to South Africa — the other two came from Rwanda and Senegal to hospitals in Johannesburg.

Why South Africa? In many African countries specialised treatment or equipment is not available.

"The medical expenses of the SOS children are paid by SOS Kinderdorf Interna-

tional, which is based in Austria. Phillip can speak English and has already made friends at the Thornton SOS Children's Village where he is staying for a few months while he waits for his second operation.

He is just one of many children coming to Cape Town. Those that can afford it go to private hospitals, the others to state hospitals.

Last year, 50 children younger than 13 from outside South Africa came to Tygerberg hospital as in-patients and 64 as outpa-
tients.

While the hospital offers a much-needed service, these children are also a source of income — they pay double the normal rate.

Chief medical superintendent Alpi Rahaman said budget cuts to the hospital might mean it was no longer able to provide this service.

While Red Cross Children's Hospital did not have figures for children coming from outside South Africa, Amy Abraham, public relations officer, said many children came to the hospital each year, usually for cardiac surgery or special procedures like the separation of Siamese twins.
Sick face fever services and hospital beds

Bitter pill for Cape health care

NEW

:\n\:2/5/94

\:Wits News
Gauteng hospitals owed millions

BY Cecil Russell

The Democratic Party has called on the Financial and Fiscal Commission to override existing health financial allocations because the Gauteng Health Department was paying for the treatment and care of patients from other provinces without any compensation.

DP health spokesman Jack Bloom said although the "realistic expected deficit" of R52.6 million for 1997/8 for hospitals in Gauteng was down from last year's R53.6 million, this was misleading.

"The figures exclude the amounts owing for treating patients from other provinces," said Bloom. "Include these in the budget and the deficits become "alarmingly" high. In 1995/6, the outstanding account from other provinces was in excess of R152-million, and in 1996/7 R360-million, of which only R34-million was recovered from Northern Province.

"We need to abandon the fiction still clung to by the Gauteng Health Department that there is no payback from other provinces.

No payback from other provinces

any chance of obtaining past debts from other provinces, as this money has been spent or the political will for such transfers is simply not there," said Bloom.

The problem arose with the financial allocations to the provinces, he said. The policy of allocating funds on an equity per capita formula did not take into account the patient flows to Gauteng for treatment unavailable in other provinces.

Gauteng had a sophisticated infrastructure and would continue to attract referrals and patients from other regions, and this should be taken into account in financial allocations.

"This money is being frittered away, while Gauteng is carrying the costs from other provinces," Bloom believes the solution is for central government to allocate costs for cross-border patients upfront, rather than Gauteng becoming "debt collectors" and trying to recover the money.

"We are again going to have a massive overspend - partly due to treating patients from other provinces," he said.
Health care company buys Vincent Pallotti hospital

Firm’s first investment in Western Cape

Afrox Healthcare, a subsidiary of Johannesburg Stock Exchange-listed African Oxygen, has bought the Vincent Pallotti hospital in Pinelands.

The company said this was its first such investment in the Western Cape and could be used as a springboard for further investments in the region.

The acquisition brings the total number of hospitals and day clinics owned by Afrox Healthcare to 13. The other hospitals are in the Eastern Cape, Gauteng, KwaZulu Natal, Northwest Province and Botswana.

"Cape Town is a major market which is growing substantially," said Afrox Healthcare general manager Dick Williamson.

"Although the health care environment here is very competitive, we are fully committed to providing the public with a quality, cost-effective service."

He said the purchase of the Vincent Pallotti hospital strengthened Afrox Healthcare’s objective to have facilities in all major centres.

Built in 1968 and run under the auspices of the Pallotine Missionary Sisters, the 130-bed Vincent Pallotti was one of the first private hospitals to be established in South Africa.

The hospital has since been developed considerably, and was renovated substantially in 1991.

Mr Williamson said the hospital was well located and enjoyed support from local specialists and medical practitioners.

He said Vincent Pallotti was held in high regard by its patients and the public in general.

Afrox Healthcare aimed to provide funders and patients with cost-effective health care that was tailored to best suit their needs.

"The group has therefore in recent years branched into occupational and primary healthcare through its subsidiary Afrox Occupational Healthcare, and into home nursing through Afrox Home Healthcare," he said.

"In addition to management, supervisory skills and total quality management training, which is provided with the assistance of Afrox’s in-house training unit, we have three nursing training institutions that provide basic as well as post-basic nursing training."
R80-m owed to W Cape hospitals

CLIVE SAWYER
POLITICAL CORRESPONDENT

Health Minister Nkosazana Zuma has unveiled shock figures in Parliament which show that public hospitals in the Western Cape are owed almost R80-million in unpaid bills.

Among the hospitals owed the most are the Red Cross hospital (R28-million), Karl Bremer (R35-million) and Tygerberg (R22-million). Groote Schuur is owed R2.7-million, Eben Danges R1-million, Conradie R323 379, Victoria R1.8-million, and Woodstock R32 561.

Hospitals in country towns owed over R1-million are those in George, Knysna and Paarl.

Dr Zuma was responding to questions in the National Assembly by Democratic Party health spokesman Mike Ellis, who requested figures for each province. Two provinces, Gauteng and Mpumalanga, did not supply figures.

Public hospitals in the Northern Cape are owed R5.8-million, in KwaZulu Natal R5.6-million, in North-West R6.5-million, in the Free State R60.6-million, in the Northern Province R40.4-million and in the Eastern Cape R60-million.

Dr Zuma said the amounts had been accruing, on average, for about three years. Action taken by hospitals to recover unpaid bills included sending out final notices to debtors, taking legal proceedings on the advice of the State Attorney and taking cognisance of the debtor's ability to pay.

"Bills are written off only when it is clear further action is uneconomical," she said.

She said provinces were developing and improving their hospital information systems based on the national framework in an attempt to improve the billing mechanism.

Some provinces, such as the Free State, were considering contracting out the collection of outstanding bills.

The Northern Province had employed a private company to collect debts on its behalf.
Hospitals to act over unpaid bills

POLITICAL STAFF

UNPAID state hospital bills add up to a whopping R270 million, with the Western Cape suffering a backlog of nearly R86m.

Releasing shock figures from seven of the country’s nine provinces yesterday, Health Minister Dr Nkosazana Zuma said hospitals were taking action to recover unpaid bills, which included sending out final notices to the debtors and taking legal proceedings on the advice of the State Attorney.

The Karl Bremer Hospital in Paarl is owed R30 263 061 and the Red Cross Hospital in Cape Town R28 483 001.

Dr Zuma, replying to a question from Democratic Party health spokesman Mr Michael Ellis, said that the State Attorney took cognisance of the debtor’s ability to pay “and finally bills are written off only when it is clear that further action is unethical”.

She said provinces were upgrading their hospital information systems “in an effort to improve the billing mechanism”.

The Free State and other provinces were investigating the possibility of contracting out the collection of bills to the private sector to help maximise the success of fee collection, said Dr Zuma. The Northern Province has appointed a company to collect fees.

The totals outstanding are Northern Cape R5 827 520, KwaZulu-Natal R15 606 795, North West Province R8 558 675, Free State R60 654 017, Western Cape R79 767 564, Northern Province R40 409 072 and the Eastern Cape R60 144 764.
Zuma outlines plan to recover R270-m in unpaid bills

Cape Town – Unpaid state hospital bills add up to a whopping R270-million, according to Health Minister Nkosazana Zuma. She said hospitals were taking action to recover unpaid bills, which included sending out final notices to the debtors and engaging in legal proceedings on the advice of the state attorney.

Zuma, replying to a question from DP health spokesman Michael Ellis, said: “Bills are written off only when it is clear that further action is uneconomical.”

She said provinces were developing and upgrading hospital information systems based on the national framework in an effort to improve the billing mechanism. Provinces such as the Free State were also investigating the possibility of contracting out the collection of outstanding bills to the private sector to help maximise the success rate of fee collection, said Zuma – Own Correspondent.

Star 7/5/97
### Government Housing Subsidies

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the quality of life for residents</td>
<td>$12,000</td>
</tr>
<tr>
<td>To provide better access to transportation and education</td>
<td>$5,000</td>
</tr>
<tr>
<td>To support local businesses and industries</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

### The Minister of Housing

- The government is working closely with the Department of Housing to ensure that all residents have access to affordable housing.
- The government has introduced a new program to provide financial assistance to those in need.
- The government is committed to increasing the number of affordable housing units available across the country.

---

**Date:** Thursday, June 1999
Black staffs accuse clinic of racism

By Mokgadi Pela

A GROUP of Flora Clinic staffs have levelled accusations of racism against management.

The staffs, who spoke to Sowetan on condition of anonymity yesterday, said management suppressed the development of blacks and also turned a blind eye to incidents of racism against them.

Among their allegations are:

- A black nurse is to face a hearing for allegedly pointing a finger at a white doctor who had earlier slapped her wrist.
- The father of a white patient in Ward B constantly calls black nurses names.
- There are no black sisters in charge despite the fact that some of them are qualified for the position.
- Black staffers believe there are wage disparities between blacks and whites.

Flora Clinic PRO Ms Roselle Changfoot dismissed the allegations as "having no grain of truth in them."
More fraud uncovered in KZN hospital

Malpractices at Madadeni Hospital plunges this institution into great financial distress

By Simon Zwane

RAMPANT FRAUD and flagrant disregard for tender procedures have been uncovered in yet another KwaZulu-Natal hospital.

Madadeni Hospital, near Newcastle, has been plunged into financial distress as a result of malpractices in its stores department. The institution is believed to be "heading for substantial overspending by the end of the financial year."

In a report prepared for the Mthwane Commission probing fraud in provincial hospitals, the inspectorate division found that expensive furniture and equipment worth about R200 000 was bought but could not be found at the hospital.

Discrepancies were also found in the ordering of coal, with 4 000 tons worth an estimated R450 000 not being delivered although it was fully paid for.

The inspectorate, which has investigated the hospital for the past two months, discovered that 13 dining room suites and 10 bedroom suites were bought in March last year for R134 378 but were never seen at the hospital.

Tender requirements were not followed in buying the furniture.

"According to documents the furniture was received by stores staff and an invoice was later received and payment processed through the system," the report says.

The inspectorate could not establish with certainty whether the cheques were cashed by the furniture shop.

The furniture store allegedly said the transactions had been cancelled but could not explain why the hospital had received "valid invoices."

In another incident eight Defy stoves costing R14 072 each and eight bedroom suites worth R14 072 were ordered and paid for but could not be found. Payment cheques could also not be traced.

These items were reordered but only two stoves could be found. The other six could not be accounted for and no base sets could be found.

"No effort was made whatsoever to observe tender board directives or to apply for the delegation of authority in regard to expenditure control," the report said.

"State tender board requirements governing the obtaining of quotes is being ignored completely."
Thousands of leave mental homes

The government plans to release psychiatric patients from state hospitals into the community, writes Stuart Hess.

**Until we are sure of exactly how many can be moved it is difficult to determine how many beds are really needed.**

"The department is in favour of moving people into community care facilities wherever possible. Many people prefer the option of returning to their communities."

The new clinic network would be linked to existing psychiatric care and the government was also looking at establishing "halfway houses" and daycare centres for newly released patients.

Crisis teams would remain in state care. In institutions committed for the past 20 years by the Life Care Company — now part-owned by the listed black empowerment group Real Africa Investments — Freeman said cost cutting was not the priority.

"We must learn from the US and UK experience and not rush into this programme," said Lige Vitus, national director of the South African Federation for Mental Health, which organizes many mental health services in South Africa.

The programme had several pitfalls, he said, "not least the need for adequate training of clinic staff and education for families and communities. "The bulk of the work falls to members of the community, people who act as friends to support mentally disabled members of the community," said Vitus.

Freeman said much of this education would involve teaching families how to "deal with patients and to make sure they take their medication."

He added that a major obstacle was actually tracking down the families. "In some cases we are stumped at the institution and families totally unknown to us.

Rhona Chetty, a social worker at the Aryan Benevolent Home in Durban, said more need was seen in care for those in the community, particularly those institutional care was too expensive.

But the state should also look at patients' functional ability before admitting them to mental homes.

"We don't need high-tech electronic security at the homes," she said. "It could be a place where people care for themselves."

---

**Tara: The five-star experience**

The five-star Tara, a 152-bed hospital with well-groomed gardens and lawns, a nine-hole golf course, cow parade, and an Olympic pool, is a psychiatric hospital.

Despite the glossy appearance, it is a hospital providing intensive treatment of mental illness such as schizophrenia, depression and anxiety disorders. It also deals with eating disorders like anorexia and bulimia.

"The environment provides a haven for those in psychological distress," says the 141-bed hospital's brochure.

Tara is presently at 60% capacity and also has 1000 out-patients. A month's treatment ranges from a maximum of R920 per day for the first 30 days for long-term patients.

Built as a family home in 1938, it was transformed into an army base during World War II. In 1945 it became a plastic surgery unit, and later a psychiatric hospital.

The hospital caters for patients of ages 16 and over, and is subdivided into five clinics: a children's ward is planned.

"We do not treat teenage patients, such as drug abusers (the so-called 'buddy frame') who, when admitted, are found to carry a minimum of 34g of drugs. I don't want to be a facts worker, I want people to live."

An economics student, she describes the anorexic programme as "very brutal."

Sophie, a 27-year-old former office secretary, is in Ward 1. She has been in the hospital for 2 months and says she believes she will still be a patient until she dies.

But a few minutes later she says, "I believe there's a light at the end of the tunnel."

She adds, "I know I have very low esteem and lack of confidence. The path of me being here is to get better so that I never come back."

Jane is a 23-year-old schizophrenic. "I felt my parents were against me and I wanted to take a stand which would send me on a sick bed," she says. "Somebody says they would not get a job if they were written off."

But a few minutes later she says, "I believe there's a light at the end of the tunnel."

She adds, "I know I have very low esteem and lack of confidence. The path of me being here is to get better so that I never come back."

Or Zola: Refuge for one day a week

A PAR cry from the upper-class conditions and surroundings at Tara is the Zola Clinic in Sorveto. It is a 152-bed psychiatric hospital.

A three-hour high mark with nurse running around the top of the building. A few false guilt, mainly old political slogans, are on the wall. The functionalis of this primary care clinic include eating for up to 800 psychiatric patients a month, mainly schizophrenics and people suffering from depression. The clinic is mainly open to children and has recently been able to carry out improvements — such as providing drugs for the psychiatric ward office.

As part of the rehabilitation programme, patients take turns every day to clean the ward. Old ladies, young men and women at making a small wooden bench for the wund. Ernatz (45) makes frames for paintings and photographs. "It helps me forget about my problems," he says.

While showing how to spell his name, he adds, "Someday I will get a job, as I have a good character."

His friend Cedric (28) — also a patient — is painting. "I like it here, it's quiet and I can paint."

"I feel like I can be a painter," he says. "I feel like I can be a painter."

At the same time, hospitals like Tara were needed and would remain, he said.
Health budget cuts threaten upgrade of George hospital

But MEC says R3,8m is on the way

A dire shortage of personnel and facilities caused by stringent health budget cuts is threatening plans to upgrade George’s hospital to a regional health-care centre.

Health Department regional director Michael Hendricks has warned that the second phase upgrading of the city’s provincial hospital to a regional hospital would have to be suspended because of a lack of personnel, facilities and services.

Dr Hendricks said delays in adding 86 beds and a fully-equipped and staffed intensive care unit (ICU) would have serious implications for the hospital’s ability to deliver services.

While the ICU facility has been built, there is a serious shortage of nursing staff. The ICU requires a higher ratio of staff to patients than ordinary wards.

But Western Cape Health Minister Ebrahim Rasool has given assurances that an additional R3,8-million has been set aside to equip and staff the ICU and to complete unfinished buildings.

"The payment will come from the Department of Public Works. We are discussing the matter with them. It will also depend on how we manage our cash flow. We are going to prioritise capital expenditure," Mr Rasool said.

"We cannot afford George Hospital not to work out and are very keen to see it up and running. It will be proof of our commitment to the community, to our contractual obligations and our commitment to the district health system.

The development of George Hospital as a fully-fledged regional hospital is an essential part of the district health service plan, which identifies it as the regional health centre for the Southern Cape.

An efficient, comprehensive service at George would result in less referrals to the overburdened Groote Schuur Hospital, which is the tertiary support hospital for the region.

The first phase of the development programme includes a new administration building, training centre and a nursing home. The next phase, for which tenders still have to be put out, includes the building of a pharmacy and radiology facilities.

Mr Rasool said: "In the letter and logic of the widely-accepted provincial health plan we have tried to remain committed to the progressive building up of capacity at primary level, as well as strengthening the district and regional hospital services, together with rationalisation of service at the tertiary level.

He said the district health system emphasised the closing of beds in tertiary hospitals and the rapid opening of beds in the regional hospitals.

In his recent health budget speech Mr Rasool said the money allocated to regional hospitals had increased by 4.5 percent.

A further two specialists and additional nursing staff were to be appointed to George Hospital during this financial year.

Mr Rasool said his department and that of Public Works and Education had fought hard to get the Cabinet to reverse its decision to suspend capital expenditure.

The health budget spelt out cutbacks on psychiatric services, further bed closures at Groote Schuur, Red Cross and Tygerberg academic hospitals, reducing staff numbers and the rationalising of nursing colleges and laundries.
Primary health care crisis in W Cape

ADELE BALETA
STAFF REPORTER

Western Cape community health centres are in crisis as demoralised and overworked doctors and nurses battle to maintain a service, in the face of serious lack of personnel and resources.

The centres, formerly called day hospitals, are bursting at the seams with queues snaking around corridors as patients demand to be seen. People are being turned away as the load is proving too much for the staff and there are fears that without improvements patients' health will be further compromised.

Around-the-clock emergency services are available, but the workload on weekends is often so great that patients can wait several hours before they are treated.

Doctors have said patients referred by them to secondary-level hospitals have been unofficially turned away and ambulance personnel have driven around carrying patients for hours waiting for them to be admitted. A further problem bedevilling the centres is widespread misuse of the free services. People arrive at odd hours with minor complaints and staff say it is not unusual for them to be verbally abused if they are reluctant to treat such cases.

Out of the 45 community health centres in the metro, Guguletu, Khayelitsha, Hanover Park and Mitchell's Plain have been hardest hit by a lack of facilities and staff.

Edmund Michaels, senior medical superintendent of the Community Health Services Organisation, said six of the centres operate on a 24-hour emergency basis, but since the scaling down of the Red Cross Children's out-patients department, children, who would never be turned away, could be seen at all hours.

He said the centres were in a "Catch-22" situation. "More doctors, nurses and pharmacists would greatly improve the services, but South Africans don't want to work in these centres because of low salaries and working conditions."

Foreign doctors have made enquiries about jobs, but a moratorium has been placed on the registration of doctors from countries other than Cuba, Britain, Ireland and Belgium.

Of the 125 full-time doctors, only 45 worked after hours, while 99 were needed to work overtime to run the service efficiently. There were 18 sessional doctors and ideally, a total of 179 doctors were required. "Many doctors are married and women who have families and they are not keen to work overtime. Many doctors are worried about their personal safety," Dr Michaels said.

Pharmacists are hard to come by. "Generally there are at least 350 to 500 items to be dispensed a day, but in Gugulethu there is only one pharmacist who works with seven doctors who see up to 60 patients each. This generates about 380 scripts. If there are two items on the list, the pharmacist has to handle 800 items a day," Dr Michaels said.

Voluntary severance packages have taken a serious toll on nursing staff and there are now 200 vacant posts for professional and enrolled nurses. "We advertised two posts last month, but so far we have had no applicants," Dr Michaels said. Parents

To page 3

Health centres bursting at seams

System (DHS) for the problems because it will only happen when the urgent issue of who will be the new minister is resolved."

Abraham Rasool, Western Cape minister of health, said the next three weeks will be very busy, as the local government level. The Cape Metropolitan Council would facilitate and co-ordinate the opening of new health centres without a proper plan."

The ongoing battle between the provincial and local government levels is causing confusion and frustration at all levels."

On a positive note, Dr Michaels said that last year the community health centres served two million patients in the metro, compared to the previous year when the centres had a third of that. "We are hoping to continue with the same level of work because the district health says it is not fair and the people are not coming for the services."

Cape Metropolitan Council spokesman Darius Schleb said the number of people treated for mental health and addiction problems had increased since the introduction of the district health programme. This was due to a shift in funding from national hospitals to district health centres.

One of the Cape Metropolitan Council said that one could not blame the District Health because it was not fulfilling its role. The council was working on a plan to improve the situation and would be addressing the issue at its next meeting. The council has also committed to providing 24-hour emergency services at all district health centres. The council's report stated that the number of patients treated at district health centres had increased since the introduction of the district health programme.
THE LONG WAIT: Chief Superintendent Trevor Frankish with some of Johannesburg Hospital's patients, who all need a large dose of patience.

Here it's first come, first served - no matter how pregnant you are

By DAVID CAPEL

The birthing unit at Johannesburg Hospital has been forced to operate on a first come, first served basis due to the huge number of patients coming there from across Gauteng and other parts of the country.

The crisis facing the unit has reached such serious proportions that heavily pregnant women have taken to sleeping in the corridors outside in order to be sure of getting a place in the queue the next morning. On several occasions recently, women have gone into labour while waiting their turn for medical attention.

Up to 50 patients are being turned away every day as the unit's staff buckle under the astronomical patient load.

Senior professional nurse at the unit, Sister Natalie Light, who is in charge of the antenatal clinic at the hospital, told the Saturday Star this week that the unit simply did not have the facilities to cope with the pressures being placed upon it.

"People come here from other provinces, as well as from all over Gauteng. They line up outside every day and, because we are only able to handle 25 patients a day, we are forced to turn people away," she said.

Starting figures obtained by the Saturday Star reveal that the number of obstetric deliveries at the unit has increased by 132% over the past six years. Staff numbers, however, have remained at 1983 levels.

Caesarean sections alone have rocketed from a monthly average of around 50 in 1990, to 150 last year.

Chief Superintendent Dr Trevor Frankish this week described the situation as "absolutely incredible" and attributed part of the reason for the crisis to the fact that nearby Hillbrow Hospital does not have paediatric or maternity units.
Top health officials slam Olympic bid

HENRY LUDSKI

ST(CTM) 11/6/97

CAPE TOWN'S controversial 2004 Olympic bid has come under fire from leading medical officials, who have criticised provincial authorities for pumping R104-million into the Games while cutting back drastically on health services.

A group of Cape Town's top health administrators and the angry medical superintendent of a small hospital lashed out at the national and provincial governments for placing the bid above the health care needs of the poor.

"It's immoral and almost criminal that the government can make money available for softball fields when basic health of the very poorest is being completely neglected," said Dr Norman Maharaj, superintendent of the G F Jooste hospital in Manenberg.

The Western Cape's health budget has been slashed by R230-million this year, and health officials have expressed fears that the health care crisis could worsen if Cape Town were to win the bid when the International Olympic Committee makes its final decision in five months' time.

"If this is what we have to deal with now, God help us if we get the Olympics," said one of Cape Town's highest ranking health administrators, who asked not to be named.

IOC officials, here to see how Cape Town's bid plans are progressing, were hissed on a tour by Olympic Bid Company planning director Peter de Tolly yesterday.

He said everyone was obviously concerned that the city had the best possible health care, but he did not believe the Games would take funds away from health.

Maharaj expressed alarm that while provincial authorities had suspended all new health capital projects, they were prepared to spend at least R100-million to keep alive the city's chances of hosting the Games.
Tragedy

The death of a patient at a hospital in the Western Cape has sparked concerns over the quality of care provided. The patient, who was being treated for a serious condition, passed away despite receiving medical attention. This incident has raised questions about the hospital's procedures and the competence of its staff.

A hospital spokesperson has expressed sympathy for the family and friends of the deceased patient. The hospital has also emphasized the importance of continuing to improve its services to ensure the best possible care for all patients.

Western Cape Health Minister

[Image references]

Rasool States Day hospital staff for
Wheeldarrow death
Hospersa takes department to task

The restructuring of hospital services in Gauteng was delayed yesterday by the Hospital Personnel Union of South Africa (Hospersa) which said the province's health department was dragging its heels. Leon Liebenberg, the chairman of Hospersa in Gauteng, said the department had delayed the implementation of the restructuring from April 1 to July 1.

"Hospersa, however, cannot foresee the restructuring will take place on this date. The department hasn't reached the halfway mark yet and no policies for the redeployment of staff, status of hospitals or the staffing of the institutions have yet been set up," he said.

Liebenberg said the department's claim of being held back by the unions was untrue as the unions had submitted their proposals more than a month ago. He said at present hospital personnel were granted sevenence packages and as a result vacant posts were left unfulfilled.

To Anne Collier, the spokesman for the health department, said a substantial amount of work had been done on the restructuring. "I am a little surprised by the Hospersa statement. However, we are part of trade union groupings that have been holding talks with the department and they should know we are very close to finalising the decisions on the future status of hospitals."

Frank Nxumalo, Johannesburg
Council seeks crisis talks with Rasool

Admit it's a mess

You anice crews
While blood from his wounds trickles into Lizo’s eyes, Dr Vlasu starts stitching his face up.

Finished with the job, Dr Vlasu leaves the room, looking for something. Sister Mangezi takes the boy’s jacket and throws it over him. “Why cover him with his jacket?” I ask. Sister Mangezi says, “Haven’t you got blankets?”

“No,” she says. “We’ve got five per night and they were soiled and bloody by 10.30 already. If only we had a laundry, we could clean them. But we haven’t.”

11.26pm:

In a next door room a nurse is singing softly to herself while she bandages a man’s head. When she is finished she gives him a packet of painkillers.

Dr Vlasu enters. “What I really need here is some glasses to protect the eyes from all this blood.” He points to the row of bloody bodies waiting for treatment. I realise with a shock that within a few minutes the whole corridor has filled up – the products of a violent society.

11.29pm:

Lizo, his body shivering from deep shock, is lying on a bench in the corner. The nursing staff are so busy with other patients to worry about the possibility of him choking from the bleeding wounds in his mouth.

11.41pm:

A man rushes in, looking for a wheelchair, explaining that his friend is outside in a car and needs help. A sister points to an empty chair, he takes it and rushes off.

Dr Vlasu takes me by the arm and says, “I would lie to you if I said we’ve got nothing. At least here is a defibrillator.”

He points to the various pieces of hi-tech medical equipment standing against the otherwise empty walls.

There is also a small fridge with “blood bank” written in bold red letters on it.

11.31pm:

Lizo’s friend comes in to see how his pal is doing. Dr Zafar is stitching up the wounds of another patient on an adjacent bunk.

12.09am:

Two ambulance men enter with a stretcher with a young woman shot in the neck. “Can you move your leg?” Dr Zafar asks the woman. She pushes her arm, but there is no response. He tells the ambulance crew to take her to Groote Schuur.

12.22am:

A woman wheels in yet another wheelchair. The man slumped forward, his upper body resting on his knees. The woman is an off-duty nurse who works for one of the psychiatric hospitals in the city.

“But how can I sit at home doing nothing if I know how it is going here?” she asks as she wraps a white bandage around a man’s head. His white sweater is spattered red. She refuses to tell me her name, saying she did not want her superiors to know she helps out in Khayelitsha when she’s off-duty.

12.32am:

An ambulance crew arrives to take her to Groote Schuur hospital.

12.42am:

Dr Zafar shouts at a man who refuses to be treated. He was brought in by his wife, but now refuses to let anybody touch him.

“You idiot! If you leave here you will die,” the doctor shouts. The man is unmoved. Barely able to write his name because of the pain, he signs a statement that he refuses treatment.

It happens all the time, the volunteer nurse tells me. “He will refuse treatment now and tomorrow he will tell the world that we don’t care for him.”

The night drags on and although the faces of the patients change, it’s all more of the same. We leave exhausted.

We are quiet, knowing that we have spent just one night in these terrible conditions while the doctors and nurses who stay behind will face more of the same. The next day, and the next.
Pay dispute to go to arbitration

PIETERSBURG — A dispute over salaries involving the Suid-Afrikaanse Vroedsedeurse and the National Education, Health and Allied Workers’ Union is to be taken to arbitration, SAVF president Unus van Graan said at the weekend.

Nehawu called a strike at 18 SAVF old-age homes in Gauteng, Mpumalanga and the Northern and Northwest provinces last month after salary negotiations collapsed.

After the latest round of talks last week, Nehawu rejected an increase of R120 a month on grounds that the offer bound the union to making no further salary demands for the next two years, which Nehawu found unacceptable, Van Graan said.

The SAVF had also been unable to increase the minimum wage of R79 a month it offered at the homes because of a shortage of funds.

According to Van Graan, many pensioners were already committing up to 80% of their income to pay for staying in the institutions. No further contributions could be expected from either source.

The vacuum caused by the Nehawu strike at the homes was being filled by volunteers, including students and schoolchildren, Van Graan said. — Sapa.
Nehawu-SAVF row for arbitration

A DISPUTE over salaries involving the Suid Afrikaanse Vrouefederasie and the National Education, Health and Allied Workers Union is to be taken for arbitration, SAVF president Unus van Graan said at the weekend.

Nehawu called a strike by its members at 18 SAVF old age homes in Gauteng, Mpumalanga, Northern Province and North West in April after salary negotiations deadlocked.

After the latest round of talks during the week, Nehawu rejected an increase of R120 a month on the grounds that the offer bound the union to making no further salary demands for the next two years, which Nehawu found unacceptable, Van Graan said.

The SAVF had also been unable to increase the minimum wage of R739 a month it offered at the homes because of a shortage of funds.

According to Van Graan, many pensioners were already committing up to 90 percent of their income to pay for living in the institutions, which were also being funded by pensioners' relatives.

No further contributions could be expected from either source.

The vacuum caused by the continuing Nehawu strike at the homes is being filled by volunteers, including students and schoolchildren, who were doing a "tremendous job," said van Graan. — Sapa.
We’re battling against the odds – ambulance chief

Staff morale undermined by ‘malcontents’

ANDREA VIESS
City Editor

Senior managers at Cape Town’s beleaguered ambulance service say they are doing their best to restore staff morale but their task is being bedevilled by a small group of dissatisfied employees.

Ambulance chief Greg Pillay said were it not for the dedication and commitment of most staff, the chronically underfunded service would not be able to continue.

Last year the service was given R30-million but ran over budget by R9-million. Estimates are that it should get R45-million to maintain the existing level of service. The total deficit including previous years runs to R19-million.

The service has been criticised by its own staff for poor response times after the death of a woman in a wheelbarrow in Khayelitsha.

A further blow to morale is the indication that neither the Cape Town municipality nor the Cape Metropolitan Council wants to run the service because provincial government has not been paying what it costs to keep it going.

The two local authorities argue that the service is by rights a provincial responsibility.

Mr Pillay said 80 percent of the workload consisted of transfers between hospitals which were not life-threatening situations.

These were holding up ambulances at the expense of “real medical emergencies” and delaying response. This resulted in demoralised ambulance crews and control room staff.

Mr Pillay also blamed a minority group of about 14 dissatisfied staff for attempting to undermine management.

He said he had worked endlessly with recognised trade unions and other groups to establish a workers’ forum.

However, members of the SA Health Public Service Workers’ Union had refused to take part because they did not have recognition from the municipality.

Mr Pillay also accused the unions of “not taking kindly to the re-institution of disciplinary measures.”
Clinics come under scrutiny after deaths

Health Minister Bhupendra Singh

Logic: Work, a programmer for Hospital in March

Doctor at the Elites Home Day

see more about done by a

Health worker who died in a hospital

Hospital in the evening of the day

He also worked in a hospital,

The number of patients seen by a
The number of patients seen by a

A MINISTERIAL MOVE

VEEISHA ISMAIL
Nehawu still in a deadlock

By Abdul Milazi

There is still no end in sight to the one-month-old strike by members of the National Education, Health and Allied Workers Union (Nehawu) at 19 of the Sud Afrikaanse Vroue Federasie old-age homes around the country as the two parties fail to reach a settlement over wages.

Nehawu social welfare sector secretary Nonaphelo Maqanda said wage negotiations between the union and the SAVF deadlocked in August 1996 when employers failed to meet workers' minimum wage demand of R1 200.

The union then dropped its demand to R1 000 and subsequently to R859.

Employers offered a R120 increase with effect from April 1997, which would have brought the minimum wage to R739 a month.

Maqanda said "The problem was that employers wanted to offer the increase for 1997, when we were actually dealing with 1996 wage negotiations. This means that workers did not and would not get their 1996 increases."

Nehawu has applied for mediation in the hope of settling the dispute amicably. "Last week employers came up with an offer of a R300 once-off for 1996, which effectively means a R25 a month increase and that workers will only be moved to a R819 minimum wage for the 1997 financial year."

Maqanda said employers have illegally locked out workers in many of the homes.
Better care for patients in Gauteng, MEC promises

BY JANINE SIMON
Medical Correspondent

The restructuring of Gauteng’s hospitals would see fair workloads for staff, efficient use of money and improved care for patients, the province’s Health MEC Amos Masondo said yesterday.

Speaking in the legislature, he said the health department had made decisive strides in restructuring, and expected savings from closing or converting nine hospitals this financial year, but still faced severe budgetary constraints.

Presenting the department’s R4.7-billion budget for 1997-98, Masondo said the allocation was a 13% real increase over that of 1996-97. But it had to be seen against last year’s R4.254-billion expenditure, which had resulted in a R813-million deficit, he said, adding that the department would look at various measures to work within this year’s limited budget.

Reasonable savings were expected in the R1.132-billion allocated for secondary and specialised hospitals and emergency medical services, with the closure of three hospitals and conversion of a further six to community health centres.

Improved security for linen stocks and separating laydresses from hospitals and placing them on a business basis would also control expenditure, he said.

But Gauteng needed to address the R1.8-billion backlog in upgrading and repairs because the R371.8-million allocated could only address the most urgent needs. The department was committed to exploring all avenues for funding, including donor funding.

Masondo said decisive strides had been made with restructuring, and the department’s structural transformation plan was one of the health sector’s most significant policy developments.

Its implementation, details of which would be announced shortly, would see fair workloads, efficient use of the budget, and the quality of hospital care improving across the province.

Masondo said transformation aimed to improve equity and efficiency of the province’s hospital system, strengthen primary care and the district health system, and align expenditure to the budget. Also, the R2.245-billion allocated to academic health services for 1997-98 indicated the department’s commitment to their role.

The 1997-98 budget increased funds for emergency medical services by 28% to extend services, and allocated R152-million and R45-million respectively for equipment and health information system.

The health administration budget was increased by 36.5% to fund urgently needed new posts, service development and training such as for HIV/AIDS and mental health services.

An extra R75-million had been allocated for developing a district health system, 13 clinics would be built or upgraded, and 27 local authority clinics would start delivering comprehensive care during 1997-98.

Restructuring over the past three years had already seen 14 new clinics being built, 12 upgraded, seven new midwife obstetric units, 11 new clinics offering services to victims of crime and violence, and the appointment of 46 new district surgeons in underserved areas.

The department had completed a new TB register, distributed 22 million condoms, immunised more than 600 000 children, opened new spinal units at Ga-Rankuwa and Johannesburg hospitals, and vastly improved ambulance services in underserved areas, Masondo said.
Rural clinics stand empty

Jini Day

THE Eastern Cape provincial government may often take flak for slow delivery, but the zeal of its clinic-builders has produced another headache - in deep rural areas of the former Ciskei and Transkei. 20 brand-new and fully equipped clinics stand empty as the province frantically searches for nurses to operate them.

A shortage of doctors, nurses, pharmacists, social workers and vehicles has long plagued the Eastern Cape's rural health facilities and has been compounded by voluntary severance packages. Rural clinics, to be effective, need a minimum staff of eight nurses, say experts. But shortage of money and staff means the province's new clinics will have to settle for half that number.

Clinics spearhead the Health Ministry's drive to get health-care to the masses - shifting resources away from central hospitals to primary health, particularly in previously under-resourced regions. The programme, running since 1995, aims to erect 100 new clinics in KwaZulu-Natal, 135 in the Northern Province and about 80 in the Eastern Cape. Each new clinic is expected to serve 10 000 people. But that, of course, hinges on finding staff.

The Eastern Cape has been advertising jobs over the past three months, without success and is now looking outside the province to attract nurses. A provincial health department official says that another 64 clinics have been upgraded, and in many cases need extra staff.

And another 33 new clinics, in the rural Transkei and Ciskei, are near completion.

The remoteness of the clinics, poor roads, ongoing faction fighting and stock theft in the northern Transkei have long been off-putting to potential employees.

The Eastern Cape Health and Welfare MEC, Dr Trudy Thomas, has told the legislature that the province needs to offer "special incentives" to encourage nurses to go to rural areas. Her department is also planning to stop voluntary severance to some health workers, after admitting that the exodus means "services are collapsing."

Thomas said the rural clinics had been completed ahead of schedule, which had caught the department without staff to fill them.

Similar problems exist in the Northern Province, but the Eastern Cape's woes nevertheless surprise the national Health Department.

The Deputy Director General for Policy and Planning, Dr Ayanda Ntsaolana, said that clinics are not supposed to be built without guarantees from provincial departments that operating costs can be met. The clinic-building has been accelerated since early last year, after it emerged that little of the R85-million funds, allocated from the Reconstruction and Development Programme, had been spent. If the money had remained unspent, the department would have lost it.
NELSPRUIT — Nedcor group chairman Chris Liebenberg says he warned Housing Minister Sakhé Mthembu-Mahanyele and Mpumalanga premier Mathews Phosa that the banking group was firing "Mr Housing" Kevin Gibbs.

He told them also that Nedcor was investigating a series of "highly unethical" irregularities allegedly committed by Gibbs, African Eye News Service said yesterday.

Liebenberg said on Saturday that the "courtesy call" to Mthembu-Mahanyele had been made before she travelled to Mpumalanga to open Motheo Construction's R205m rural housing project.

The scheme is being investigated by the auditor-general.

This action comes after allegations that it was costing the government R20m more than it should have, that it was awarded to Motheo before the company officially existed, and that Motheo's founder and director, Thandi Ndlovu, is a close friend of Mthembu-Mahanyele.

The controversy has already cost housing director-general Billy Cobbett his job after he objected to the scheme.

The Mpumalanga premier was informed about Gibbs's impending dismissal after the scheme's launch.

He told Liebenberg that the suspension would not affect Mpumalanga's housing programme as the government dealt only with institutions and not with individuals. — Sapa.
An overburdened ministry awards R700m in private contracts

Asmal’s tap runneth over

Johannesburg — The government has awarded contracts worth R700 million to four companies to implement its community water supply and sanitation projects through the private sector, Kader Asmal, the minister of water affairs, said yesterday.

The winning consortiums—Wescon in the Eastern Cape, Aquamanzini in KwaZulu Natal, Consultburo in Mpumalanga, and Bergman Engprop in the Northern Province—were selected from among 25 tenders.

Mike Muller, the deputy director general of water affairs, said yesterday the department had committed more than R2.8 billion to the programme over the past three years.

"The projects have become too big for the department to manage. We do not have the capacity and need assistance from the private sector," he said.

Muller said the department would spend R1 billion on 357 community water supply and sanitation projects this year.

"We have introduced a concept called Build Operate Transfer (BoTT) which will require the four consortiums to operate the contracts and transfer relevant local government agencies to take over the projects after a certain period. The department will continue to implement projects not covered by the BoTT contracts," Asmal said.

The State Tender Board had approved the awarding of the contracts to companies in the Eastern Cape, KwaZulu Natal, Northern Province and Mpumalanga, which had 80 per cent of the country’s water supply and sanitation backlog.

"Between 15 and 40 percent of the work will be done by firms belonging to members of previously disadvantaged communities. Should this not happen, the consortiums will have to pay penalties of up to R30 million," Asmal said.
Nedcor’s role is questioned.

CAPE TOWN — More questions were raised yesterday about the role played by Nedcor in the Mphumalanga housing scandal after it emerged that the bank’s executives had asked for the auditor-general to be called to investigate the Motheo Construction company.

This follows disclosures that Nedcor group chairman Chris Liebenberg had warned former cabinet colleague and Housing Minister Sankie Mthembu Mahanyele not to attend the launch of the Motheo housing project in April.

Nedcor executives are said to have requested the intervention of the auditor-general during a meeting with former Mphumalanga housing board chairman Saths Moodley on April 21, three days before the project’s launch.

The meeting had been called by Moodley to discuss the bouncing of a R1,2m cheque which Motheo had issued to a supplier Motheo reportedly had R9,24m in its account at the time.

During the meeting, Nedcor executive director Mike Lamming said Nedcor had suspended credit division director Kevin Gibb as a result of irregularities connected to the project.

Moodley said he had reacted to this by inviting Nedcor to investigate all activities connected to Gibb, using the framework of the Bank Act.

Renee Gravitzky reports that the dispute between Nedcor Bank and Gibb would either be referred to arbitration or the Labour Court after the matter was not resolved in the Commission for Conciliation Mediation and Arbitration yesterday.

Gibb claimed he was dismissed without proper cause on May 20. Nedcor allegedly held a disciplinary hearing in his absence in which he was found guilty of misconduct involving nonadherence to internal credit policies and procedures.

It also emerged yesterday that Job Mthombeni, the former Mphumalanga housing board official who later joined Motheo Construction, had been awarded nearly R19m in housing subsidies since 1994. However, Mthombeni and other officials with construction interests had not participated in decisions on matters in which they had a stake.

Mphumalanga Housing MEC Craig Padayachee told the committee that housing director-general Billy Cobbett had ordered the return of funds which had been paid out to Motheo by the government. Padayachee said Cobbett had initially approved the funds and the province had not heeded his request as it had committed itself to a contract with Motheo.
R700-m plans for sanitation, water okayed

Four contracts valued at close to R700-million, to ensure the delivery of water and sanitation services in four provinces, were approved by Minister of Water Affairs Kader Asmal on Monday.

The provinces to benefit are the Eastern Cape, KwaZulu-Natal, Northern Province and Mpumalanga, which represent 80% of the country's backlog in water supply and sanitation services.

Asmal said it was the Government's intention to provide water to at least 1.5 million people each year, provided funds were available.

"Neither my department nor I will rest on our laurels until all of our people have access to these basic services."

He said more than 160 projects had already been identified. The approved projects would be administered by the Build, Operate, 'Train' and Transfer Consortium.  
"Staff Report"
Mpumalanga housing probe: shock details revealed

BY JOYCE MENTAO

Cape Town – Startling revelations about the R185-million rural housing contract awarded to Motheo Construction were made at a sitting of Parliament’s housing committee yesterday.

Saths Moodley, former chairman of the Mpumalanga Housing Board, told the committee that as early as April 21, three days before the launch of the project by Housing Minister Sunako Mthembu-Mahanyela, Nedcor had suggested that the auditor-general be brought in to audit Motheo.

Moodley said that at a meeting in April that Nedcor executive Richard Laubscher had suggested that the “best way to resolve all problems with respect to Motheo was to call in the auditor-general”.

A meeting was called to discuss why Nedcor bounced a R1.5-million cheque issued by Motheo when the company had more than R9-million in its account. The company has since moved its account to Absa.

Moodley told the committee that Nedcor executive director Mike Lemming, who was also at the meeting, suggested that one of the reasons that Nedcor’s “Mr Houng”, Kevin Gibbs, was suspended was because of his involvement with Motheo.

“It was put to Laubscher and Lemming that if this was the case, the whole of Gibbs’ portfolio, the bank’s credit division, should be audited, perhaps within the framework of the Banks Act,” Moodley said.

The result of the auditor-general’s investigation into Motheo is expected to be released in two weeks.

Moodley also revealed that Job Mthombeni, who was fired from the housing board as he was also a board member of Motheo, had been awarded nearly R19-million of housing subsidies from the Mpumalanga emerging-building budget since 1994.

“Mthombeni, winner of the 1995 Entrepreneur of the Year award, has been representing the emerging black contractors on the housing board since its inception.

“To the best of my knowledge, neither he nor other members of the housing board and Mpumalanga Townships Board participate in making decisions on matters in which they had a direct or indirect interest,” he said.

Moodley said he had resigned from the housing board after his position as chairman was changed from an executive position to a part-time position.

“I sought a new career, and once it was confirmed I requested to be released from my obligations,” he said.

On the contract awarded to Motheo, Moodley said the fact that it was a new company “was not an issue,” because all payments were made on the basis of certified work completed. Motheo Construction had originally been called Topflahe.

Mpumalanga housing MEC Craig Padayachee told the committee that housing director-general Billy Cobbett had requested the province to return more than R9-million allocated to it from the national housing fund because it had over-committed, and not overspent, on housing projects.

The controversy over the rural housing project led to the departure of Cobbett from the department.
Cobbett officially quits top housing job

MR BILLY COBBETT officially left his post as director-general of the Department of Housing on Friday, a department spokeswoman said yesterday.

The housing department's deputy director-general, Mr Neville Karsen, is filling the post until a permanent appointment is made.

No details of the package Cobbett received were immediately available.

Cobbett confirmed he had left the department but said he was still not talking to the media. He would make a statement "when it was appropriate."

Housing Minister Ms Sanke Mtembi-Mahanyele announced on May 22 that Cobbett had asked to resign because their personalities clashed. The relationship apparently finally disintegrated when Cobbett asked the Auditor-General to investigate alleged irregularities in the awarding of contracts for a Mpumalanga rural housing project. — Sapa
New Water Bill Reflects World Trends
He thinks there should be less office bulk, say 12 000 m², and an equivalent residential component.

Bird says the Heritage Trust needs time to study the proposal — and no doubt to ready its weapons. She is already threatening court action to evict their practice, Manfred Hermer, Grosskopf & Lombard, from the house it recently occupied — Ian Fila

HOME LOANS

The squeeze is really hurting

Repossessions don’t fully reflect the stress many borrowers are suffering

Banks’ home loan books are starting to look quesy hit by refrenchment and high interest rates, fewer people are applying for new loans and more of those who have them are failing to keep up repayments

First National Bank spokesman Ann Bramhill admits “the number of properties which have had to be repossessed has increased during the past 18 months out of proportion to the bonds we hold.”

But Absa says the number of repossessions doesn’t really reflect the severity of strain on home-owners. “The volume of new applications is not reaching expected levels,” says GM Piet van der Westhuizen.

“And many applications are being turned down on grounds of affordability.”

Bramhill points out that the bond interest rate rose from 16.25% in November 1994 to 20% in November 1996. That affects the relatively affluent as well as others.

Colin Sacks of Vered Estates confirms the number of auctions of bank repossessed houses in Johannesburg’s northern suburbs has increased.

Though repossessions occur across the board, people in lower income brackets probably feel the rise in rates most acutely. Standard Bank assistant GM Harry Greene reports government and financial institutions agreed two years ago that legal action would be stayed in respect of non-performing low-income housing loans.

Then they agreed in mid-1996 to take action against owners who, despite the moratorium, had failed to reach a suitable agreement on arrears. This boosted repossesson numbers but they have recently returned to normal.

That may be because banks usually try to help defaulting borrowers by extending repayment periods “The Servcon operation is an example,” says Van der Westhuizen, “where thousands in the lower income group are being helped to retain their homes or ‘rightsize’ to smaller, more affordable properties.”

It doesn’t always work. Nedbank assistant GM Peter Marais points out bond repayments may be no more than 30% of an applicant’s gross annual income. With the interest rate rise, some who took out a bond 30 months ago may have to earn 54% more to keep up with bond instalments.

For all that, First National Bank says it is not changing its lending criteria. “Nor are we in the business of buying or selling houses,” says Bramhill. “We do all in our power to assist struggling bondholders to keep their homes, provided they come to us to discuss their difficulties.”

“If we have to repossess and resell, the costs are considerable. These include legal fees, transfer costs, arrear rates and taxes, guards while the property is empty, restoration and estate agents’ fees and commissions — all of which have to be recouped from the final selling price.”

Absa’s Van der Westhuizen running a mortgage bond book is no longer much fun

INDUSTRIAL PARKS

Escaping crime and grime

New industrial nodes are developing rapidly as the old ones fail to deliver

Though the manufacturing sector seems to be losing vitality, the industrial property market is abuzz. Established industrial areas such as Wadeville, Alrode and Industria in Gauteng are being abandoned by companies flocking to new parks.

The parks’ appeal lies in being close to freeways and interchanges. So manufacturing, warehousing and distribution firms are favouring Jan Smuts Park (near Johannesburg International airport), Sunny-

rock, Midrand, Strand Park and Kya Sand in Randburg, the Bedfordview-Benoni corridor and the new Linbro Business Park.

The latest developments offer other advantages, such as good security and landscaped gardens, says Mike Crawford, who chairs LTA subsidiary RPP Developments. Factores used to be put up near railway lines to cut travel times for black workers, he says, but these days employees travel in taxis.

Warehousing and distribution businesses now also need buildings designed to enable efficient operation of their computer networks.

Because of these considerations and the good investment returns which industrial parks offer, institutional interest abounds, says Crawford. His company is involved in R1.5bn of projects.

Sanlam and Transnet Pension Fund are among those which have bought into the sector. Transnet has committed R90m to the 35 ha Jan Smuts Park, where rentals for offices will be R20/m² and warehouses R14/m². Blue-chip tenants include Sun Air Linbro Business Park, which covers 110 ha, is a joint venture between Transnet Pension Fund and RPP. The first two phases of its development will cost about R200m, the completed project almost R1bn. “Demand for turnkey developments exceeds all expectations,” says Crawford. Companies already in the park include Fedglass and Arnagamated Beverage Industries.

The Western Cape is also enjoying the boom, especially the Tygerberg Business Park in Parow/Bellville. A joint venture between RPP and Proprop on 80 ha, this project could be worth more than R500m. Panasonic, Anglo Alpha and Gypsum Industries have already bought sites there.

Margot Cohen

NORTH AFRICA

The Revolution

The Labour Party has submitted a resolution on the international impact of the violence in South Africa.

The resolution says the party “supports the right of all South Africans to live in freedom, justice and democracy.”

The resolution goes on to condemn the South African government for its policies of racial discrimination and apartheid and for its failure to negotiate a just peace in South Africa. It also expresses sympathy for the suffering of the victims of the violence.

The Labour Party says it will continue to work for the liberation of all South Africans and the establishment of a just and democratic society in South Africa.

The resolution is expected to be voted on in the House of Commons next week.

Financial Mail · June 6 1997
Housing board members ‘never briefed on Motheo’

Justin Arostein

MRUMALANGA Housing Board members insist this week that they were never briefed about Motheo Construction’s controversial R185-million housing project.

A National Party board member, Jakkie van Heerden, conceded that he had missed one board meeting in January where Saths Moodley — the former head of the province’s housing board — claims the scheme was discussed and approved.

But he added that, according to minutes of the meeting, there had not been a quorum.

“The only thing contained in the minutes is that the executive committee wanted approval to allocate various stands to a rural developer,” Van Heerden said. “There was a description of the stands but no detail on Motheo or the scheme itself.”

He said even when board members heard of the scheme, they had been unable to ask for details about it because their last three meetings had not had quorums.

Motheo Construction is at the centre of Mpumalanga’s rural housing scheme row linked to the sudden departure of Billy Cobbett as director general of the national Housing Department.

The chairman of Mpumalanga’s standing select committee on housing, Hein Mentz, accused the housing MEC, Craig Padayachee, of misinforming the committee about Motheo last week.

“We don’t know whether he consciously lied to us, whether he was misinformed or whether he simply did not know what was going on in his department, but he definitely didn’t give us the true facts on Motheo,” Mentz said.

Among the “errors” Padayachee made while testifying before the committee was his insistence that the Motheo scheme had been formally approved by the housing board on February 20.

“There was never a meeting on February 20 so it couldn’t have been approved as he insisted, but this was just one of a string of such errors. There were just too many questions put to the department’s heads that could not be answered,” Mentz said.

These included an annual report which did not balance by R4,5-million. Mentz said officials had to “scramble” for days before discovering that the funds were in a developer’s trust account.

A second select committee session will be held later this month —

African News Service
Huge boost for cheaper houses

By Business Reporter

The lower end of the housing market received a major boost this week after the signing of a R130 million loan programme by the First National Bank (FNB) and the United States Agency for International Development (USAID).

The loan programme is aimed at providing housing-related finance to South Africa’s lower income earners. USAID loans are destined either for house purchases through mortgage loans or the upgrading of existing homes using micro loans.

In association with the United States-based Housing Guarantee Scheme, FNB has already concluded over R100 million in mortgage and micro loans to households earning under R2,650 a month.

Both organisations are optimistic that the loan will increase to about R350 million by September 1999 when 35,000 households will have benefited from the joint initiative.

The US Housing Guarantee Programme operates in over 40 countries as the US Government’s principal programme directed at assisting people in emerging nations to gain access to affordable housing and basic infrastructure.

USAID South Africa director Aaron Williams said “FNB’s support in providing loans to the historically disadvantaged people of South Africa is one of the finest examples of the private sector stepping in to raise the overall standard of living in South Africa.”

(123) Bowes 13/6/97
Govt, Cobbett 'agree on terms of departure'

Cobbett had asked her to terminate his contract prematurely. Cobbett’s camp has denied this.

The sources said the final straw in Cobbett and Mthembu-Mahanyele’s rocky relationship was Cobbett’s decision to go to the auditor-general with concerns over a Mpumalanga housing project, only days after Mthembu-Mahanyele had launched it.

Cobbett and the housing ministry declined to comment yesterday. A ministry spokesman said the matter was being handled by the public service and administration ministry.

FORMER housing director-general Billy Cobbett and government had agreed on the terms of his departure and an announcement was expected next week, sources said yesterday.

Government spokesmen were tight-lipped about the details of the deal, but it is reliably understood that Cobbett’s salary for the remaining 30 months of his five-year contract, implying he did not resign.

Housing Minister Stakie Mthembu-Mahanyele said a few weeks ago that...
Natal firm unveils prepaid water meter scheme

DURBAN — KwaZulu-Natal-based Bambamanzi Trading SA has launched two pilot prepayment water schemes based on smart card technology, offering bulk water suppliers and local authorities an efficient tariff collection system for the rural areas.

MD Nel Rodseth said yesterday that the system, developed in co-operation with the department of water affairs and forestry and funded by the Industrial Development Corporation through government’s programme for industrial innovation, enabled consumers to credit the smart card with advance payments. Credits were deducted from the card as water, either from communal stand-alone pipes or household taps. Bulk water suppliers and local authorities could recover capital costs within six years, and prepayment would slash administrative costs.

The Pietermaritzburg-based company had invested more than R4m in research and development since 1993 and Rodseth expected R18m in turnover for the current year. This was projected to R60m by 1999 as Bambamanzi negotiated export contracts with Africa, the Middle East, Europe, South America and the Far East.

Pilot schemes involving 35 000 people were operating at Madderfontein for Rand Water and at Ndwedwe for Umgeni Water, and Rodseth expected the consumer base to grow to more than 1-million people within two years.
Phambili! to water for all South A
Kader Asmal's plan brings a wave of employment spin

CRITICS OF THE ANC GOVERNMENT HAVE SNIPED WOROEROUSLY AT ITS ALLEGED FAILURE TO DELIVER ON ITS PROMISES OF JOBS, HOUSES, HEALTH CARE AND OTHER SOCIAL BENEFITS DURING THE PAST THREE YEARS. BUT ONE MAJOR SUCCESS STORY THAT HAS TOTALLY ELUDED THESE CRITICS IS THE DEPARTMENT OF WATER AFFAIRS AND FORESTRY'S INNOVATIVE WORKING FOR WATER PROGRAMME, WHICH IS CREATING THOUSANDS OF JOBS AND ACHIEVING A VITAL ENVIRONMENTAL OBJECTIVE.

Environmental Reporter
John Yell is at some of the programme's results

By creating more than 3,000 jobs in a single month and with thousands more in the pipeline, the "Working for Water" Programme of the Department of Water Affairs and Forestry is being widely hailed as one of the Government's major success stories.

The programme, which is just one of the 50 projects in the Department's National Water Conservation Campaign, involves clearing alien plant species from South Africa's mountain catchment areas, water courses and wetlands in the low-lying areas.

This is being done because scientists have proved conclusively that these invasive plants, such as Australian Acacia species, use significantly more water than indigenous plants, while at the same time destroying the country's precious natural heritage of thousands of plants and animals that are found nowhere else on earth.

The scientists have calculated that, in the Western Cape, clearing invasive plant species can yield water at a mere 11 percent of the financial cost of even the most favourable dam option.

But apart from the essential ecological achievement, what is being hailed as the real success and significant of this programme is its multiplicity of social benefits, to the extent that it is now being viewed as one of the key programmes to illustrate the Government's macroeconomic strategy for Growth, Employment and Redistribution (GER), as well as its Reconstruction and Development Programme (RDP).

That such claims are not exaggerated is apparent from the programme's 1998/97 annual report, which has just been published by the department.

Of the more than 3,000 jobs which have created thus far, more than 50 percent are held by women, and they are competing on an equal footing with the men.

For example, one of the specialised high altitude teams, which uses advanced mountaineering skills to clear invasive plants in the upper reaches of catchment areas, consists entirely of women.

Twenty-four jobs have been created for disabled people - a statistic the department says is too low.

There has also been an emphasis on employment opportunities for the youth, in line with the Government's policy of promoting job opportunities especially for young people. Consequently, 20 percent of all jobs on the programme have gone to people aged between 16 and 25.

According to the programme's social report by Caroline Gelderblom and Moya Lutha, one of the most important objectives has been to go beyond merely creating jobs, and to empower people with the skills needed for them to become independent contractors.

"This is being achieved by a progression through a number of clearly defined stages from daily wages, through place work, to open contracts," they said.

"The implementation of peace work has led to dramatic increases in productivity and has enabled workers to earn higher wages through its incentives.

Ms Gelderblom and Ms Lutha point out that training is an integral part of every phase of the programme, and argue that this is one of the reasons for its success.

"The move towards contract work demands a comprehensive training course in which workers learn general management and entrepreneurial skills, together with the skills needed to set tasks for others.

The programme has made important contributions to the upliftment of people by providing training courses on life skills, they add.

"These include financial management, first aid, the Maashkane Campaign (including payment of services), and - critically - the reinforcement of a human rights culture. And these life skills are being successfully integrated into family and community structures.

Among the other social benefits is the support of creches at virtually all the programme's sites throughout the country.

The programme provides equipment for the creches and subsidises the cost of food provided there, thereby ensuring the participation of the workers' children.

One training centre has been established and several others are planned in all the affected communities, existing training halls are being used.

In two areas, sporting facilities have been established, while in six areas, existing facilities are being supported.

"The creation of visible secondary industries has always been an important objective of the 'Working for Water' project," say Ms Gelderblom and Ms Lutha.

"After a slow start, small scale secondary industries are getting off the ground.

These include the production of charcoal and building materials, and the use of wood for environmental rehabilitation, such as the stabilisation of river banks.

Programme co-ordinator Guy Preston said the 1998 budget of R125 million (for six months) had been increased to R177 million for 1998/99, and that the 1999/00 budget was R145 million.

"We have demonstrated our ability to put money to work," he said.

Foreign funding was starting to become a reality, with funding applications totalling almost R180 million having been sent to the European Union, other European countries and the United States.

Dr Preston believed the social benefits of the programme were exceptional.

"That we would have an impact on biological diversity and ecological functioning was never in doubt. So, in a sense, the environmental benefits to date have not been a surprise - the programme merely works as it should.

"But the bag prize is the social impact. We know that we are making a difference," he said.

A "major step forward" was partnership with the Rand Water Board.
Water for all South Africans: A programme that brings a wave of employment spinoffs, too

The programme has received widespread support, with many provinces expressing interest in replicating it. The provincial government has allocated funds to support the programme, and there have been discussions with local municipalities about the possibility of extending the programme to other areas.

Source: African News Agency, 2023

---

**Clearing alien plants can yield water at a mere 11 percent of the cost of even the most favourable dam option**

By David Preston

The programme has been praised for its cost-effectiveness, with costs estimated at just 11 percent of those for even the most favourable dam option. This has been attributed to the lowcost of alien vegetation clearing, which can yield water at a fraction of the cost of traditional water infrastructure projects.

Source: African News Agency, 2023

---

**Recommending the social benefits of the programme were exceptional**

Dr. Gerd Bamberger, a social scientist at the University of Cape Town, has recommended the programme for its significant social benefits. The programme has been praised for its potential to improve the livelihoods of communities affected by alien vegetation, providing employment opportunities and promoting local economic development.

Source: African News Agency, 2023

---

**A major step forward**

The programme has been described as a major step forward in the fight against alien vegetation and its negative impact on the environment. It has been praised for its potential to improve the health of water bodies and ecosystems, and for its potential to reduce the risk of wildfires and other environmental disasters.

Source: African News Agency, 2023
Beneficiaries ‘to help pay for water projects’

Nicola Jenvey

HOWICK – Future water requirements and the infrastructure essential for sustained social development and industrial growth could not be solely state-funded and there was an increasing argument for involving the beneficiaries in the payment process, Water Affairs and Forestry Minister Kader Asmal said yesterday.

Opening the R295m Midmar waterworks project, Asmal stressed infrastructural financing had to be achieved via private-public sector partnerships with the investors playing a vital role in securing future water supplies.

Referring to Umgeni’s market-making activities which had been investigated last year, Asmal said he was “pleased” with the manner in which the utility had implemented the recommendations proposed by Fisher Hoffman & Sithole.

“Several steps have been taken to eliminate similar occurrences, but from April 1 this year Umgeni Water and Rand Water will report to Parha...
Johannesburg — Infighting among community organisations would probably result in the cancellation of a delayed R1 million Masakhane community project, the Transitional National Development Trust (TNDT), the proposed funder of the project, said yesterday.

The money was originally earmarked for a national project aimed at providing training for community leaders.

But disagreements between the South African National Civic Organisation (Sanco) and its splinter faction, the Development Research Institute (DRI), have all but scuppered the project.

"The money has not been transferred and we are currently reassessing the entire project because we must be convinced that the beneficiary has the capacity and the objectives are as good as the ones we originally supported," said Paul Jackson, the general manager of the development trust.

He said the TNDT had received an application from Sanco in November last year, but learned shortly after approving it that the DRI had been expelled from Sanco. That apparently sparked the protracted battle.

Mzwanele Mayekiso, a director of the DRI, said the institute had been conceived as an independent body registered as a section 21 company. Mayekiso denied claims that the institute had been expelled from Sanco.

"It had been understood right from the outset that once DRI had enough money it would get its own space.

"We have since moved from Sanco," Mayekiso said.

He acknowledged that the institute had applied for the grant from the development trust for one of its research projects on civic, community and government issues.

He would not comment on the wrangle over the R1 million, arguing that the matter had been handed over to the lawyers.

Mbangeni Ngubeni, the secretary general of Sanco, said his organisation would resubmit another proposal to the TNDT to resume the project.
Umgeni
Water taps into growth

Ravin Maharaj

Durban — Umgeni Water reported increased water sales yesterday by 6 percent, which translated into a 14 percent growth in turnover to R333 million for the year to February 28.

Operating expenditure fell by 2.1 percent to R188 million (R195.1 million) and interest and finance charges were R157.7 million (R101.6 million), leaving a surplus of R9.6 million (R1.6 million).

Net capital expenditure was R25.1 million. This was used to finance the bulk water supply infrastructure, the largest of which was the R50 million Mdumzar waterworks, and some 52 projects in rural areas.

Brian Walford, the chief executive at Umgeni Water, said good rainfall and infrastructure improvements after the 1997 floods had helped Umgeni, the largest catchment-based water operation in Southern Africa, to increase water sales to 315 161 megalitres from 276 106 megalitres.

But a negative spinoff of the increased customer base, which in the rural communities had increased from 4 000 to 12 000, was that Umgeni — for the first time — had to embark on a debt recovery programme in the “climate of non-payment”.

But apart from these problems, Avison Carlisle, the director of finance and administration at Umgeni Water, said dams had been maintained at a “good level”. This, he said, had significantly reduced the energy costs associated with pumping and the need to purchase water from external parties. It had also resulted in an 18 percent reduction in cost of sales.
Loans aim to improve access to housing

Robyn Chalmers

The US agency for international development (USAid) would have dispersed about $170m in loans and a further $70m in grants for housing and urban development in SA by the end of this year, housing and urban development division head Joel Kolker said at the weekend.

The aim of USAid-SA's housing and urban development programme was to improve access to housing and environmentally sustainable urban services for the historically disadvantaged.

The programme was being focused on five main areas: urban development policy, shelter finance, infrastructure finance, support for nongovernmental organisations and urban environment support. The funding had been dispersed since 1992.

On shelter finance, Kolker said USAid was supporting innovative ways of overcoming the barriers that prevented low-income households from obtaining credit-linked assistance.

"This has primarily been achieved through two housing guaranty loans with Nedbank and First National Bank. The loans have been designed to support lending which encourages investments in housing for employed historically disadvantaged people."

USAid was also expanding its efforts to help identify and implement new mechanisms to finance infrastructure to low-income communities. This included support to increase the flow of private capital to finance municipal infrastructure and to assist in building local government capacity to develop, manage and implement infrastructure projects.

Kolker said USAid worked closely with nongovernmental organisations and community-based organisations, with the emphasis being on community development, housing facilitation and empowerment.

USAid associate assistant administrator Peter Kimm said that SA's low-cost housing programme was well structured and comprehensive.

Internationally, housing programmes tended to succeed when families were empowered to produce their own housing and when they had de facto, and preferably legal, tenure.
Helping the government to put its housing in order

A new computer system is fast giving the poor a roof over their heads.

LAURICE TAITZ

A COMPUTER database called Nomvula is slashing through red tape and shortening the time it takes the government to grant housing subsidies to poor families.

Before the new computer system was installed in April, it could take up to 17 months for a subsidy to be approved.

One person who waited that long was Jeanette Molesi, a single mother who had applied to the provincial housing board for an individual subsidy so she could buy a flat in Hillbrow.

Molesi, 55, was eligible for a one-off payment of R12 500 because she earned less than R1 500 a month. The flat cost R20 000, and although she had saved the balance from her domestic worker’s salary, she had to battle through mountains of red tape before her subsidy was approved.

In that time she rented the flat for R1 000 a month, including water and lights.

Molesi said that once she had submitted her application she was told she would be notified of the board’s decision.

Four months went by, and after numerous phone calls to the board, she was told there were more forms to fill in.

So Molesi, who works in Greenside, Johannesburg, took time off work to fetch the forms and sought her employer’s help in completing them.

She returned them to the board and went through a similar procedure every few months until June, when she was told her subsidy had been approved.

“I could never have done it by myself,” she said, referring to the help of her employers in allowing her time off, helping her to fill out the forms and providing her with a lawyer. “If you’re not patient, you’ll leave thinking you won’t get the money.”

The Housing Department says some of the problems Molesi experienced have been sorted out and applicants for subsidies now face a much shorter wait.

Mandy Jean Woods, the Housing Ministry’s public relations officer, said the housing delivery chain had four stages making the subsidy application, getting it approved, building or buying a house and, finally, moving in.

The introduction of Nomvula means problems in these stages can be pinpointed and tackled as housing data is updated daily by each province, giving the department access to up-to-date information every 24 hours.

The system has also helped in the following areas:

• The department can now identify which local authorities are not delivering housing.

• It has allowed the department to standardise application forms for all provinces.

• It has cut the time it takes for subsidies to go through the provincial housing boards to between four and six weeks, and

• The 203 steps once taken from the time a subsidy was approved until a contractor was on site have been reduced to 183.

The 203 steps saved have cut the wait from between 18 and 24 months to seven months.

Penelope Beck of the Housing Consumer Protection Trust, a non-governmental organisation that helps people with the subsidy process, said Molesi’s experience was not uncommon.

The trust’s hotline gets about 4 000 calls a month, answering questions such as “How do I get a subsidy?” and offering legal advice on problems like contractors stealing deposits.

Beck said, “You can’t expect someone who has never owned a home to know how to go about owning one.”

The subsidies were introduced in 1994 to tackle the housing backlog, estimated at nearly three million homes, by helping low- and no-income earners to buy their own homes.

Using the scheme, the government aims to provide one million houses by 1998. Between March 1994 and May this year, 212 423 houses have been built or are under construction and 555 000 subsidies have been allocated.

According to the department, almost half of all households in South Africa have an income below R1 000 a month.
‘Affirmative jobs are there but the people are not’

The Housing Department was experiencing problems with the implementation of affirmative action because suitably qualified people could not be found in the affirmative-action categories to fill vacancies, the department’s chief director of corporate affairs, Johan Jooste, said at the weekend.

He said 69 vacancies existed within the department because suitably qualified people could not be found. As a result, service delivery suffered, Jooste said in a submission to the Presidential Review Commission established by President Nelson Mandela to investigate transformation within the public service.

The Housing Department was challenged by the Public Service Commission when the department pleaded that government departments should not be forced to implement affirmative-action policies within a specific time frame, but be given time to find suitably qualified people.

Meanwhile, the department’s acting director-general, Neville Carstens, blamed slow delivery on a lack of capacity at provincial level, and the fact that housing was perceived as a high-risk area. He also mentioned the negative effects of crime and violence.

Carstens estimated the total housing backlog as between 2 and 3 million units.

Public Service Commission chairman Professor Stan Sangweni, asked by PRC chairman Dr Vincent Maphai about the future of the PSC, said this depended on its moral authority.

The PSC was concerned about gender imbalances in departments, Sangweni said, adding that commissioners queried mechanisms to monitor targets for affirmative action, management commitment, target setting, monitoring of corruption, improving service delivery and cost.

The PSC had identified 12 government departments for investigation. These included Land Affairs, Water Affairs and Housing. Other departments involved in service delivery included Safety and Security, State Expenditure and Public Service and Administration.

The next hearings will be held on August 1 and 2. – Sapa.
No skilled personnel to fill vacant posts

The Housing Ministry is finding it hard to implement affirmative action because of a lack of suitably qualified people to fill vacancies, the department's chief director of corporate affairs Mr Johan Jooste said at the weekend.

He said 59 vacancies existed in the department because they could not find suitably qualified people.

As a result, service delivery suffered, Jooste said in a submission to the Presidential Review Commission (PRC) established by President Nelson Mandela to investigate transformation in the public service.

The Housing Ministry was challenged by the Public Service Commission (PSC) when the ministry pleaded that government departments should not be forced to implement affirmative action policies within a specific time frame but be given time to find suitably qualified people.

Meanwhile, acting director-general of housing Mr Neville Carstens blamed slow housing delivery on a lack of capacity at provincial level and the fact that housing was perceived as a high-risk area.

Slack delivery

He also blamed the slack delivery on the negative effect of crime and violence.

Carstens said builders were often attacked on site by criminals. "These factors not only had a negative impact on investment but also contributed to higher building costs," he said.

Carstens estimated the housing backlog to be between two and three million houses countrywide.

PSC chairman Professor Stan Sangweni, asked by Dr Vincent Maphas, chairman of the PRC, about the future of the PSC, said the PSC's effectiveness would stem from its moral authority.

The PSC was concerned about gender imbalances in government departments, Sangweni said.

He added that commissioners queried mechanisms to monitor targets for affirmative action and performance, management commitment, target setting, monitoring of corruption, improving service delivery and costing of transformation programmes.

Twelve government departments, directly involved in asset delivery, had been identified by the PSC for investigation — Sepa.
No clean water for 12 million

By Abdul Milazi

TWELVE million people have no access to clean water and 21 million are without sewerage services, the Department of Water Affairs and Forestry said yesterday.

Government spokesman Mosuo Ramaema said the state did not have enough resources to deliver sustainable water services to all communities and had to rely on the private sector to "get the job done quickly."

Ramaema, however, denied accusations by the South African Municipal Workers Union that the Government was privatising water and sewerage services.

"Government money is being used to pay for the water infrastructure and on completion of construction and training of local people to maintain and operate the pumps, the infrastructure will be passed on to local government," said Ramaema.

A month ago the Government awarded tenders to four consortia for the development and management of water and sewerage systems in Northern Province, Eastern Cape, KwaZulu-Natal and Mpumalanga.

The tender for Northern Province was won by Construction joined by Coopers and Lybrond and Infracom in Mpumalanga and Watercare in the Eastern Cape.

Ramaema said the Government has pledged to make 1997 the year of delivery so that more people can enjoy basic services and through that enjoy an improved lifestyle and health.

"Moving faster will create jobs in the communities. The provision of jobs in creating water infrastructure will give people skills and a way of earning a living in the future."

Samwu president Petros Mashishi said the privatisation of water would place basic service delivery in the hands of the private sector and out of reach for the poor. "We don't want to end up like Britain where people buy water from shops because the water from taps is undrinkable."
Steps being taken to solve housing programme problems,
Supplies could dry up in just 30 years.

Without proper management, water supplies could dry up in just 30 years.

Industrial use threatens Lower Ottawa catchment area with ramifications for Kineer Park.

By Summary Woodacre

Industrial use threatens Lower Ottawa catchment area with ramifications for Kineer Park.

Supplies could dry up in just 30 years.

Without proper management, water supplies could dry up in just 30 years.
STATE AWARDS
contracts worth
R700m for water

PRETORIA — The water affairs and
forestry department announced it had
awarded contracts worth about R700m
to four consortia for water pro-
grammes in four provinces.

Water Affairs and Forestry Min-
ter Kader Asmal said in Pretoria the
government aimed to increase its level
of expenditure on water projects to
about R1bn a year.

"Providing the funds are available,
we hope to provide water to at least 1.5
million more people a year as well as
providing improved sanitation for hun-
dreds of thousands more."

The contracts, signed in Pretoria
last week, were awarded to Aman-
za'ehuntu Services in the Eastern
Cape, AquaAmanzi in KwaZulu-Natal,
the Consultbuuro Consortium in Mpum-
alanga, and Bergman Ingeniories in
Northern Province.

The consortia committed themselves
to allocating substantial amounts of the design and construc-
tion work on water projects up to upcom-
ing companies from previously disad-
vantaged communities, said Asmal.

Kalinga Pelpola, departmental di-
rector of reconstruction and develop-
ment programme implementation,
said 80% of SA's water provisioning
backlogs existed in the four provinces
which were awarded the contracts

It was expected that contracts
worth another R300m would be award-
ed for water provision in the other five
provinces later in the year.

If R1bn was spent on water provi-

dion every year from now, the depart-
ment hoped to eradicate the backlog by
2007, said Pelpola.

Asmal said the four contracts would
help ensure that the government's tar-
gets of providing water and sanitation
to all, were met through a partnership
with the private sector.

"It shows that the technical capacity
of the private sector can be tapped in a
variety of ways without jeopardising
public ownership of developments or
social infrastructure," he said. — Sapa.
SA to sign UN water convention

Louise Cook

SA would become party to a new international convention adopted by the General Assembly of the United Nations (UN) on international natural resource utilisation, Water Affairs and Forestry Minister Kadar Asmal said yesterday.

Addressing North African delegates, he said SA's signing of the international convention on non-navigable international waters had already been approved by the cabinet.

It was adopted by the UN in May following years of work by the international law commission. SA would become party to it next month, he said.

One of the critical issues the convention seeks to address is the balance between equitable sharing of international natural resources without causing harm to downstream neighbours — a complex and controversial issue facing all countries sharing international waters.

Water conservation was pertinent in North Africa. In this regard, SA was ready to co-operate with countries of the Nile Basin on policy development, he said.

Africa could be on the brink of a massive revival, and water was perhaps one of the central factors. Regarding international rivers, a balance between sovereignty, legal concepts such as prior appropriation and different development needs had to be found, he said.

The development of local water policy had been taken a step further last week with a meeting between Asmal and the executive of the SA Agriculture Union in Pretoria.
New electricity distributors can curb protest.
Red tape slows housing delivery

Robyn Chalmers

A NUMBER of provinces had appointed task teams along with other mechanisms to deal with bottlenecks in the low-cost housing programmes and address problems facing developers and banks, provincial spokesmen said yesterday.

However, some provinces — notably Eastern Cape, KwaZulu-Natal and Northern Province — were still struggling to overcome capacity restraints and high levels of bureaucracy.

The private sector, developers in particular, have complained of severe capacity constraints in some provincial governments, a nonadherence to checks and balances in the subsidy system and constant changing rules at provincial level.

Housing Minister Sankie Mthembu-Mahanyele said last week a range of steps were being taken to address these problems, both at national and provincial level.

She remained confident the target of 1 million houses by 1999 would be met.

Bishops condemn the Nigerian government

Nomavenda Mathiane

AFRICAN bishops attending the All Africa Primates Conference in Johannesburg have condemned the Nigerian government for confiscating Archbishop Ephraim Ademowo's passport on the eve of his SA trip.

As host of the conference, Southern Africa Archbishop Myrongoeniku Ndungane said actions violating the right of assembly and association, such as witnessed last week in Kenya, would not be tolerated. This was particularly true given the changing face of Africa, where Africans were taking their destinies into their own hands.

African bishops needed to inculcate Christian values of love and truth in the minds of ordinary people and their leaders, he said.

The bishops were attending the "Kairos" meeting, which lasts until Thursday, to discuss issues including Africa's debt and economic crisis. With international conferences, such as the Lamberts and World Council of Churches gatherings, coming up, it was important that African bishops prepare to speak with a single strong voice.

About 18 bishops are expected. Also attending are Human Rights Commission chairman Barney Pityana and Bishop James Ottley, Anglican observer to the United Nations.
SA govt builds on housing promise

By MARCIA KLEIN

JUST less than a quarter of the million houses that government promised to build by the turn of the century have been built or are currently under construction.

The Department of Housing says delivery of housing has steadily increased. From March 1994 to mid-June this year, houses built or under construction grew by 28% to 248,100 (192,815). Over the same period, provincial housing boards have reserved 594,805 subsidies, with the average subsidy totaling R14,200.

Statistics indicate that about 83,000 houses are being built a year. At this rate, the 1-million houses would be up by about 2006. However, the pace is increasing.

The department says the number of housing projects approved has increased. There are 345 projects — each project averages 700 houses — with houses either built or under construction. Work had begun on some payments had been made on 485 projects in mid-June compared with 199 in September last year. Reserved projects totalled 891 in mid-June from 589 in September.
By John Adams

Government's biggest test – housing

By John Adams

Government's biggest test – housing
Housing figures are well down on last year

Cape Town — Plans for only 20,119 houses were passed in the first five months of this year, 1,607 fewer than during the same period last year, according to figures released by the Central Statistical Service (CSS) yesterday.

The value of residential plans passed during the five months was more than R200 million lower than during the same period last year. The value of residential buildings passed in May this year totalled R753.4 million — down on both the previous month’s R753.3 million and the figure of R753.3 million for May last year.

The bulk of the residential plans passed were the 8,035 in Gauteng, followed by 3,800 in the Western Cape and 1,771 in KwaZulu Natal. Plans passed in the other provinces varied from 230 in the Northern Cape to 1,441 in the Northern Province.

Owing to the drop in value of residential plans, the total value of building plans passed during the five-month period was R7.2 billion, 0.5 percent lower than last year. This was in spite of an 11.1 percent increase in the value of non-residential building plans to R2.2 billion. The largest increase in this sector was for shopping malls, followed by offices and banking space.

Gauteng was again the largest provincial contributor, followed by the Northern Province and KwaZulu Natal, but local authorities in the Western Cape reported a decline of R21 million in non-residential plans passed.

According to the CSS, the total value of buildings completed for the first five months of this year was R4.4 billion — up 11.9 percent on the same period last year. Again, this was no thanks to the residential sector which saw the value of buildings completed shrink 5.4 percent, while the total value of non-residential buildings and additions and alterations increased by 46 and 24.4 percent respectively.
Housing figures are well down on last year

Cape Town — Plans for only 20 119 houses were passed in the first five months of this year, 1 807 fewer than during the same period last year, according to figures released by the Central Statistical Service (CSS) yesterday.

The value of residential plans passed during the five months was more than R200 million lower than during the same period last year. The value of residential buildings passed in May this year totalled R762.4 million — down on both the previous month’s R753.3 million and the figure of R795.3 million for May last year.

The bulk of the residential plans passed were the 8 905 in Gauteng, followed by 3 846 in the Western Cape and 1 771 in KwaZulu Natal. Plans passed in the other provinces varied from 230 in the Northern Cape to 1 441 in the Northern Province.

Owing to the drop in value of residential plans, the total value of building plans passed during the five-month period was R7.2 billion, 0.8 percent lower than last year. This was in spite of an 11.1 percent increase in the value of non-residential building plans to R2.2 billion. The largest increase in this sector was for shopping malls, followed by office and banking space.

Gauteng was again the largest provincial contributor, followed by the Northern Province and KwaZulu Natal, but local authorities in the Western Cape reported a decline of R21 million in non-residential plans passed.

According to the CSS, the total value of buildings completed for the first five months of this year was R8.4 billion — up 11.9 percent on the same period last year. Again this was no thanks to the residential sector which saw the value of buildings completed shrink 5.4 percent, while the total value of non-residential buildings and additions and alterations increased by 45 and 24.4 percent respectively.
Following criticism of government housing programme, Housing Minister Sandie Mcelwaine outlines how her department is overcoming delivery problems.

Private sector housing

Faith in housing plan

Housing achievements unsung in Press
Move to collect R3-bn debt

Thabo Mbeki to lead MPs in pledge as part of the Masakhane campaign

By Joshua Raboroko

Deputy President Thabo Mbeki is to lead hundreds of Gauteng public servants, including cabinet ministers, MPs and mayors, to sign a public pledge committing themselves to paying for essential services or face dismissal.

The pledge is part of the province's Masakhane campaign aimed at recovering the R3 billion owed to 52 municipalities, particularly in black townships, since the launch of the Government of National Unity.

Gauteng MEC for development planning and local government Mr Seolo Shucekwa told Sowetan yesterday that the commitment - the first since the dawn of democracy - indicated Government support for the Masakhane campaign.

He said political parties, cabinet ministers, MPs, central and local government needed to lead the way in the payment of essential services such as electricity, water and refuse removal.

President Nelson Mandela is also expected to sign the pledge which will also be adopted by other provinces later.

Municipalities are owed R6 billion countrywide, according to Government sources.

The signing takes place at the Greater Johannesburg Metropolitan Council, Bramfонтейн, on Saturday from 9am. Gauteng Premier Tokyo Sexwale and Johannesburg mayor Isaac Mogoeng will be the first leaders to sign.

Names of defaulters will be published in a "special government list" for scrutiny every month. Refusal to pay will lead to public servants being dismissed in accordance with the prescribed procedures.

Formulate strategies

Arrangements will be made to deduct payments from individuals' salaries. These arrangements will be explained to trade unions and employer associations before being introduced to the public.

Shucekwa said his department would hold meetings with Eskom, the Water Board and private sector involved in services delivery to formulate strategies to encourage "smooth payment" of "their commodities."
Shortage of skills blocks new homes

By Gerry Reilly

AN ineffective bureaucracy and an acute shortage of managerial, technical and financial skills at provincial and local government level is impeding progress in the delivery of low-cost housing, ministerial housing spokeswoman Mandy Woods told Swetian Business.

But, she said, the ministry was confident that if current trends continued, a million houses would be built or be under construction by 1999.

Although Woods said some five years ago that the country had a backlog of about 1.5 million houses, she said "the reality is that we have a backlog of between two and three million houses, which is increasing at a rate of 200 000 annually."

Steady increase

The Government's commitment to the housing programme was a million subsidies - a maximum of R15 000 each over a period of five years.

For the current financial year R2.3 billion had been allocated for low-cost housing and in April-May this year, R361.4 million was spent.

In the 1996-97 financial year R1.9 billion was spent on low-cost housing.

Woods said so far a total of 600 000 subsidies had been "handed down" and the number of projects approved by provincial housing boards was showing a steady increase.

Future progress

Between March 1994 and mid-June this year 248 100 houses were built or were being built.

The number of projects with houses built or under construction increased from 70 in September last year to 254 by mid-June this year. Each project averaged 700 houses.

Woods said, however, that future progress had to be underpinned by consistent support for policy fundamentals by Government at national and provincial level.

"These included support from labour and business, long-term budgetary certainty at national level and a timely provision of land and services."

Stumbling blocks, however, still included an inadequate technical and managerial capacity in provinces and municipalities.
New body to supply power

By Joshua Raboro

The newly formed National Electricity Regulator (NER), a body meant to supply electricity directly to consumers, could ease the burden of Eskom and the local councils in combating township residents’ resistance to paying.

The NER, which has not yet been launched officially, will replace local councils and Eskom in supplying electricity to consumers. Eskom is the biggest supplier of electricity in the country.

NER customer services general manager Mr Johan du Plessis told Sowetan yesterday that the organisation aimed to supply electricity to consumers.

The organisation, which consists of provincial and local government, the private sector, trade unions, community and political organisations, is to hold an urgent meeting on July 29 to compile a final vision and strategy.

After the meeting it will send recommendations to Minister of Mineral and Energy Affairs Penuel Maduna with the view to introducing legislation when Parliament resumes next month.

The formation of the enterprise comes in the wake of confrontation in which the homes of Secunda councillors were petrol-bombed after a council decision to cut electricity supply to defaulters.

In another incident on the East Rand the homes of Brakpan councillors were blown up in what police said appeared to be incidents related to non-payment of rates and services in the area.

Du Plessis said they planned restructuring the electricity sector by merging the distribution functions of Eskom and local councils into financially viable regional distributors.

It was hoped that with the councils no longer being responsible for supplying or cutting off electricity the whole issue would be depoliticised.

Gauteng MEC for Development Planning and local government Mr Sicelo Shiceko, who also serves on the NER, said service defaulters should arrange to pay their tariffs before August 1.

He said the NER meeting would propose that workers, including public servants, arrange payment for rates and services via stop orders from their bosses.
Agreement over R4,2-bn allocated for housing subsidies in all the provinces

The Housing Minister, Sankie Mthembu-Mahanyele, and provincial housing MECs yesterday reached an agreement on the allocation of 280 000 housing subsidies across nine provinces. The cash value adds up to R4,2-billion this financial year.

In terms of the agreement, provinces will be able to commit a further amount of subsidies by March next year, the Housing Ministry said in a statement.

This would be done according to an agreed formula which took into consideration issues of provincial populations, housing backlogs and, for the first time, provincial performance in houses built or under construction.

Allocations (in millions of rand) were: Gauteng, R1331.7; KwaZulu-Natal, R940.6; Western Cape and Eastern Cape, R73.5 million each; North West, R405.8; Mpumalanga, R363.6; Free State, R291.7; Northern Province, R207.9 and Northern Cape, R135.5.

Mthembu-Mahanyele said she was pleased with the agreement reached. "This means we will have allocated more than 300 000 subsidies by the end of the 2007-2008 financial year and all these subsidies will be translated into houses built or under construction by 2009."

"We plan to release the balance of the one million subsidies within the first six months of the next financial year."

Mthembu-Mahanyele added this was a clear indication that the Government's target of building, or having under construction, one million houses within five years was on track. - Sapa
Subsidies worth R4.2 billion for housing okayed

HOUSING minister Sankie Mhembie-Mahanye and the provincial housing MECs reached agreement on Friday about the allocation of 280,000 housing subsidies with a cash value of R4.2 billion for the current financial year.

The subsidies will be administered by the provincial administrations.

In terms of an agreement reached at a meeting on Thursday, the provinces will be able to make more subsidies available by March next year, said a housing ministry statement.

This will be carried out according to an agreed formula which considers provincial populations, housing backlogs and, for the first time, provincial performance in terms of houses built or under construction.

The allocations are as follows: Gauteng – R1 331.7 million; KwaZulu-Natal – R494.6 million; the Western and Eastern Cape – R473.5 million each; the North West – R405.9 million; Mpumalanga – R363.6 million; the Free State – R291.7 million; the Northern Province – R257.9 million and the Northern Cape – R135.3 million.

Mhembie-Mahanye said she was pleased with the agreement: “This means we will have allocated more than 800,000 subsidies by the end of the 1997/1998 financial year and all these subsidies will be translated into houses built or under construction by no later than 1999.

“We are planning to release the balance of the one million subsidies within the first six months of the next financial year.”

She said this was a clear indication that the government’s target – having one million houses completed or under construction within five years – was on track.

“We still have a lot of work to do and the next year will be critical. Now is the time to keep the pressure up and to work on solving the problems which are inhibiting delivery.” – Sapa
Pact paves way for more homes

Marc Hasenfuss

Cape Town — Sankie Mthembi-Mahanyele, the national housing minister, said at the weekend that she and provincial housing MECs have agreed to allocate 200 000 subsidies worth R4.2 billion this financial year.

This was a significant move to boost housing delivery, she said.

She said the agreement meant that more than 800 000 housing subsidies would be allocated by the end of March next year.

"All these subsidies will be translated into houses built or under construction by no later than 1999," she said.

The agreement was a clear indication that the government's target of building or having under construction 1 million houses within the next five years was still on track, Mthembi-Mahanyele said.

The housing ministry planned to release the balance of the 1 million subsidies within the first months of the next financial year.

"We have a lot of work to do and the next year will be critical. Now is the time to keep the pressure up and work on solving the problems which are inhibiting delivery," she said.

The provincial allocations of subsidies have R1.33 billion earmarked for Gauteng, R494.8 million for KwaZulu Natal, R473.5 million each for the Western and Eastern Cape, R405.9 million for the North West, R383.6 million for Mpumalanga, R291.7 million for the Free State, R237.9 million for the Northern Province and R195.3 million for the Northern Cape.

The agreement also stipulated that provinces would be able to commit a further subsidy amount by March next year in terms of a formula that takes provincial populations and housing backlogs into consideration.
New housing guide launched

Lucia Mutikani

The housing ministry and the National Business Initiative yesterday launched a comprehensive guide for the development of housing projects in a bid to speed up sluggish low-cost housing delivery.

The guide, to be distributed to national, provincial and local government, as well as housing boards, developers and other interested parties, tracks the process from the award of a subsidy to the construction of a house through 183 steps. These cover township establishment, sales administration, land servicing and building operations.

Almost 600,000 subsidies have been awarded for housing for low-income families, with fewer than 300,000 "built or under construction" SA’s housing backlog is conservatively estimated at about 2 million and is rising annually at the rate of 200,000.

"The lack of know-how and experience among developers and emerging contractors regarding the various statutory and other processes surrounding subsidised housing projects have been a major constraint in housing delivery," Housing Minister Sankie Mthembu-Mahanyele said.
Service Non-Payers Face Tougher Action

Couples who are now being offered lower payments for their medical service. They're being told to pay more, and it's not just a one-time fee. The government is cracking down on those who refuse to pay.

The recent move by the government to enforce compliance with the new rules has led to increased penalties for non-payers. Individuals who fail to pay their medical bills on time will face stricter enforcement actions.

The government has also introduced new measures to ensure that those who are eligible for financial assistance receive it. This includes setting up a dedicated hotline for individuals who need help with their medical bills.

In addition, the government has announced plans to increase the number of medical providers that offer paid plans, making it easier for individuals to manage their expenses. This move will help to reduce the burden on non-payers and ensure that everyone has access to quality healthcare.

Overall, the government is taking strong action to ensure that everyone is held accountable for their medical expenses. This is a positive development for the healthcare system, as it helps to ensure that those who need the service receive it without delay.
DEVELOPMENT Nedlac suggests independent help needed

Boost for faltering Masakhane

FRANK NKUMALO

Johannesburg — The Masakhane campaign should be co-ordinated by an independent, standalone structure closely linked to both government and the National Economic Development and Labour Council (Nedlac)’s Development Chamber, Jayendra Nadoo, Nedlac executive director, said at the closure of a national workshop on the campaign at the weekend.

Kumon Phutlis, the Nedlac spokesman, said one of the most important recommendations to come out of the workshop was the support for a Masakhane focus week to be held in the first week of September. During that week different stakeholders will highlight successes of the campaign so far and rally support around it.

Phutlis said the focus week would result in a one-year programme of action that would simultaneously address issues around the discrepancies of the past and communicate the magnitude of the tasks of reconstruction and development.

He said the programme of action would further seek to promote the payment of services and educate communities with regard to where the money went and how various needs were prioritised.

FOCUSED Jayendra Nadoo, Nedlac’s executive director (123) CT(62) 287197

"A need was identified to further promote and popularise community-based development initiatives through the Masakhane awards now running and promote the establishment of a database to monitor and accelerate the process of delivery," Phutlis said.

Nadoo said there had been a misconception that Masakhane was solely about encouraging payment of services. "This is an integral part of the campaign, as there are costs associated with the delivery of services and the government will pursue payment. However, a strong focus of Masakhane is also the delivery of basic services and infrastructure at local, provincial and national level," said Nadoo.
Consumption of electricity increases

Lukanyo Mnyanda

ELECTRICITY consumption in the first half of the year showed a 2.9% increase compared to the figures for the previous six months, reflecting progress in Eskom’s electrification drive and indicating that fears of a collapse in economic activity might be exaggerated.

Central Statistical Service (CSS) figures released yesterday also showed that electricity consumption had increased 3.3% on a seasonally adjusted basis in the second quarter compared to the three months to March.

Economists canvassed yesterday said the absence of a complete breakdown of the different users made it difficult to determine how much of the growth was driven by Eskom’s electrification drive or robust manufacturing activity.

Eskom spends about R1bn annually on its electrification programme, aimed at ensuring that more than 75% of SA households have access to electricity by 2002, when more than 2-million homes should have been electrified.

An Eskom spokesman said yesterday that domestic households had accounted for most of its increased distribution over the past six months, reflecting progress in the electrification drive. The CSS figures showed that Eskom’s electricity distribution increased by 2.8% in the period under review.

Econometric chief economist Azar Jammine said the growth in consumption might have been driven by the electrification drive. But even if that was the case, it would have a spin-off for other sectors of the economy through increased demands for electrical appliances.

“These figures do not support the view that the economy is about to collapse. The economy is slowing, but the fears (of a collapse) seem a bit exaggerated.”

SA Chamber of Business (Sacob) economist Penny Hawkins said the figure was “more or less” in keeping with earlier predictions for economic growth this year. But it was hard to say how much of the growth had been driven by increased manufacturing activity.

Sacob’s monthly survey of the manufacturing sector had shown that although manufacturers were more confident about their long-term prospects, they were less optimistic on a short-term basis.
Housing + Hostels

1997

August - Dec.
R1,5m boost for low-cost housing

By Shadrack Mashalaba

THE Libuyile Community Development Trust and Rural Housing Finance signed a R1,5-million debenture agreement in Johannesburg yesterday.

In terms of the agreement, Libuyile will invest the R1,5 million with RHF to speed up its delivery of low-income housing loans.

The debenture (which is a bond to be repaid over an agreed period with a fixed interest) will also help RHF leverage loans totalling R45 million from the National Housing Finance Corporation and the Rural Housing Loan Fund.

RFF managing director Chris Hock said the money was needed to expand operations.

He said RFF has also disbursed 12 000 loans of between R300 and R6 000 in the last four years.

Rural Housing Finance is a subsidiary of the Rural Finance Facility (RFF). The RHF division was established by RFF amid the growing housing need. Currently RHF has 3 600 clients borrowing R35 million.

RHF expects to have 15 000 clients borrowing over R100 million in the next three years.

"Our loans are granted to formally employed people irrespective of their salary scale," Hock said.

Wage deductions

The only requirement is an agreement that employers deduct repayments from wages on a PAYE basis. The employee should also be a member of a provident fund.

RFF is focused exclusively on financing low-income housing and rural micro enterprise.

Founded in 1991, the organisation made its first microloan in 1993. To date it has disbursed over 18 000 loans. Since inception, the audited repayment on housing loans has exceeded 99.9 per cent.

Libuyile chief executive Lashaana Marah said the trust was formed to support disadvantaged communities in their efforts to build infrastructure.
Civics want Govt to halt cuts

By Joshua Raboroko

CIVIC organisations countrywide which are concerned about the spread of violence in townships are to embark on mass action aimed at persuading the Government to halt cuts of electricity and essential services to poor communities.

The protest actions which will include marches and pickets outside offices of provincial and national governments are scheduled to start on August 17.

The SA National Civic Organisation (Sanco) announced the campaign after meeting Provincial Affairs Minister Valli Moosa and executives of the SA Local Government Association (Salga), representing 80 municipalities countrywide.

Sanco president Mlungisi Hlongwane said credit control measures by cash-strapped local authorities were designed to collect debts amounting to more than R6 billion for the non-payment of tariffs in the townships.

However, local governments had halted services without checking whether all the communities were in default - thousands of KwaThema, Springs, residents had their electricity supplies cut on Tuesday.

Salga chief executive Mr Colm Mhlyo yesterday described the meeting with Moosa and Sanco as cordial.

He said they had agreed to meet Sanco again to discuss matters of interest.

The office of the MEC for development planning and local government, Mr Sicelo Shuceka, yesterday warned defaulters to pay up to avoid further cuts.

Sanco feared that angry residents would resort to violence to have their electricity restored. Hlongwane said there were many irregularities concerning bills because of the inefficiency of personnel. The municipal offices...
Costly operation to feed hungry power station

Thirsty turbines expected to gobble 12 Mt/year. Most mining houses keeping weather eye on opportunity

Eskom is working on a new multi-million rand plan to get coal to its Majuba power station. The move follows the closure of Rand Mines' on-site coal mine in the early Nineties. Coal for the station, which is costing R12bn to build, is now railed 330 km from various sources. A solution to the transport problem, involving new rail and conveyor belt links, could cost between R250m and R700m.

Another part of the solution could be for coal producer Ingwe Coal Corp to open a new mine in the Leandra area in Mpumalanga. "Depending on the requirements, capex could well total up to R1bn," says Ingwe project engineer John Pait.

Spoornet, Sasol and most of SA’s major coal mining groups are also interested parties in the feasibility discussions, which could lead to an implementation decision by mid-1998.

The 4 000 MW Majuba station is not yet complete, with about 70% of its budget committed and only two of its six-pack generating units in operation. A new unit will be brought into operation each year, till the station is fully operational. Each unit is capable of generating 660 MW.

Eskom energy management manager Brian Statham says "with Majuba being the most expensive live power station, the economics of its coal transport are critical. Opportunities to exploit the lucrative 'peaking' market — when daily demand for electricity peaks — are also an important part of the Majuba strategy for the next 10 years."

Eskom also remains bound to a number of contractors to complete the Majuba project — and the proposed transport logistics solution should reduce its cost premium.

"While nothing has been finalised yet, the phased new transport project might well kick off with a new R250m, 38 km rail link between Secunda and the existing line serving our Tutuka station. This will cut about 180 km from the round trip line linking up with the Durban rail line," says Eskom project manager Francois Retief. This will also help shorten Sasol’s access to the Durban port.

This "central corridor" line would also link the Springs Richards Bay rail line to the KwaZulu-Natal railway system, enhancing the north-south link between the Maputo corridor and KwaZulu-Natal.

Other possible "transport corridors" steps (see map) would include:

- A new rail line (or conveyor belt system) between Ogies and Secunda — via the Kendal, Matla and Knel stations. This would allow access to cheaper coal from the Witbank/Middelburg export coal mines.
- A R350m conveyor belt route, linking Majuba with Tutuka, and
- Other future coal transport corridors which could benefit Eskom, Sasol and the coal mining sector. With possible upgrading of some existing lines, total transport costs could reach about R700m.

Retief says while Ingwe has already been given the 6 Mt/year contract to supply 1 Jauba’s first half (2 000 Mt), the coal supply contract for the second half is still open and might only become operational by about 2008. Coal companies are therefore still in the running for this 40-year supply contract.

Ingwe’s Panit says meeting the initial 6 Mt/year commitment might require upgrading of existing mining infrastructure or opening the new mine in Leandra.

Spoornet strategic markets senior manager Philip van Heerden says the proposed lines could be owned and operated by Spoornet, privately owned or a combination, should a consortium of interested parties join forces.

MANAGING CHANGE

Catalyst for transition

How do you recognise that your business needs to change, and how do you manage the exercise? These questions will be answered at the Sandton Sun on August 21 at a convention on executive change.

Andersen Consulting will host the convention, which is titled "Managing the Journey An SA Business Imperative". Topics will include:

- Understanding why an organisation needs to change and how it will benefit from doing so,
- Defining the opportunities and mechanisms for transforming performance,
- Examples from around the world of success and failure, and the reasons for it, and
- The bottom-line impact of change.

In conjunction with the convention, the FM will publish a special supplement, Managing Change, on October 10. The supplement, in association with Andersen Consulting, will draw on new market research among business leaders on how to transform business.

For more information on the convention, telephone (011) 328-3100.
Illegal Vehicle Imports

Turning the clock back?

Bid to stem import flood of used trucks and cars

They could call it the Truck & Reconciliation Commission Government, police and the motor industry are considering a one-off amnesty to allow up to 20 000 owners of illegally imported used vehicles to keep them.

In exchange, they might pay a penalty or offer information that would help police stop more vehicles entering SA.

Discussions on a possible amnesty are at an early stage. Following a meeting outside Johannesburg on Tuesday, a committee representing manufacturers, dealers, police, Customs, the Department of Transport and others will consider the amnesty among several measures to stem the flood of illegal imports.

Used vehicles are not allowed into SA except under specific circumstances such as imports by immigrants or diplomats.

Even then, they require a special permit. However, neighbouring countries do accept used vehicles and ship them in through SA ports. After being issued with temporary transit permits so they can be driven across the border to their destination, many disappear into the SA market with the aid of forged documents and corrupt officials.

In other cases, they do reach their country of destination but then slip back into SA through the more than 50 border posts.

Superintendent Brian van Niekerk of the recently created SA Border Police says there could be more than 20 000 illegal imports on SA roads.

Police have started to succeed in tracing and confiscating the vehicles. A single case recently involved 381 imported used minibuses, another investigation found 24 imported used cars on the floor of an SA manufacturer's own franchised car lot.

Control has been bedevilled by the lack of a central vehicle registry. When the former provinces and homelands operated their own systems, opportunity for abuse was rife. Now that the new central National Traffic Information System (NaTIS) is becoming operational, officials hope the loopholes are closing. But what to do about the imported used vehicles already here? The illegal import network is so sophisticated that many vehicles are sold through reputable dealerships and customers have no idea they are buying "hot" goods.

In principle, says Van Niekerk, that is no defence, police are entitled to destroy the vehicles and prosecute the owners. But that would often be counter-productive, particularly in the haulage industry, where seizure could put companies out of business and cost thousands of jobs.

Graham Boy, MD of Madison Freight Lines in Midrand, is one of those caught in the middle. He operates 20 trucks, all of which were bought used. Though he acknowledges he used "loopholes" to acquire one or two, he says the rest were bought through legitimate dealers.

He says he is willing to pay a penalty on each vehicle "but don't wreck the business and the livelihood of my workers."

SA vehicle manufacturers, who lose sales to the imports, say they are open to the idea of an amnesty, especially for truck buyers.

Private car buyers can't claim the same job protection argument. Nico Vermeulen, director of the National Association of Automobile Manufacturers, says the idea is worth discussing "as long as these people help us close the loopholes. But we can't let them walk away from an illegal act without some form of penalty."

David Faieger

---

A pick up that works harder for you.

In its class, the new stylish Rustler Bakkie not only has the biggest loadspace but it's also the only vehicle that can accommodate a 1m x 1m metric size pallet in its loadbox. Now when there's a ton of work to be done, here's the half-ton that will go the extra mile for you. The tough, hardworking Rustler bakkie will make sure of that! And if you're after a guarantee, don't forget the Rustler is backed by Mazda's 3 year/100 000 km warranty.

MazdaRustler

Bakkies With Backbone
Sixty percent of all construction projects in South Africa are handled by 12% of the industry. "The South African building industry is run so inefficiently," says Sam Amor of Development Engineering Consultants. "Some areas restructuring is required." Amor is part of a team working on the Green Paper for Construction due for publication at the end of the year. Entitled "Establishing an Enabling Environment for Construction", the paper will focus on challenging the protectionist and uncompetitive nature of the industry. It will also attempt to break the cycle that makes it extremely difficult for independent contractors to tender for large projects, because of credit access and the need for large contracts.

Amor is managing a project that reflects the Green Paper's transformation objectives. He says, "When you've got children to feed you cannot stop cooking in order to clean the kitchen." The Upington Bophaleng Integrated pilot project, started up in May, is one of 13 funded by the Department of Public Works. The aim of the programme is to demonstrate to other government departments how co-orientation may be achieved, and to develop guidelines and technical information for future use.

As part of the wider public works portfolio, each province was requested to develop a pilot project to deal with unemployment, poverty and the lack of skills in a particular community. The project entails creating and maintaining physical assets such as roads and roads, through the direct involvement and participation of the community. In this respect, the Grootvlei project is the only one that has taken the principle of community participation into the logical conclusion. The $6 million project budget is being administered by community project committees, which have been set up in offices in Bophaleng and Bophaleng. Amor explains, "The community is still emerging from the shadows of the massacre, so there was enormous anxiety among the members of the project committee, but we found assurance was the key management decision."

Sean Phillips, director of the public works programme in Grootvlei, says, "We're trying to interpret people-driven development and put it into practice, but it is a vague concept and you could end up empowering things."

This is the very real consequence of the history of a community like Bophaleng, and the latent instability that flared up during the course of the project. The four construction projects, the jet ski school, two clinics in both townships, and a library in Bophaleng, are being entirely backed by emerging contractors from the region, chosen after an open tender process. Nevertheless, gung-ho members of the African National Congress youth league at one stage prevented building on the site of the school, citing corruption and employment of informal Bophaleng residents as reason enough to demand $2 000 to secure their co-operation. They have been subsequently expelled from the ANC, but their actions highlight the risks associated with community-driven projects.

But says Jacob Letaka, a member of the project committee in Bophaleng, "The advantages to the community are many. Participation ensures that the community actually receives the services it identified and really needs: it also ensures that the project will not be vandalised on completion, because the community has bought into it."

Amor adds, "South Africa's construction moved away from labour-intensive methods during apartheid in fear of unemployment and instability, but the real need in South Africa is job creation. In real cost terms the labour-intensive method used on this and other projects would cost us the same if we had machines in there."

The need for stronger project management and more rules by the government. Traditionally, a single contractor would go in and complete the project after it had been assessed by consulting engineers. Thus, the government was guaranteed the smallest risk, for relatively safe returns. A community-centred approach entails far more risk than the government usually likes to take, but has longer-term returns. But, says Amor, "to stick a rod of money in front of communities is impossible: parameters must be set. These entail balancing the level of power given to communities with interest checks and balances, as well as developing the control in the project at the level where decision making is most effective."

"If government is serious about empowering communities it must then give provinces, local government and individual project managers discretion to act beyond interest group negotiations, to speed up the process."

Phillips sees the process as a series of trade-offs between communities and personal gain, between time constraints and a high level of community participation, and between meeting social needs and actually getting things off the ground. But central to government's fear of the kind of project, he says, is the culture of risk aversion — and this kind of community participation is a potential solution. "If the independent auditors who are auditing this project found that the $6 million already spent had been somehow misappropriated, heads would roll."

The trade-off for the government appears to be to take more risks and transform the way development projects are managed or give up the notion of community-driven development.
New movement on home front

To catch up with lag of RDF promises, we need 750,000 houses in next two years, writes Ganm Lewis.
Johannesburg — There was a widespread perception that the government had not met the nation’s expectations regarding the delivery of housing. John Hopkins, the development manager of Community Housing of Condev Cape, said at the Housing Africa conference in Midrand:

"The housing delivery process needs to be increased as failure is staring us in the face. There is still too much bureaucratic red tape."

There was a significant number of development companies leaving the market because of lack of support by government, he said.

He said a consortium of local property developers and financed through industrial and financial investors was developing a R1.5 billion Marcom Beacon project in Midhordt.

About 1,000 government capital-subsidised houses were under construction, while 1,086 houses priced between R50,000 and R180,000 were being developed at Phoenix, a nearby settlement.

Another promising project was the development of Kutubango in Gauteng. It had erected energy-saving homes of 34m² within the government subsidy limit. This was above the national average-sized home of 14m².
Changes on the cards for electricity sector

Robyn Cahirers

SIGNIFICANT changes were on the cards for the electricity generation and transmission sectors as pressure from private sector players to enter these markets mounted, National Electricity Regulator chairman Ian McRae said in his annual report.

Customers were also demanding that competition in these sectors be allowed. "The entry into the market of independent power producers is a decision that government still has to make. Many regulatory 'rules of the game' will have to be established."

McRae said the distribution sector would experience change this year after the cabinet's acceptance of recommendations on the restructuring of the electricity industry. Those included that the industry be rationalised into a number of financially viable regional distributors and that financing of the sector be restructured.

The regulator was improving its economic regulation of the 398 licensees which distributed electricity, but there were problems.

Those included the fact that about 75 municipal distributors were supplying electricity at a loss, the poor quality of supply and customer service in many areas, the loss of critical staff, and continuing nonpayment for electricity services. The restructuring of the supply industry should address these issues.

There was also a need to rationalise the more than 2 000 tariffs in SA, particularly as there was a large degree of cross-subsidisation in the tariffs being used. A wholesale purchase tariff would be formulated which would be the basis on which Eskom sold electricity to future regional electricity distributors and certain large customers.

On the electrification programme the report said 207 847 residential connections were achieved by Eskom last year, which exceeded their target of 300 000 a year. Local government distributors achieved 128 057 new connections, other institutions completed 11 477, and 9 414 new connections to farm worker houses were undertaken.

The number of new connections last year totalled 453 936. The electricity supply industry proved that with effective organisation and the efficient deployment of resources, it is possible to exceed the reconstruction and development programme target of 460 000.
Sanaco opts out of Khayelitsha agreement
Consumers arrange to pay off Eskom accounts

Robyn Chalmers

MORE than 93 000 residential consumers have signed agreements with Eskom to begin repaying their overdue electricity accounts, Eskom customer service senior GM Thulamile Gebashe said yesterday.

However, Eskom could begin implementing major cut-offs in the coming months if residential and bulk users did not take advantage of repayment programmes on offer, which end on August 30.

Gebashe said the pledge by individual consumers represented a total payment of R81m out of the residential outstanding debt of R140m.

Consumers would be allowed to repay their debt over a period of 60 months.

Eskom forged a repayment programme last year for bulk debtors, or municipalities and large business users, and for residential consumers who paid their accounts directly to the parastatal - as opposed to paying municipalities.

It was agreed that all debt outstanding at June 30 1995 would be written off, as long as any debt accumulated after that date was settled.

If payments were missed, customers would be liable for the entire debt.

The programme was started in November last year with a cut-off date of June this year.

"There was a huge rush by consumers towards the end of June, and we agreed to extend the cut-off date to August 30. We expect to see more consumers agreeing to repay their outstanding debt during the course of this month," he said.

Eskom believed the programme would play a role in the Masakhane programme as it would allow consumers to begin repaying their electricity accounts.

This would bring greater stability and signal a return to normality after the services boycotts.

Gebashe said the majority of the 80-odd municipalities which had signed up with Eskom's programme were making regular payments on their electricity debts, but some had expressed problems.

"Our attitude is that if municipalities come to us with their problems, we will make every effort to accommodate them," Gebashe said. "Our aim is not to cut people off but we will do so as a last resort."

The total debt owed to Eskom as a result of nonpayment amounted to R1.6bn and was split between large power users, including municipalities, and smaller residential and business users.

Eskom's bad debt trend was moving downwards, however, and this looked set to continue.

In previous years, Eskom had provided an average of R45bn a year for bad debts. However, this had been brought down to about R150m over the past year.

Health, transport try to put brakes on AIDS

Nomavenda Mathiane

THE transport and health ministries would collaborate to promote an educational campaign, dubbed "Freight Industry, Health and Transport Put Brakes on AIDS", which would be launched soon to deal with HIV transmission and prevention, Transport Minister Mac Maharaj said yesterday.

Delivering the keynote address at an acquired immune deficiency syndrome (AIDS) workshop in Johannesburg, Maharaj said government and the private and public sectors would have to forged an alliance to effectively combat AIDS.

He said this was needed in the transport industry in particular, because it was in a high-risk category and was also an ideal forum for disseminating preventative and educational AIDS information.

Maharaj said AIDS had initially spread through Africa along main transport routes.

He said truck drivers were in a high-risk category because they lived lonely, hard and stressful lives, and were often away from their families and homes for long periods of time.

Number of teachers static

Kevin O'Grady

THE number of state teachers had remained static during the process of rationalisation, despite claims that they had increased, an education department official said yesterday.

Responding to claims by a junior educationist that the number of teachers had increased from 380 000 to 483 000, a factor which hampered government's ability to fund salary increases, department negotiator Duncan Hinde said this was not so.

He said the number of pupils had "remained static", at 760 000, but the state was paying 10% to 20% more for teachers than that figure at any given time because of the number of substitute teachers employed to stand in for teachers on study leave and other forms of absence.

A distinction needs to be made between short-term, and people. We're paying about 1 000 teachers - it could be a little bit more - but it does not necessarily mean there are that many posts," Hinde said that it was all "unnecessary that teachers' salary increases were left to have been funded from savings achieved through the rationalisation process as we can't downsize". "

Aso reports from Pretoria that President Nelson Mandela yesterday undertook to talk up teachers' many grievances at national level, saying that their conditions of service left much to be desired.
Advice given on conversion of inner city buildings for housing

Lukanyo Mnyanda

GOVERNMENT should consider buying inner city buildings earmarked for conversion to low-cost residential accommodation and subsidise rentals, otherwise the exercise could prove too costly, says the Association of SA Quantity Surveyors.

Association president Bass Verster said that renovating inner city buildings to add a residential component needed to be studied carefully, using case studies from similar projects overseas.

However, it was likely to prove costly and would need to be heavily subsidised.

"An initial costing exercise should be carried out to determine feasibility and to provide alternative scenarios, bearing in mind the cost implications have influenced the size of homes being built for first-time buyers who receive a R15 000 government subsidy."

Verster said that rising costs had already led to a reduction in the size of freestanding homes being built with the help of the government subsidy.

An "uncomplicated" upgrading of a high rise building in a city centre could cost between R600/m² and R1 000/m², with rents in prospect at about R500. This would simply meet the costs of the upgrading, excluding the cost of the building.

The provision of services, such as water and a sewerage system, could add a further R500/m² to R1 000/m² to the cost of the renovation.

"Even if government provides a R15 000 subsidy, the price of flats in renovated buildings will mean that they are not affordable to low-income buyers. In some cases, rents could be as much as R2 500 a month or more, depending on the size of the flat and the standard of finishes," Verster said.

Government should consider buying the buildings, appoint small private contractors to undertake the conversions and subsidise rentals so it would be difficult to attract private developers to the schemes, considering the low returns they would offer.

Verster said government could also appoint a task team comprising building environment professionals and experts to look at infrastructural and social effects of the schemes.

SA's reasonable access to land meant that inner cities were not considered as an option when the shortage of accommodation was considered. But even in the case of providing homes on available land, there were affordability problems.

"We need to look for alternative solutions, such as inner city options, to meet the tremendous demand for affordable accommodation," said Verster.
Eskom to act over defaulters

By Joshua Raboroko

ESKOM is to crack down on electricity defaulters, to recover the R1.6 billion owed to it in black townships and informal settlements, where it supplies power directly to consumers, from September 1.

Eskom senior general manager (customer services) Mr Thulani Gcabašhe told a press briefing in Johannesburg yesterday that the debt was accumulated over five years in all nine provinces.

He said the majority of defaulters were in Soweto and Vaal Triangle townships where payment levels had improved since the company issued warnings.

Eskom’s credit control measures come in the wake of a massive crackdown by Gauteng local authorities on consumers who owe R3 billion in services, particularly on the East Rand, Pretoria and in Johannesburg suburbs.

Gcabašhe warned consumers to pay or face electricity cuts and said the deadline had been postponed to August 31 because of long queues at pay depots nationwide.

He said about 93 500 customers had arranged to pay since the warning and payments had improved, particularly in Soweto where more than 11 000 people had heeded the call to begin paying tariffs.

Eskom was experiencing problems in trying to recover the debt. It had negotiated with poor communities but had continued to cut off supply to those who could afford payments, Gcabašhe said.

It had also negotiated with the South African National Cynics Organisation (Sanco), which has accused the authorites of targeting poor communities.

Sanco demanded that Eskom and the municipalities refrain from cutting off services and consider the plight of poor communities.

Problems such as huge electricity bills could be solved at Eskom’s offices, although Gcabašhe said tariffs could have been higher during winter months due to increased consumption because of the cold.
Mahanyele’s housing plan angers KwaZulu-Natal

Don’t touch our housing board, say KwaZulu-Natal housing chiefs Miller and Van Eck

Housing Minister Sankie Mthembu-Mahanyele’s plans to scrap the powerful provincial housing boards and replace them with new structures have drawn strong protest from KwaZulu-Natal’s housing authorities.

“Replacing the provincial boards with consultative councils and housing development boards would be as futile as re-arranging the deck chairs on the Titanic,” says provincial housing board chairman Charles van Eck.

The boards implement policy, ensure delivery of houses and handle developers’ applications. They are not the real problem and all should not be blamed for the failures of a few, says Van Eck.

KwaZulu-Natal Housing & Local Government MEC Peter Miller backs Van Eck. “A drastic restructuring of the provincial boards and, consequently, the housing delivery process at this late stage would be counterproductive and could even jeopardise the chances of this province meeting its goals for the national housing programme,” says Miller.

Van Eck takes exception to the Minister’s “sweeping statements which impugn the integrity of my board and myself” and demands that she clarify her reported statements or apologise to the board.

Responding to the KwaZulu-Natal broadside, a spokesman for Mahanyele’s office says the Minister does not intend to scrap the KwaZulu-Natal board and therefore does not need to apologise. Only boards in difficulty will be restructured, he explains.

The new Provincial Housing & Development Act allows the ministry to leave intact those structures which are functioning well. Mahanyele said recently she intends to disband the boards to speed up administration and remove conflicts of interest to ensure delivery of the million houses promised by the ANC by 1999.

The boards comprise 18 members from business, government and community groups. They were established three years ago to advise provincial MECs, process and allocate housing subsidies.

But the boards have had a stormy lifespan. Mahanyele says “they have not been as effective and efficient as intended.”

Two of the nine provincial boards have been suspended and others reportedly have serious problems. The Auditor-General is investigating the R200m rural housing tender of the now suspended Mpumalanga board. National housing director-general Billy Cobbett resigned after uncovering irregularities here. Eastern Cape premier Arnold Stoffel fired his provincial board in May for incompetence and now has new members.

Mahanyele says the way the boards are constituted is flawed. Van Eck says the flaw is in housing policy. The policy hinges on project-linked subsidies and recognises the key role of developers but discourages their participation in delivery, he says.

Mahanyele says the boards take between three and nine months to handle developers’ applications, a process that should take no longer than six weeks. Also, progress payments from boards to developers are often late and the boards lack the know-how to evaluate project proposals.

Miller and Van Eck say delivery in KwaZulu-Natal — which has the greatest need — is accelerating, despite central government slashing the province’s allocation from R924m to R494m this year. So far, the provincial board has approved 111,253 subsidies for 252 projects compared with Gauteng’s 80,000 for 78 projects.

KwaZulu-Natal had to make do with just two engineers, compared with the 60 used by Gauteng.

Herb Payne & Justice Malala

---

**TALK OF THE TOWN**

For the man-about-town. The remarkable new cellphone/wallet/credit card/organiser pouch. Lightweight and durable. Crafted from the finest hide, like the rest of the immaculate full-leather Infiniti range — the Carry-On Roll-Aboard Suitcase, Organiser Computer Bag, Travel Bag and Toiletry Kit. Cellini Infiniti — now you’re talking.
Autonomy for the taxman

Staff transfers from civil service to revenue service become an issue

Finance Minister Trevor Manuel has introduced to parliament the declaration of independence for SA's tax collecting machinery — the SA Revenue Service Bill.

The Bill provides substantial administrative autonomy to the SA Revenue Service, though retaining ministerial control.

The enactment of a separate statutory status for Revenue will enable it to break away from general public service requirements and rules — allowing also for higher salaries and the right to buy or rent its own buildings and outsource info-tech needs.

A delicate issue remains, however, the precise way of transferring existing staff from the civil service to Revenue.

Revenue spokesman Kosie Louw says further discussions over this issue should result in one significant amendment to the Bill initially the intention was to offer staff at Inland Revenue and Customs & Excise a choice retain employment within the public service or accept full transfer to the new revenue service.

This proved unacceptable to the unions so it was decided to resort to Section 197 of the Labour Relations Act. This provides for the block transfer of all employees from a previous employer on identical terms and conditions of employment. It usually applies when a business is sold as a going concern, unless employees and the new employer agree otherwise.

Using this Section requires the immediate establishment of an interim bargaining forum to allow collective bargaining on subsequent changes to the terms and conditions of employment. Eventually, the President will be asked to make Revenue a separate sector of the public administration. Hence the need to amend the Bill.

The proposal has already received informal support within the Parliamentary Portfolio Finance Committee. It was due to come before the committee for formal approval this week.

Joe Tholoze
THE BODY POLITIC

An immoral majority?

I

in the strategy and tactics document published by the ANC ahead of its 50th national conference in December, when President Nelson Mandela will step down as party leader, the organisation identifies four constraints that have made the movement towards a “united, non-racial, non-sexist and democratic society” protracted and tortuous.

The authors say that:

- Because the liberation movement did not achieve an outright victory on the battlefield, it had to compromise to allow the ruling clique to ease itself out of power.
- The democratic movement took over an apartheid State machinery that was intact, orderly within its own rules, and in which the majority resolved to continue in their positions.
- Senior public servants, the captains of industry and editorial rooms in most of the media shared the perspective of the former government or its white opposition — all of them strategically placed to influence the agenda of transformation in favour of the privileged.
- The networks used by the regime, especially its “dirty war” both within and outside SA, remained intact, buried within the State machinery or concealed within business.

I’ll not debate whether these constraints are real or imaginary or how they can be tackled. I’ll leave that to the 5 000 delegates who will be attending the conference in Mbhatho from December 16–21.

However, I’d like to add an item to the list: the greed that permeates our society.

When the new rulers took over from the old, they simply slipped into their shoes without much thought.

They grabbed the same pay and perks without asking if the earlier practices were right or wrong. “If a Van Jaarsveld could earn so much, why can’t I?” many asked. “Do I deserve less because I’m black?”

They did not ask themselves whether Van Jaarsveld earned so much because he was a member of a small elite while the vast majority earned peanuts.

Today’s erstwhile revolutionaries, who once lived on handouts from the UN, are executives in the public and private sectors and earn more than their predecessors did. Our national morality seems to be guided by the slogan “Grab as much as you can while it lasts.”

These executives do not last long enough in positions to gain experience — the next irresistible offer is always lurking around the corner.

In their book Comrades in Business, Herbert Adam, Fredenk Van Zyl Slabbert and Kagila Moodley point out that SA has one of the highest Gini coefficients — a measure of the gap between rich and poor — in the world. Some blacks are now among the rich.

Lower grade officials accept bribe and forge cheques — “isomka (bread),” they call it — habits they acquired when every cent stolen from the boss was a strike against apartheid.

Union shop stewards are pushed into strikes by members who read in newspapers about big executive salaries.

Those without jobs turn to crime to keep up with the Majolas.

Fleetingly, the dangers are recognised in the Congress strategy document — not as a moral issue, but as an economic one. “Examples abound in many former colonies of massive disparities in the distribution of wealth and income between the new elite and the mass of the people.”

In SA, this potential danger is made acute by the fact that this class permutation will in substance reflect previous racial disparities, with a core of blacks co-opted into the white courtyard of privilege. This will then be a continuing potential source of instability and insecurity for all society.

Yes, I’ve heard the argument that if you don’t pay well, you’ll get only the mediocres in government. Also that SA could lose managers if it paid them less.

Really? Did we get the mediocres in the bush, on Robben Island or risking police and army bullets in teargas-smothered township streets? They were not paid for that.

This is a debate worth having at the conference.
BUILDERS COMPLAIN
ST(123)17/8/97

Brickbats for new housing Bill

The new housing Bill, which aims to improve building standards and protect the public from fly-by-night builders, is under attack from the Cape Master Builders Association. The Bill would make it an offence for banks to give home loans for new houses where the builders were not registered and able to give guarantees through the National Home Builders Registration Council (NHBRC).

MBA president Jonathan Mitchell said they did not believe the NHBRC was of any benefit to home owners and was of only limited value to the banks giving home loans.

The MBA had built up funds of R14-million from consumers through a 1.3 percent levy on new homes, but not one cent had been paid out to claimants for faulty work, said Mitchell.

The MBA had found defects in the foundations, internal walls and roof. Most common problems in new buildings were not covered, such as cracks in interior walls, badly fitted doors and windows, leaks, uneven tiling, poor plumbing or electrical work and collapsed ceilings, he said.

Mitchell complained that the warranty applied only if the foundations had been designed and inspected by a qualified civil engineer, whose costs were beyond the means of the smaller home owner, the person who was most in need of protection from inefficient builders.

Peter Allsopp, director of the NHBRC, said the council had settled 32 claims without spending any money, by seeing that contractors fulfilled their obligations.

The warranty covered the structural integrity of the house, including cracks. Electrical and plumbing work was not covered because it had to be certified by other agencies.

"You can have full protection as is the case overseas and you will pay five percent, but it is a question of making the system affordable," he said. "All houses must have a foundation certificate, and that is a code of conduct and not our rules."

Most contracts favoured the builder, and little protection was available unless the consumer was aware of his rights.
Bill ‘needs provision to inspect houses’

Jacob Dlamini

CAPE TOWN — An inspection mechanism would have to be built into the draft National Homeowners’ Registration Council Bill to bolster the capacity of municipalities to inspect new houses, Council of SA Banks CEO Bob Tucker said yesterday.

Tucker said a third of local government authorities lacked capacity to carry out quality assurance checks on newly built houses, and the bill would need provisions for adequate inspections.

The present inspection process, carried out by inspectors employed by municipalities, had failed and new measures were needed to protect homeowners from unscrupulous builders, he said.

The bill seeks to protect homeowners by making it compulsory for builders to register with the National Homeowners’ Registration Council. The bill gives the council statutory powers and contains provisions which would make it a criminal offence for a person to build a house without being registered. However, owner-builders would not be affected by the bill’s provisions.

Builders would be required to construct houses according to set standards and guidelines and to provide the consumer with a five-year warranty. They would be obliged to repair any defects, but if they were out of business the consumer would have the right to ask the council to pay for the repairs. In the draft, builders would be required to contribute 1.5% of the total cost of the house to the council which would then use 72% of all the funds raised to pay for repairs and to cover the cost of inspectors hired to examine all constructions.

Tucker said the council would need to be given the obligation to settle all claims lodged with it. Previous drafts had recommended that the council be obliged to settle claims only if it had “the money to do so.”

But Tucker said the council would have to run its affairs in ways that would make it possible for it to meet its obligations and to settle all claims.

Tucker said that while the banking industry did not have difficulties with the structure of the council as proposed in the draft legislation, he did not think it should be represented in the council’s board of directors.

Tucker called for the banking industry’s seats on the board to be given to consumer groups, saying that these groups would benefit from having more representatives.

The parliamentary housing committee is expected to receive submissions on the bill today from the building industry, which is opposed to its key provisions.

Louise Cook

LEGAL disputes over compensation paid to victims at the time of forced removals will further delay the resolution of claims by the Land Restitution Commission, according to the commission’s annual report.

The report, tabled in Parliament yesterday, and amendments to the Restitution Act, to the effect that a claim may be turned down where “fair and equitable” compensation had been paid at the time of the forced removal, raised the question of what constituted “fair” compensation.

“To some extent, this complicates matters, but it is hoped that the Land Claims Court will, in judgments to be handed down soon, be able to provide important legal guidelines as to how these terms . . . can be interpreted,” the report said.

Referring to the slow pace of restitution — with nearly 17 000 claims registered with the commission, 15 before the court and only one finalised in the past two years — chief restitution commissioner Joe Seremane said in the report the implementation of the Restitution Act was intricate, complex and sensitive.

“This has a debilitating effect on the speed of delivery. . . . We are confident that the problems will be ultimately satisfactorily managed.”

The report said the commission had received only 60% of the R20m requested for the 1997/98 financial year for administration and operating costs and as a “contribution” to legal aid.

“It is clear that the allocated amount is totally insufficient to cover the administrative and personnel needs of the commission. Urgent representations were made to the department of land affairs for a review . . . and for specific reasons why the request (for R20m) was cut. At the end of the reporting year, discussions were still continuing.”

The report dealt with the planned fast-track procedure for straightforward claims announced by the land affairs department nine months ago.

A way of handling these claims was expected to be devised in “the near future”, the report said.

However, once the high-profile claims in Cato Manor in KwaZulu-Natal and District Six in Cape Town were finalised, it would make a dramatic dent in the commission’s workload.

“Once this matter is resolved and the court makes a judgment almost one fifth of all claims registered at present will be removed from the register at virtually the stroke of a pen.”

Other common problems facing the commission were provincial and local authorities’ disregard for restitution in pushing ahead with development, impatience of claimants and a lack of cooperation from some landowners, the report said.
The success of the growing electricity distribution companies is trimmed. Hence, more questions whether the strategy is far
Bill, open to constitutional challenge

Jackie Donnelly

68 20/8 97

D E F

G H I

J K L

M N O

P Q R

S T U

V W X

Y Z A

B C D
A man driven to make power for the people

BRIGHT FUTURE: Eskom’s commitment to putting electrical power in every home means, for these three children, that they can now do their homework at night.

Africa was started by Khoza’s predecessors (he gives them full credit for the job they initiated), power for the people has become almost as passion for the new chairman. Providing electricity to at least 300,000 homes each year is a marathon job, made more difficult by the theft of copper wire and other irreplaceables. Khoza says, five years down the track, most, if not all, South Africans will have access to power.

While the chairman has a very practical approach to life, he is also something of a dreamer. He imagines ordinary men and women who will benefit from his organisation’s efforts.

“Instead of the dim, flickering light of candles and lamps, I see bright electric light,” he says. “Instead of poor discouraged students trying desperately to study in appalling conditions, I see proud, motivated young people with perfect illumination, using computers and other modern aids I see them achieving great honours in academic institutions all over the world as their true worth is allowed to emerge, helped by the miracle of electricity.”

He points out that electricity in South Africa is the cheapest in the world. This has made industrial growth in South Africa possible. “Our mines and manufacturing industry enjoy a significant advantage in terms of low-cost electrical energy inputs,” he said.

But his faith in the future is not limited to South Africa. Already new power lines are spanning the continent, moving vast amounts of energy to sub-Saharan countries. New hydro-electric projects are powering new industries and economies and economies are booming as the handicaps of power shortages are removed and electrification spreads like wildfire across the sub-continent.

Khoza believes South Africa can play a major role in providing support structures for our neighbours,” he said. Thus, at any rate, at how views Eskom’s involvement in Mozambique where they play the role of catalyst to stimulate much-needed economic growth. Mozal, from Khoza’s view, is mainly an extension of Eskom’s relationship with Gencor.

He points out that Alsat’s smelters at Richard’s Bay are profitable because Eskom reached a carefully-crafted deal with Gencor where the price of electricity fluctuates according to movement of the London Metal Exchange. “The Mozal deal is similar in principle, with uncertain adaptations to accommodate the Mozambican authorities,” he said.

A similar situation exists in Namibia where Eskom is co-operating with Nampower in building a gas-fired power station scheduled for completion in the next five years. Further afield in Africa, they are searching for opportunities to become involved “as a worthy partner, working with our counterparts on the basis of full mutual respect.”

“Take comfort from the fact that Eskom has been grappling with the African challenge for many years,” he said. “Now we must position ourselves for a new, continuing — and competitive — reality.” Companies such as East Midlands Electricity and Electricité de France are moving in, not only further afield in Africa but right here on our turf. They are hungry for expansion and acquisitions. We have a good base of expertise but we don’t really know how good we are. The world is a competitive marketplace and we must learn how to compete in that marketplace.

“Take comfort from the fact that Eskom is not the only company with new challenges,” he says. “The privatisation of major utilities in the West will also pose new challenges for us.”

His vision of his own country’s future is hopeful that “When I look ahead, I don’t see palls of smoke hanging in the air from thousands of fires and stoves. As the network of power lines spreads across the country, I see many more industrial and commercial centres being established; there is no longer room for those who cannot or will not have their needs met.”

The Afrikaner is described as each one of us,” he adds. (Winna Grahame is an assistant editor on The Star)
New housing law protects consumers

Nomavenda Mathiane

CONSUMERS stood to gain from proposed legislation aimed at regulating the building construction industry, Meadowlands 97 committee chairman Moses Mapola told the parliamentary housing committee on Monday.

Mapola, who for the past nine years has had running battles with the developer that built his home, one of 97 houses erected in Meadowlands Zone 3 in Soweto, told the committee that ordinary people had to be protected from unscrupulous "fly-by-night" construction companies.

He said the Meadowlands houses were built in 1988 by Piet Smut, who had since gone into liquidation and could not be found. He said judgements had been served against Smut but there had been no response.

Mapola said the houses were defective, had poor workmanship, poor design and were built with inferior materials. "We live in houses we cannot resell or improve because they are devalued due to their low building standards," he said.

Mapola proposed that developers be subject to registration and that a compensation fund be established for consumers who fall prey to bad contractors.

The Council of SA Banks (Cosah) had instructed engineering consultants to conduct a technical assessment of the 97 houses, Cosah spokesman Sharon Trail said.

Trail, who also attended the parliamentary submissions and supports the legislation, said consumers were not protected from developers who exploited the ignorance of the "first home buyer." She commended the work and perseverance of the Meadowlands 97 committee, saying that Johannesburg's western metropolitan substructure had now set aside a budget to assist with the repair of the houses.

She said there was now a task team consisting of the banks, a legal firm, local government representatives and the Meadowlands 97 committee working on resolving the problem.
Housing capacity offer for arms deal

Stephen Laufer

GERMAN arms manufacturers have told the SA government they will create the capacity to build 20 000 houses a year as part of a countertrade deal if they win contracts to supply ships and aircraft to the defence force.

Presenting a package including corvettes, submarines, helicopters, and jet and maritime patrol aircraft yesterday, representatives of the German consortium promised substantial investment in SA and an increase in trade between the two countries if the deal goes ahead.

Daimler-Benz Aerospace and Thyssen shipbuilding consortium representatives met Defence Minister Joe Modise, Trade and Industry Minister Alec Irwin and Mineral and Energy Affairs Minister Penuell Maduna, who is a member of the cabinet committee on arms exports, in Cape Town. Senior defence force officers were also present.

The scheme to build specially designed 46m² prefabricated houses would create 2 000 jobs. The offer includes assistance in setting up small, medium, and micro-businesses, with emphasis on black empowerment.

- Five commercial parks built as part of the deal would provide 600 jobs in car repairing, retail, carpentry, plumbing and baking. There would be training schemes for SA workers.

It is understood that Daimler-Benz Aerospace is negotiating with three potential partners in SA to build the AT 2000 jet fighter-trainer in a three-way deal including Hyundai of Korea. The worldwide market for the advanced aircraft is about 2 700.

SA defence industry participants in the AT 2000 partnership would supply cockpit avionics, communications technology, attack, and other systems and have access to German-advanced technology. Experts believe about 150 aircraft could be assembled in SA for worldwide sale over 25 years.

Four Cougar maritime helicopters would be built with Denel aviation and Eurocopter would supply light utility helicopters to replace the SA Air Force's ageing Alouettes.

German navy U-206A submarines would be transferred to the SA navy, possibly as a stopgap until the supply of new U-206As next century.

Meanwhile, it was confirmed yesterday that a Spanish arms package is likely to be tabled soon. Sources said it would include a proposal by the Bazán shipyard, which won the cancelled corvette tender two years ago, to supply ships, and a proposal for maritime patrol aircraft from Casa.
State will restructure electricity distribution

JOHANNESBURG - The electricity distribution industry would be restructured into regional distributors to boost electricity delivery to 2.5 million households by 2000, Penuell Maduna, the energy minister, said last week.

He said the most pressing challenges facing the troubled industry included the disparity in the cost of supplying electricity; the electrification targets and costs, which varied widely by region; differences in service and supply quality standards and the funding of municipal services.

Speaking at the launch of the restructuring process in Pretoria last week, he said Cabinet approved the consolidation of the distribution industry and set up a state team to drive the process, which should be implemented by the middle of next year.

A national electrification fund would be set up to bolster the financial muscles of the distributors' structure and had to be determined.

The government has also approved the introduction of cost-effective tariffs, an electrification levy and a capped tax for part funding of municipal services.

The South African Local Government Association (Salga) said regional distributors must be the sole supplier of electricity within their jurisdictions.

"Ownership of all electricity distribution assets, including those of Eskom, should be seen as community property and be transferred to the appropriate regional electricity distributor," Colin Matjila, the Salga chairman, said.

Eskom suggested the electricity supply industry be restructured through "corporatisation" and Eskom be converted into a company by an act of parliament.
Consensus on electricity restructuring

Robyn Chalmers

BROAD consensus on restructuring the R20bn electricity distribution industry — the biggest such exercise undertaken in SA — was forged at a workshop for stakeholders on Friday.

Mineral and Energy Minister Penuel Maduna told the workshop that the industry was in crisis and government recognised the action needed to be taken as soon as possible.

Stakeholders had been invited to nominate members to a stakeholders' advisory committee, which would in turn advise on a full-time professional transformation team. “The stakeholders' committee should be set up as early as next month with a transformation team operational by November.”

Maduna said there was gross inefficiency in service delivery, with more than 2,500 different tariffs and an inability by some municipalities to pay their debts to Eskom.

The cabinet recently approved rec-

Continued on Page 2

Electricity

Continued from Page 1

Public Enterprises Minister Stella Sigcau said Eskom carried most of the burden of distributing electricity. The proposed restructuring would go a long way towards alleviating that burden.

“The regional electricity distributors will be completely viable entities, so the problem of who (Eskom or municipalities) collects payment will not be an issue anymore either.”

Sigcau said she was aware of industry concerns regarding proposals that Eskom pay tax and dividends — it is exempt from both — particularly regarding its impact on the low cost of electricity. This issue would be fully debated with each industry concerned.

“We need to level the playing fields as other parastatals such as Transnet have to pay tax and dividends.”
Accessing home loans a problem of the past?

By Ido Lekota
Political Reporter

THE plight of millions of South Africans who currently cannot borrow money from the banks to buy and build their houses may soon come to an end, the National Council of Provinces housing committee heard yesterday.

Addressing the committee, National Housing Finance Corporation (NHFC) chief executive officer Johan De Rieder confirmed that discussions with a major bank (believed to be First National Bank) are in their final stages. De Rieder would not "deny or confirm" the name of the institution "because of the sensitivity around the issue".

The move could see more than 80 percent of home-seekers gaining access to finance through a bank. Current reports indicate banks are granting housing loans to only 20 percent of home-seekers.

Poorest of poor

The NHFC was formed by the Ministry of Housing in May 1996 as a way of supplementing the government housing subsidy scheme by granting loans to institutions prepared to fund low cost housing.

According to De Rieder the NHFC was formed to supplement major banks who were funding mostly people earning a minimum of R3 000 per month. "New and better ways had to be found to draw in those below the R3 000 income level and those earning a minimum of R800," he explained.

However, concern was raised by members of the committee that most funding did not reach "the poorest of the poor". In response De Rieder said NHFC was gradually moving into the market where the "poorest of the poor" including the informally employed were located.
Game plan brings new meaning to power play

Electricity utility takes a line on vertical integration, much to the dismay of commerce and industry

Government last week recommended that five regional electricity distributors take over the national task performed by more than 400 municipalities — and Eskom.

But, says Eskom's CE Allen Morgan, this "big bang" approach might not be the best way to go. Instead, he suggests the formation of a single holding company to take over nationwide distribution, "with the option of unbundling within the next five years or so" as a mechanism for transformation.

This controversial view seems to undermine widely held suspicions that Eskom's game plan is to vertically integrate the electricity industry. And it also seems to fit in with legislation now before government to change Eskom's semi-independent public corporation role to that of an organ of government, like Transnet.

Part of this proposed restructuring is to force Eskom to pay company tax in future, as well as dividends on profits to government. Which is not supported by the SA Chamber of Business (Sacob) as necessary for privatisation — or even proper "commercialisation" — notes Morgan points out that it would help shift Eskom's R1,2bn/year electrification costs burden on to the shoulders of the fiscus.

Since 1994, says Morgan, Eskom has spent about R3bn on electrification — and returns have been dismal. So far, Eskom's bad debt write-offs total R1,3bn. Even the 42-page report of government's Electricity Restructuring Inter-Departmental Committee (Enc), jointly released last week by Mineral & Energy Affairs Minister Penwell Maduna, Public Enterprises Minister Stella Sigcau and Trade & Industry Minister Alec Erwin, cautions against placing too heavy a financial burden on the utility.

"For example, if Eskom is subject to taxes, and is expected to pay an after-tax dividend and to maintain sound debt to equity ratios, it will be unable to commit to a 25% real reduction in the transmission tariff to distribution by the year 2000," says the Enc report.

A major concern is also Eskom's undertaking to keep electricity tariff increases at 2%-3% below inflation could be jeopardised by its growing electrification and bad debt burdens. With cheap electricity one of SA's major industrial and mining competitive advantages, keeping tariffs at low levels is crucial for global competitiveness.

Enc says to meet the electrification target of 460,000 houses/year over the next 10 years, a "levy" of about 1c/kWh (or about 5% of the average bill) be implemented.

Municipalities should be given the authority to tax electricity with an excuse tax "within a limit set by government and reg-
A but not enough speed
Promises, promises

The provision of low-cost housing still needs to shift a gear. It is no mean trick to provide

Building blocks of life
FROM HOME TO HOME: WARM WISHES TO OUR FRIENDS

Antis the Trend

Becoming a part of your home environment

Against the trend

Grow with their nature's order, order and

greats in the era change, with majestic pride.

12. (11) 74-7479

Fox Lake

Lake Front

Front of the nature, paved by the river from the

north, warm and majestic in the wild. Its

beauty in the era change, with majestic pride.

Come, home to home, warm wishes to our friends.

Warm, from the heart.

s. jo 12, once
Central Statistical Service

There was an increase in the number of people employed in the service. In the past year, the number of people employed in the service increased by 500. This is due to the expansion of the service and the need for more people to handle the increasing amount of data.

The following table shows the number of people employed in the service for the past three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2000</td>
</tr>
<tr>
<td>2016</td>
<td>2500</td>
</tr>
<tr>
<td>2017</td>
<td>3000</td>
</tr>
</tbody>
</table>

The service is currently expanding and the number of employees is expected to increase further in the coming years.

Forest

The Ministry of Forest Affairs is responsible for the management and conservation of the country's forests. The ministry is also responsible for the protection of wildlife and the development of the timber industry.

In 2017, the ministry began a new program to plant 1 million trees in the country. This program is expected to increase the number of trees in the country by 25% over the next five years.

The following table shows the number of trees planted by the ministry for the past three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Trees Planted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>200,000</td>
</tr>
<tr>
<td>2016</td>
<td>250,000</td>
</tr>
<tr>
<td>2017</td>
<td>300,000</td>
</tr>
</tbody>
</table>

The ministry is also working on a new program to protect wildlife and the development of the timber industry.

Education

The Ministry of Education is responsible for the provision of education in the country. The ministry is also responsible for the development of the education system and the provision of educational resources.

In 2017, the ministry began a new program to provide education to all children in the country. This program is expected to increase the number of children enrolled in school by 25% over the next five years.

The following table shows the number of children enrolled in school for the past three years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>200,000</td>
</tr>
<tr>
<td>2016</td>
<td>250,000</td>
</tr>
<tr>
<td>2017</td>
<td>300,000</td>
</tr>
</tbody>
</table>

The ministry is also working on a new program to improve the quality of education and to increase the number of teachers in the country.
(a) Deregulate the Food and Drug Administration (FDA) to speed up the approval process for new drugs.

(b) Increase funding for the National Institutes of Health (NIH) to accelerate biomedical research.

(c) Implement a universal health care system to ensure access to care for all Americans.

(d) Establish a national health data network to coordinate patient care across different health systems.

(e) Expand Medicare and Medicaid to cover more Americans, particularly the elderly and low-income populations.

(f) Reduce the cost of prescription drugs by increasing competition and negotiating better prices with pharmaceutical companies.

(g) Develop new technologies to combat emerging diseases, such as pandemics.

(h) Increase funding for mental health research and services to address the growing need for mental health support.

(i) Expand funding for community health centers to improve access to primary care in underserved areas.

(j) Implement a national mental health strategy to address the mental health crisis in the United States.

(k) Increase funding for medical research and development to find cures for chronic diseases.

(l) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(m) Expand funding for behavioral health care services to address the growing need for mental health support.

(n) Increase funding for medical research and development to find cures for chronic diseases.

(o) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(p) Increase funding for medical research and development to find cures for chronic diseases.

(q) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(r) Increase funding for medical research and development to find cures for chronic diseases.

(s) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(t) Increase funding for medical research and development to find cures for chronic diseases.

(u) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(v) Increase funding for medical research and development to find cures for chronic diseases.

(w) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(x) Increase funding for medical research and development to find cures for chronic diseases.

(y) Establish a national health care ombudsman to ensure patients have access to high-quality care.

(z) Increase funding for medical research and development to find cures for chronic diseases.
CV to justify his appointment. The vast amount of detail in the CV cannot hide the fact that he does not have the proper qualifications for the job. He was clearly a struggling lawyer [Interjections].

The DEPUTY SPEAKER Order! Mrs M S CAMERER. As the previous speaker has said he has a B Proc and practised as an attorney for a few years with A M Omar and then on his own [Interjections]. His CV is silent as to how long he practised as an attorney with anybody

Normally we attorneys brief senior counsel in order to get the best advice. Without exception, previous Chief State Law Advisers have been senior counsel. What is the point of appointing a Chief State Law Adviser who has to have an adviser in order to give the Government the right advice? This is affirmative action gone mad [Interjections].

The fact that the hon the Minister of Justice has appointed Mr Daniels to this important post is clearly an indication that he has a great deal of confidence in the advice of the Department of Justice. He has had an opportunity to assess him as an adviser during the past three years and they probably did a lot of legal work together in the period before that. But is the hon the Minister of Justice the good opinion of Mr Daniels an adequate qualification for this post? [Interjections]. This post is traditionally one of the top legal jobs in the administration of this country. After all, the Chief State Law Adviser is the Government's top legal adviser and the Government must be able to rely absolutely on his advice. He is the Jeremy Gauntlett of the Public Service [Time expired].

Mr D M BAKKER Madam Speaker, the hon the Minister is so predictable that I did not expect him to say anything other than what he did. In his short term in office he has been directly involved in several unfortunate accidents through which he has politicised the administration of justice in our country [Interjections].

His biggest mistake is not to protect white men, as he claimed, but the manner in which he tries to make politics out of every matter and disregards the guarantees contained in our Constitution. He forms part of a generation that still sees everything in racial terms and cannot accept that most South Africans, including white public servants, want to build a better South Africa [Interjections]. He must start to realise that there is a new generation who, as part of the general public, is concerned not only about the race of a public servant, but also about effective governance and the improvement of the living conditions of our people [Time expired].

The MINISTER OF JUSTICE Madam Speaker, the hon member Sheila Camerer says that I am obviously loyal to my friends. I agree with her. I am loyal to my friends. The implication of her statement is that her people are not loyal to their friends [Laughter]. I agree with her. They are not loyal to their friends. They stab each other in the back whenever it suits them. They dump each other whenever it suits them. I am very loyal to my friends and I am very happy about that.

But when it comes to making appointments, such as this appointment, this appointment to the position of Chief State Law Adviser, and appointments to the positions of deputy directors-general in the Department of Justice, Mr Daniels good opinion of Mr Daniels an adequate qualification for this post? [Interjections]. This post is traditionally one of the top legal jobs in the administration of this country. After all, the Chief State Law Adviser is the Government's top legal adviser and the Government must be able to rely absolutely on his advice. He is the Jeremy Gauntlett of the Public Service [Time expired].

Mr D M BAKKER Madam Speaker, the hon the Minister is so predictable that I did not expect him to say anything other than what he did. In his short term in office he has been directly involved in several unfortunate accidents through which he has politicised the administration of justice in our country [Interjections].

His biggest mistake is not to protect white men, as he claimed, but the manner in which he tries to make politics out of every matter and disregards the guarantees contained in our Constitution. He forms part of a generation that still sees everything in racial terms and cannot accept that most South Africans, including white public servants, want to build a better South Africa [Interjections]. He must start to realise that there is a new generation who, as part of the general public, is concerned not only about the race of a public servant, but also about effective governance and the improvement of the living conditions of our people [Time expired].

The DEPUTY SPEAKER Order! Mrs M S CAMERER. As the previous speaker has said he has a B Proc and practised as an attorney for a few years with A M Omar and then on his own [Interjections]. His CV is silent as to how long he practised as an attorney with anybody

Normally we attorneys brief senior counsel in order to get the best advice. Without exception, previous Chief State Law Advisers have been senior counsel. What is the point of appointing a Chief State Law Adviser who has to have an adviser in order to give the Government the right advice? This is affirmative action gone mad [Interjections].

The fact that the hon the Minister of Justice has appointed Mr Daniels to this important post is clearly an indication that he has a great deal of confidence in the advice of the Department of Justice. He has had an opportunity to assess him as an adviser during the past three years and they probably did a lot of legal work together in the period before that. But is the hon the Minister of Justice the good opinion of Mr Daniels an adequate qualification for this post? [Interjections]. This post is traditionally one of the top legal jobs in the administration of this country. After all, the Chief State Law Adviser is the Government's top legal adviser and the Government must be able to rely absolutely on his advice. He is the Jeremy Gauntlett of the Public Service [Time expired].

Mr D M BAKKER Madam Speaker, the hon the Minister is so predictable that I did not expect him to say anything other than what he did. In his short term in office he has been directly involved in several unfortunate accidents through which he has politicised the administration of justice in our country [Interjections].

His biggest mistake is not to protect white men, as he claimed, but the manner in which he tries to make politics out of every matter and disregards the guarantees contained in our Constitution. He forms part of a generation that still sees everything in racial terms and cannot accept that most South Africans, including white public servants, want to build a better South Africa [Interactions]. He must start to realise that there is a new generation who, as part of the general public, is concerned not only about the race of a public servant, but also about effective governance and the improvement of the living conditions of our people [Time expired].

The MINISTER OF JUSTICE Madam Speaker, the hon member Sheila Camerer says that I am obviously loyal to my friends. I agree with her. I am loyal to my friends. The implication of her statement is that her people are not loyal to their friends [Laughter]. I agree with her. They are not loyal to their friends. They stab each other in the back whenever it suits them. They dump each other whenever it suits them. I am very loyal to my friends and I am very happy about that.

But when it comes to making appointments, such as this appointment, this appointment to the position of Chief State Law Adviser, and appointments to the positions of deputy directors-general in the Department of Justice, they made certain recommendations. I did not like one or two of them, but I followed their recommendations and made the appointments Incidentally - Mr Bakker does not know this - one of them is white and a male. He is much happier now than he was when that member's party was in government [Laughter].

I do not know why the hon Sheila Camerer should try to advertise on behalf of some other advocate whom she has named. I am sure he is happy to receive the free advertisement. But so far as we are concerned, over the past couple of years we have followed the same procedure we follow in our department with regard to appointments, also with regard to judges.

Under the member's government, all appointments were political appointments. Every one of them. Why? It was because the politicians made the appointments [Interjections]. That is no aspersion on the judges, it is an aspersion on you [Interjections]. [Time expired]
extent to which this Ministry is addressing problems inherited by this new Government is applauded by the portfolio committee. We have inherited nuke dumps. We all agree that gold was the engine of economic growth in this country but it has left behind a legacy of illness. The community of Maile in the Northern Province is destitute for ever to breathe asbestos and dust, and to die therefrom. The damage cannot be undone.

The apartheid government protected Thor Chemicals. I want to tell the Minister that we are pleased that we have the commission and that the findings have now been made public. We must learn from such commissions. Thor Chemicals paid poisoned persons R9.4 million collectively after a long court battle. One of the poisoned workers, Eric Mkize, has this to say.

How can I be happy because I will never be well again?

Hon members should take note that money cannot buy health. Toxic waste is finding its way onto dump sites that are not licensed. We in this country inherited more than 1.200 dump sites from the apartheid regime, of which 1 000 are unlicensed.

Toxic waste is found in places it should not be, it is entering our country and the incident of Thor Chemicals proves that we cannot control it at this time. While we cannot even control our own hazardous waste, we should not think of the possibility of importing waste for any reason. Tox: waste always ends up in those communities that do not have the resources to fight. Polokwane should therefore ensure that they never have to fight. In March and again in April this year, we had radioactive leakages at Koeberg nuclear power station. At Vaalputs communities were potentially at risk, because of leakages from the nuclear waste stored there.

In Port Elizabeth medical waste is burnt in an inverter. Toux: fumes drift over the nearby community causing serious illnesses. With more than 1 000 illegal dump sites inherited from the previous regime a great deal of medical waste ends up piled up in places where our children play.

Hon members may remember not so long ago how dumped sweets were taken and sold to small children.

Africa is urgently needed, given the secrecy surrounding the nuclear industry. A major problem of nuclear power is the disposal of nuclear waste, which remains toxic for thousands of years.

In conclusion, we need a paradigm shift if we are serious about waste management. There is a need for us to change our lifestyles. We need to move away from the consumer to a conserve economy. [Time expired]

The Minister of Environmental Affairs and Tourism Madam Speaker, I thank the hon members for their contributions. Just to assist the House, I will continue with what I was saying earlier.

It is absolutely true that we have inherited a very bad situation from the previous government, but what we are trying to do with respect to waste management and pollution control is, in the first instance, to encourage the reuse and recycling of waste. Many of the small medium-sized and micro enterprises whom we now find in our townships could actually participate in various forms of recycling and reuse of waste. With respect to energy sources. I think it is high time that South Africa began to look at renewable energy sources. When one was visiting various European countries during the course of this year, one saw for example that the use of renewable energy was quite advanced in many of these countries. We should turn our attention to some of those processes which might, of course, obviate the need to develop our nuclear energy programme much further.

At the end of the day, however, I would say that the plea of waste management especially is going to bend down to how we conduct ourselves in our individual households. In the course of unfolding our waste management policy, we are going to be launching antithetical campaigns and also encouraging households to separate their waste so that it can be recycled, so that that which is reusable can be reused and that which is organic can go into compost, etc. can be used in that fashion. [Time expired]

Mr I RICHARDS Madam Speaker do we still remember Mr Peter Cele and Mr Engelbert Ngcobo? They were victims of the lack of a waste management strategy in the RSA. Mr Cele and Mr Ngcobo would have been alive today if South Africa had had an integrated waste management strategy in place during the 1990s. They were unfortunate enough to work for Thor Chemicals and they died of mercury poisoning.

As the Minister has indicated, this Government has identified waste management as a priority and is putting in place an integrated waste management policy. This policy will emphasize the minimization and seek to control and manage our waste. This policy is highly commendable and long overdue, and certainly a credit to the Minister.

However, on the Witwatersrand and in the Goldfields the environment is ruined by man-made yellow mountains emitting yellow dust faced with high percentage of cyanide. I do not have to spell out the causes. Unfortunately all apartheid townships were built around these yellow man-made mountains, and it is only black people who now have to inhale and suffer these emissions of yellow cyanide. They have to learn to live with that. Statistics are not freely available, but the doctors who practise in the area will tell you that the direct result of the cyanide that is being breathed is that people in these areas suffer from asthma and cancer. [Time expired]

Ms G L MAHLANGU Madam Speaker, the changes brought about by the hon the Minister in this Ministry in such a short space of time are remarkable. Through our policy we want to ensure that people in these townships are not exposed to the cyanide. We must focus on the minimization of waste. We cannot continue to use the available land to dump our waste. This is land which could be utilized for housing or agriculture.

We must not only address the problem of pollution which result from industry but we must also focus on purification technology. We have the opportunity to ensure that we do not take the path of our northern cousins who have polluted their countries and produced all that toxic waste which they are now trying to dump on us.

This policy which the hon the Minister is engaged in will ensure that South Africa becomes a nation not only in economic growth but also in the quality of the air we breathe and the water we drink. We would like to thank the hon the Minister forv for giving us this opportunity to save our fellow citizens in such a serious light and for putting waste management at the top of his agenda.
The MINISTER OF ENVIRONMENTAL AFFAIRS AND TOURISM Madam Speaker, that is a hard act for me to follow. I think it is proper to say also that with respect to the hon member's remarks about the problems arising from mining, I can say from this House that through cooperation between my Ministry and those of Minerals and Energy and Water Affairs and Forestry, we hope to produce far better results in the future and to avoid the sorts of hazards that mining has produced in the past, especially for disadvantaged communities. I think we have been fortunate in winning the cooperation of fellow Ministers and other departments in the pursuance of our waste management policy. At the end of the day we have to insist that our local governments, our provincial governments and, of course, our ordinary citizens also take much firmer hand with respect to waste management.

One of the things that alarmed me when we began to look at waste management was the discovery that the chief items of waste in South Africa are, among other things, smokers' dead matches and cigarette stubs. I think the Minister of Health will agree with us that this is another hazard that smoking presents to our country.

Delete concluded.

Care for injured/maligned/aged ex-miners provided

Dr K RAJOO asked the Minister of Minerals and Energy whether his Department intends setting up a fund with contributions from the mining houses to provide adequate care for injured, maimed and aged ex-miners, if not, why not, if so, what are the relevant details?

N259E INT

The DEPUTY MINISTER OF MINERALS AND ENERGY Madam Speaker, the reply to the question is that the Department of Minerals and Energy is not considering setting up any fund to care for the injured, maimed and aged ex-miners. The Occupational Diseases in Mines and Works Act of 1973 provides compensation for these ex-miners and the Compensation for Occupational Injuries and Diseases Act of 1993 already caters for contributions from mining houses and compensation. Penalties or provident funds are also normally negotiated between employees and mining houses as a condition of service. Dr K RAJOO Madam Speaker, I am very disappointed with the answer with which the Deputy Minister has furnished this House. We have specifically asked whether the Department is prepared to set up a fund with contributions from the mining houses considering the fact that hardly anything is being done for ex-miners in this country.

If one looks at the history of miners in this country, a meagre R2 000 is given to an ex-miner who goes on to live in abject poverty and perhaps to become a beggar in the land of his birth, this after working in and contributing to the most prosperous industries in this land.

I am surprised that the Deputy Minister could say that her Ministry is not prepared to do anything, considering the fact that all the mines and the minerals in this country are owned by large mining corporations which are basically white and that the tremendous number of people who work in the mines are basically black. The number of people who die in the mines are therefore black. The people who are injured are black and those who go back to the homelands to die in abject poverty are black. Yet this new democratic Government is telling me that they are not prepared to do anything because the mining houses are not doing anything.

We would like to ask the following. The Mine Health and Safety Act, 1996, which came into effect on 15 June 1997, brought about a revolution. He says, in methods of achieving health and safety conditions in the mining industry, which I presume will also include those miners who have served the needs of the nation.

Yet the Minister tells me that he is prepared to do nothing and that he is satisfied with what has been done. I am astounded, considering that the Minister has articulated vociferously that he is not prepared to accept what the mining houses have been doing or the way the Mines and Minerals Act has been interpreted and implemented in this country I would like to ask whether the Minister has a policy or plan to measure radioactive factors in respect of miners in this country.

The Nuclear Energy Act has just become applicable. The survey by the Atomic Energy Corporation has just become applicable. Has the Minister done a survey of what has happened over the last three years, since this Government came into power? Does the Minister care about the miners? Does he care about the masters of the people, blacks, who suffer in the mines and who do not get adequate compensation? Yet he comes to me with an answer which is half-baked and does not satisfy me, this House, this nation or the thousands of blacks who are working with their hands. This is the issue that I would like him to address.

[Interjections] [Time expired]

MzN S B MFAYELA Somolomo namalanga ahlomphhekile, ngumuntu nje eononla kuphela oakhele abone ukuthi eMpondweni lo wezoku-Mbhwa phansi nezizimlaMelidile kaBhezenza Umtunza makaqale ngokukuzhangwa lokho.

Mhlawumbe esikhala ngakho agengoba kakhulumele kaLange, akukhona ukuthi umsebenzisa awunakakal, kowda kakhulwa ngoba kakhona lapho kunafikekenga khona, ngoba kugweneze esikhala esizahle yokhona esikhala elapho, umolweni abantu abagcane beyo naye emakhaya incume Lokho okukhulzenkwa ngakho abantu akufuni lapho kucinelele abantu bokwazi khona ukuzhilwa bona kansa nemndeni yabo Mame loku kuyakhaloko sokuthi ukulunzena abekele ukuthi ukuqhenezwa swanda kaqane ukuse kubonakale ukuthi lokho abantu abakuhlolo, akufuni lapho kuqhelele kuqhele lekhona (Translator of Zulu speech follows)

[Mr S B MFAYELA Madam Speaker and hon members, it is only those who do not realise that the Department of Minerals and Energy is really working. I think the first step is to express appreciation for this.

Perhaps the minor complaints that arise from our side are not due to the fact that the work being done is not visible, but due to the fact that there are desired targets which could not be met and therefore there are gaps which we have identified. As we have mentioned, people take home too little money. What is provided for people is not enough to maintain them and their families. The complaint here is that the Government should look at how the problem of meagre payments can be solved cooperatively.

The DEPUTY MINISTER OF MINERALS AND ENERGY Madam Speaker, I want to point out to Dr Rajoo that no organisation has managed to articulate the plight and social state of our people in this country as effectively as the ANC I think. Dr Rajoo knows that this is a fact. He was part of the government in the past. We are the first Government to be able to address the problems in the mining industry. We are the first Government to make sure that we come up with proper regulations in this particular area of health and safety.

I want to point out to Dr Rajoo that there is no way this department is going to introduce a further levy for the business sector and therefore increase the burden in the form of levies we have currently. I also want to say that I do not know whether Dr Rajoo has his facts straight, because employers and employees are involved in the whole issue of workers who have been injured in the mining sector, to see how they can improve the quality of life of people who have been injured at their workplace.

Not only that, the hon member is quite aware that through the Mine Health and Safety Act, we have introduced tripartite structures to look at the industry as a whole and to address its problems. Therefore the issue of upgrading the social standards of workers who have been injured in the mining industry has been addressed. For instance, they have co-operatives in the rural communities and areas where they come from. These are issues which are restricting this problem.

The Act itself also ensures that the kind of compensation which people are being paid is sufficient to meet their needs in different areas.

Dr K RAJOO Madam Speaker and Deputy Minister please be aware that I am well informed. [Interjections] Please be aware that I have done research on the matter that I am talking about. Let no one take for granted that I am ignorant about the rights because I have worked hard on them and therefore I know what I am talking about.

[Interjections]

Members should not question me as if I do not know anything. [Interjections] I want to tell the Deputy Minister that on 14 May 1997 10 miners died and 24 were injured. six of them critically at Deelkrans, which must have caused the Minister to flee down there from Cape Town. We appreciate that, because he showed compassion. We are not
Mediac Ruthers Research into Changes at Work

The second phase, which starts this year, focuses on resources for housing, energy and construction. The housing and energy sectors are crucial for the economy, and the government is committed to ensuring that the needs of the people are met. The government has allocated resources to support the development of new housing projects and energy efficiency improvements. The focus is on creating sustainable and affordable housing solutions.

The executive committee also agreed to establish a special committee of experts to develop proposals for such processes. The goal is to ensure that the proposals are comprehensive and effective. The special committee will work closely with the government and other stakeholders to develop strategies that will benefit the entire country.

In addition to the special committees, the government has also allocated resources to support research and development in the fields of housing and energy. The government has committed to investing in research and development to support the development of new technologies and solutions. The goal is to ensure that the country is at the forefront of innovation and development.

The government has also committed to increasing the number of research and development projects. This will help to stimulate economic growth and create new opportunities for businesses.

The government has also committed to increasing the number of research and development projects. This will help to stimulate economic growth and create new opportunities for businesses.
Some tough questions need to be answered if the target of one million houses by the turn of the century is to be met, says University of the Western Cape academic Gavin Lewis.

In his latest RDP Monitor, Dr Lewis says some progress is being made as pressures for delivery of houses increase. Regulations have been streamlined, better information systems have been set up, the Government is now working more closely with business and procedures in applying for the R15 000 housing subsidy have been streamlined—though there are still 203 steps to complete to get the subsidy. Rising construction figures reflect this progress.

But, he says, several questions are still unanswered:

- "Is the maximum flat rate nationwide of a R15 000 subsidy sufficient? If not, are the minimum construction standards expected unrealistic? Should the focus instead be on higher density rental accommodation or just on site-and-service schemes?"

Dr Lewis says at least some of these questions must be tackled if the housing targets are to be met.

Money for about 805 000 subsidies has been allocated, but, he points out, meeting the target means building 750 000 new houses in the next two years, or 33 000 a month, instead of the 15 000 being built on average each month at the moment.
SA’s water revolution now in full flood with new law due by ’98

‘Constitution demands review’

JOHN YELD
ENVIRONMENT REPORTER

In a move that will profoundly affect South African society, a new water law is expected to be on the statute books by the second half of next year.

This follows the Government’s approval in April of a White Paper on a national water policy for South Africa which sets out principles to guide future water management in a way that is fundamentally different to the practices of the past.

In the introduction to the White Paper, Water Affairs and Forestry Minister Kader Asmal noted that South Africa’s current water law had been formulated during a history of conquest and expansion.

“The colonial lawmakers tried to use the rules of the well-watered, colonising countries of Europe in the dry and variable climate of southern Africa.

“They harnessed the law, and the water, in the interests of the dominant class and group which had privileged access to land and economic power.”

The democratic government of President Mandela had been confronted with a situation in which the majority of South Africans had been excluded from the land and also denied direct access to water or benefits from the use of this water, Professor Asmal said.

“The victory for our democracy now demands that national water-use policy and the water law be reviewed.

“Our constitution demands this review, on the basis of fairness and equity, values which are enshrined as cornerstones of our new society. And there are other compelling reasons for it.

“Professor Asmal has since appointed a policy and strategy team to oversee the review and drafting of existing water law.

Recently, members of the team conducted a “road show” throughout the country to explain to decision makers, community leaders and the media the key principles of the White Paper and the process by which the existing legislation was being reviewed.

One of the team, Tami Sokutu, told the Cape Argus that a national Water Bill was supposed to have been ready by the end of June but that because of the complexities and the need for thorough public consultation, it would take another six months.

“We are planning to send a draft to Cabinet by December and it should then be considered by Parliament’s portfolio committee by February. We hope to have the new law by the second half of next year,” he said.

One of the key principles in the White Paper, which will be translated into the new law, is that the present “impassible system of allocation” effectively will be abolished.

“This means that the right to use water will no longer be tied to the ownership of land along rivers. Also, water-use allocations will no longer be permanent but will be given for a “reasonable” period — probably five years. With ministerial permission, these allocations will be transferable.

Mr Sokutu said the Government recognised the value of agricultural activity in the rural economy and did not believe the new legislation would prove disruptive.

Also, the Government was concerned that banks and other sectors of the business community should not interpret the White Paper as being detrimental to the economy, particularly because land prices were linked to current water rights in some instances.

However, farmers in particular appeared to have misunderstanding some of the principles involved. The whole process was geared towards achieving equity in water allocations and emerging farmers had to be given their fair share, Mr Sokutu said.

“Existing farmers will be asked to give up some of their (water) rights to people whose access to water has traditionally been blocked in the past.

“We want to avoid going to the Constitutional Court but ultimately the new legislation will probably be tested there.”

The new bill would strengthen regulations to maintain water quality and would incorporate the “polluter pays” principle. It would also give effect to the policy of charging users the full financial cost of providing access to water.

“Basically, the principle is that people who are benefitting most, must pay the most.”
the appointment of a new CEO would be premature. The board and management were concerned that bringing in a new CEO might lead to a change in direction that could be disruptive. The appointment of a new CEO would also require significant coordination and communication, which was not in the best interests of the company. The board was also concerned about the potential impact on the existing management team.

The appointment of the new CEO was a significant decision that would have a long-term impact on the company. The board and management were committed to working closely with the new CEO to ensure a smooth transition and a successful integration into the company. The appointment of the new CEO was a symbol of the board's commitment to the company's future and its dedication to its stakeholders.
new work initiatives

Committee approves

draft of Housing

Act draft of Housing Bill

titled in Parliament

Eight people murdered by gunman

ON THE HOURS

COPES TOWN, Police said that a 22-year-old man was found dead with a single gunshot wound to the head in a residential area of the town late last night. The man was identified as a local businessman who had been missing since Wednesday. A motive for the murder has not been established. Police believe the killing was gang related.

Long-awaited Housing Bill is tabled in Parliament

The government has today tabled the Long-Awaited Housing Bill in Parliament. The bill is designed to provide affordable housing to low-income families and to tackle the housing crisis in the country. The bill also aims to improve the efficiency of the housing sector and to increase transparency in the allocation of scarce housing resources.

The government has sought to address the housing crisis by providing affordable housing to low-income families and by improving the efficiency of the housing sector. The bill aims to ensure that housing is available to all sections of society and to provide greater access to housing for the poor. The bill also seeks to address the issue of land tenure and to provide greater security of tenure for tenants.
Press, politicians sign for Masakhane

MEMBERS of the media have been drawn into the Masakhane campaign to promote payment of services and are being asked to sign a pledge at Parliament today to be solid citizens.

The parliamentary press gallery, including political correspondents of the national newspapers and electronic media, will pledge "to contribute fully to the smooth running and development of the country through commitment to paying on time for services used, assessment rates and all traffic fines."

They will be joined by the national Provincial Affairs and Constitutional Development Minister, Mr Valli Moosa, and the Speaker of the National Assembly, Dr Frere Gwala. The chief whips of the seven political parties will also sign.

Failure to keep the pledge could result in defaulters’ names being published on a defaulters list.
Towards ensuring equitable access for all

Mike Müller

The possibility of a drought initiated by "El Niño" should not conceal the fact that human intervention in the management of water can have as great an effect on our national fortunes as nature's. So the debate about a new water policy is raising some substantive questions for policy analysts in the government and the private sector.

At a recent workshop organised by the Western Cape Farm Management Association, I suggested the new policy would be good for the country in general and agriculture in particular. Contrary to dire predictions, it would increase land values, raise the value of agricultural production, increase employment and stimulate the broader economy.

The real challenge was to ensure that these benefits were shared fairly between the farming "haves" and "have-nots", and that agricultural communities were helped to adapt to what one observer called "the new constitution for water".

This was not a crude attempt to provoke the farmers in my audience. The objectives of the new water policy and the law being drafted to implement it is indeed to ensure water is used in the best interests of South Africa as a whole. This cannot be achieved by restricting water use to specific farms which happen to be adjacent to rivers. The intention is to first make sure access to water is equitable but also that it is accessible to those who can make best use of it for everyone's benefit.

Professor Vink, the head of Stellenbosch's department of agricultural economics presented the results of some economic modelling of agriculture in the Western Cape which go towards saying that water policy on a more solid footing. Full details will be released later this month but his paper raised a number of interesting points.

His first conclusion was that a reduction in water availability would have a negative effect on the province's agriculture specifically and its economy more generally. Since this hypothesis is proved every time there is a major drought, it comes as no surprise. Unfortunately, the model cannot yet predict what would happen if water was used more carefully.

More surprising, Vink found that tripling water's price in the Western Cape would lead to an increase in agricultural employment! This was because the higher price would encourage use in the more productive and less labour-intensive orchards rather than in less productive vegetable and livestock production. A mere doubling in the price would absorb farmers without increasing prices for the consumer.

Opportunities for water saving were highlighted by Frans van Koogelenberg of the Western Cape's agriculture department. He reported low efficiencies of water use in this technically advanced province. Even where the best technologies were used, on-farm efficiencies were typically a low 60 percent rather than 80 percent, which should be their target.

The presentation was encouraging as they indicated the policy was moving in the right direction. The challenge is to spread this good news because what emerged from the subsequent discussion was that perceptions about the policy could have as much impact as reality.

Vink pointed out policy changes would have a negative effect on agriculture if they were perceived by farmers to be negative. And the reverse was also true. If farmers perceived the policy to be positive, it would be reflected in its impacts on agriculture. "This is more than a trival observation," he noted, "given the real weakness in water rights that farmers have in terms of existing legislation and the lack of rights of many historically disadvantaged South Africans.

An issue now under investigation is the effect of a new investment in agriculture. Farmers point out that land with access to water is worth 30 times more than that without. If water is no longer allocated in perpetuity, they fear land values will be slashed, undermining their businesses.

I demonstrated that converting permanent allocations into water law rates was what would happen is water was not allocated in perpetuity. This is how water "rights" are interpreted. In fact, 25-year allocations would yield water value by just over 3 percent in 50 years. The maximum proposed in the white paper on National Water Policy the impact would be negligible.

The proposed new water allocation system would not only preserve land values, it would also provide a predictable climate for investment. If a large investor and water user such as Eskom - which plans huge power stations for a 50-year life - wished to extend the life of a station, its water supplies would have to be assured.

Under the proposals, Eskom could, at regular intervals renegotiate and the conditions of its water allocations. Its decision to upgrade existing power stations or build new ones would thus be guided by the price and availability of water at the time, and would ensure the right technology and location were chosen.

Back on the farm, Vink welcomed the proposed mechanism whereby the life of water allocations could be extended. He emphasised that, to ensure farmers kept upgrading their investments, the allocation system should take into account all investment made in a water-dependent business rather than simply expenditure on pipes and dams. He also warned that if farmers saw they might suddenly lose their water rights, they would simply stop investing, which would in turn undermine the whole rural economy.

It is encouraging that the debate is moving to this pragmatic level. The process will continue at an irrigation policy conference later this month, jointly organised by the departments of agriculture and water affairs and forestry, to review an extensive process of provincial consultation and ensure the new water law reflects realities rather than preconceptions.

Mike Müller is director general of the water affairs and forestry department.
Masakhane!

The Government fully supports municipalities which are taking action against defaulters, and Constituent Development Pole Moses.

Speaking in a special debate in Parliament on the Masakhane campaign, he said: "We would like those councillors out there to know they are not on their own." He also encouraged those who default on payments for services to protest, "We have reached a point where even their children have to obey the rules and pay their fees."

"The culture of entitlement is the enemy of the poor," said the DP. But he said the DP was disappointed that the campaign, launched in February 1995, still had not produced the goods. More than R25 million had been spent on it in the previous financial year, while arrears on service payments had risen from one financial year to the next from R439 million to R5.5 billion.

The department says this is because of better record-keeping. "I can only hope that their record-keeping does not improve any further, so that the figure rises to R7 billion," Mr Gibson said.
"Turnaround in paying for services has begun\footnote{CT 41997 (33)}\footnote{CT 41997 (33)}\footnote{CT 41997 (33)} The rest of the MPs and delegates to the National Council of Provinces will sign today.

The impression was that squat-
ter communities were not paying for services, but "leafy suburb" residents were the worst offenders when it came to traffic fines, Moosa said.

Spokesman Mr Mpho Msi-
mane said pledge-makers' names would be checked against munic-
palities' registers of service-
receivers. Those who did not pay for services would be placed on a defaulters' list, which would be published in the media.

Defaulters would be warned first and given the chance to pay, Masiyane said.

This is Masakhane Week, to promote the campaign to get residents to pay for services.

Some members of Parliament also signed. They included the Speaker, Dr Prene Ginwala, ANC chief whip Mr Max Sisulu and other party whips.
He in the day to escape a web of clichés

Contrary to reports and expectations, Austin Powers is not so much a send-up of the Bond films as a spoof of the tacky television shows that were so popular in the '60s and '70s. The film's story is told through the eyes of Powers, a BEAM agent who has just been assigned to an undercover operation. With the help of his trusty sidekicks, Powers must navigate the treacherous world of espionage in order to save the world from the evil Dr. Evil, his deadly adversary.

The joke is that Evil had himself been a Bond villain before being captured and put away. Powers, fearing that his arch enemy would return in his absence or similarly, undergoes the same process so as to be in place to continue saving the world from the malevolent genius who would otherwise destroy it.

Waving up 30 years later, Powers finds himself an anachronism. Stuck with outdated attitudes, especially where sex is concerned, the movie's humor is often aimed at those who were around in the days of Swinging Sixties and the mod scene.

Novice scores a triumph as a symphony

Phillip Althaus
Eskom has ample power for everyone

The slogan "power to the people" has become a reality as Eskom connects up to 1,000 households a day — and the good news is that there's plenty of electricity for all.

The company has disclosed it will be able to meet all electricity demands, until after 2010 without any difficulty in spite of the huge increase in new users.

By then the company hopes to link into big hydroelectricity schemes in neighbouring African countries that should be able to supply South Africa's needs well into the next century.

The ultimate power source for the new millennium is the mighty Congo River, with its vast potential to generate electricity. Eskom energy manager Brian Statham said the company was now fully able to meet electricity demands and was not investigating new power sources or stations.

"It must be remembered we mothballed several power stations because we are well able to meet demands. When and if it becomes necessary we can bring these stations back on line," Own Correspondent 24/09/97
Moosa puts his finger on key to Masakhane

Clive Sawyer
Political Correspondent

One of the key lessons of the Masakhane campaign is that towns which make high-visibility improvements to street cleaning, lighting and roads win the co-operation of communities.

Additional positive effects can be seen where delivery made extensive use of local labour, contractors and materials, says a case study report to Valli Moosa, the Minister for Provincial Affairs and Constitutional Development.

The report, intended to help national, provincial and local governments progress with the campaign, is based on 15 cases studies of towns of varying size, at least one per province.

These showed successful strategies were “intensely local.”

There appeared to be five parts to the recipe for Masakhane success:

- The first was that to ensure long-term sustainability of service delivery, towns increased the options available to consumers.
- In one case, this meant offering consumers a choice of three levels of water supply, allowing them to choose the one that best suited their needs and budget.
- The second lesson was that communication was essential. Successes had been achieved by regular ward and community meetings, publicity campaigns, community clean-ups, sports days and using such media as local newspapers.
- “Communication with and co-operation of community organisations proved to be important, as organisations that feel excluded or have hidden agendas can become obstructive and bring delivery to a halt.”
- The third lesson was that local authorities got people to pay for services through a combination of incentives and punitive actions.
- The fourth was that a structure was needed which could respond effectively to issues.

“One particular innovation was to hire a team of 10 young people from the area to provide community liaison and aid in implementing new measures.”

A further lesson was that party politics and political factionalism at local level disrupted development.

“Successful local authorities dealt with these disruptive forces by delivering in a transparent manner, being honest about what could be achieved, and not making promises that could not be kept,” the report said.

The case studies bore testimony to the remarkable work that was being done in transforming local government in South Africa.

It was most important that the campaign was drawn up by local stakeholders to address local issues, the report said.
A survey for businesses found that most urban dwellers are satisfied with neighborhood amenities.
Water supply targets being met, says Asmal

In spite of substantial progress, 11 million still do not have access

The Government's programme to provide every household with 25 litres of water per person daily, within 200m of the household, is well on track.

At a briefing on his ministry yesterday, Water Affairs Minister Kader Asmal said 1.83 million people had received water by July this year. The magical 1 million figure had been reached in May and a further 230,000 had been reached by July.

Asmal said 11 million people still did not have adequate access to water. The recently launched so-called Bott programme - build, operate, train and transfer contracts - aimed to provide a further 3.3 million people with direct water sources, mainly in KwaZulu Natal, the Eastern Cape, Northern Province and Mpumalanga.

The initial allocation for Bott was R110.9 million in the Eastern Cape, R185.7 million in KwaZulu Natal, R253.9 million in Mpumalanga and R168.8 million in the Northern Province.

The programme is aimed at setting up a partnership between the private and public sectors. It will ensure that companies which win tenders for water supply use local labour to implement them.

In the Eastern Cape the contract was signed with Amanz Abantu, which means "water for the people".

In KwaZulu Natal the contract was signed with Aquaman, The founding members were Jeffares Green Parkman Consultants, Stocks & Stocks Civil Engineering, Aquafund, and Ernst & Young Management Services. In Mpumalanga the contract was signed with Consult Consor- tium, which includes founding members Consulitburo, Wilson Bayley Homes, Ovcon, Rainbow Construction, Coopers & Lybrand, and Kresthane SA.

In Northern Province the contract was signed with the Metsico consortium, whose founding members were Bergman Ingegara, EVN Consulting Engineers, Water & Sanitation Services South Africa, Group Five Civils, and Alhold.

A ministerial committee will report to the Cabinet next week on steps the Government can take to minimise the hardships expected from the 1997-98 El Nino weather system in southern Africa. Asmal said the disaster management committee was working up an action plan.
Census shows 3m backlog in homes

The results of the latest census indicated the housing backlog was not 1.5 million as thought in 1994, but 3 million, Housing Minister Sankie Mthembu-Mahanyele said in Cape Town today.

The figure was likely to increase with the influx of people from neighbouring states, she told a media briefing.

There was a need to move "very fast" to clear blockages in housing delivery and to improve capacity to work better and faster.

She was sure, however, that by the end of 1999 the Department of Housing would have met its goal of releasing a million housing subsidies.

However, these subsidies needed to be converted into houses.

Gauteng was leading in housing delivery because it had better capacity and management structures than other provinces. The Western Cape was delivering housing under "old dispensation" schemes.

The province was reluctant to phase these old schemes out, and the department was taking up the issue.

From August 1995 until the end of July this year, more than 322,000 homes had been built or were under construction, Ms Mthembu-Mahanyele said. - Sapa
Bond boycott deal rescued

Robyn Crammers

The agreement between the SA National Civics Organisation (Sanco) and Khayalethu Home Loans, which was intended to end bond boycotts, could be salvaged after Housing Minister Sanke Mthembu-Mahanyele intervened.

Sanco announced last month it had pulled out of the agreement as it contended Khayalethu, a major subsidiary of the SA Housing Trust, had failed to honour the terms of the agreement.

Khayalethu corporate affairs manager William Maponya said yesterday an urgent meeting had been held, attended by Mthembu-Mahanyele and Mortgage Indemnity Fund members.

"It was found that there were no major differences of opinion and that neither government, the Mortgage Indemnity Fund nor Khayalethu had any intention of undermining Sanco," Maponya said.

It had been agreed that Sanco would discuss the situation with its decision-making body and members, after which a final decision would be taken.

He was confident of a positive outcome.

Sanco secretary-general Mthongeni Ngubeni said Khayalethu had not delivered on a number of agreements. He claimed the promised delivery of low-cost houses for Khayalethu clients who could not afford to pay current prices was not implemented.
Housing deadline will be met in '99.

By Anya Koman

By Anya Koman

Wednesday, September 11, 1997

NEWS POLICIES

Housing deadline will be met in '99.

By Anya Koman

Wednesday, September 11, 1997

NEWS POLICIES
Provinces’ housing commitments frozen

Robyn Chalmers

THE national housing department has moved to rein in overspending on new housing projects by ordering all provinces to freeze their future financial commitments.

Acting director-general Neville Karsens said the freeze, expected to last several months, was a bid to improve management of overspending by some provinces and to get an understanding of the provinces’ financial commitments to low-cost housing projects.

Most provinces have been allowed to overspend after consultation with the national housing department in a bid to speed up sluggish housing delivery. However, the pace of project approvals in the Western Cape, Gauteng, Mpumalanga, Free State and Northern Cape has begun to raise concern.

“We are trying to get more accurate details on levels of contractual commitments to provinces as well as cash flows arising from these commitments in a bid to match these to our (national housing) budget,” Karsens said. It was necessary to reconcile cash flows with the national housing budget to ensure there were sufficient funds to meet new commitments. “It’s a stocktaking measure.”

Karsens said the freeze on new commitments should not affect project planning as provincial housing boards could still approve projects, but could not attach financing to them.

Provincial housing departmental figures showed that the total housing allocation to provinces since the inception of the subsidy scheme in March 1994 to end July this year was R8,6bn, of which R4,88bn — or 63,9% — had already been spent.

Between April and July this year, the Western Cape, Northern Cape, Mpumalanga, Gauteng and Free State had already spent more than 75% of their budgets.

The issue of overspending was highlighted in the recent controversy over the R300m Motherwell rural housing project, when Mpumalanga was accused of unauthorised overspending on housing.

Former housing director-general Billy Cobbert lost his job after alerting the auditor-general to alleged “gross procedural irregularities”, including the possibility of overspending against instructions.

Most housing MECs canvassed yesterday had not yet received notification of the freeze, saying they would comment only once they had done so.

See Pages 3, 13
Govt’s housing plans ‘on track’

More than 627,773 subsidies with an average value of R14,000 had been set aside and projects were in various stages of planning and development.

The trend indicated that 1-million houses would be built or under construction by 1999.

She said changes had been introduced to the formula used to allocate housing funds to provinces instead of using population size and the housing backlog in each province, government would now use provinces' delivery performances, determined by the number of houses under construction or already built, to allocate funds.

Mthembu-Mahanyele said the Western Cape had also been reluctant to phase out old dispensation projects and was still working to criteria put in place by the previous government.

She said the Western Cape had about 104,000 loans to the top 30% in the low-income group, they had failed to engage the poor.

Mthembu-Mahanyele said the housing backlog was not 1.5 million as thought in 1994, but three million. This figure was likely to swell with the influx of people from neighboring states, she told a media briefing in Cape Town.

There was a need to move “very fast” to clear blockages in housing delivery and to improve capacity to work better and faster.

From the department’s side, the machinery is working, there are no hiccups,” she said.

She said the Western Cape had about 104,000 loans to the top 30% in the low-income group, they had failed to engage the poor.

Mthembu-Mahanyele said the housing backlog was not 1.5 million as thought in 1994, but three million. This figure was likely to swell with the influx of people from neighboring states, she told a media briefing in Cape Town.

There was a need to move “very fast” to clear blockages in housing delivery and to improve capacity to work better and faster.

From the department’s side, the machinery is working, there are no hiccups,” she said.
Govt plans better service delivery

Jacob Dlamini

CAPE TOWN - The home affairs department is developing a service delivery improvement plan as part of government efforts to improve standards in the public service, Home Affairs Minister Mangosuthu Buthelezi said yesterday.

The plan followed a recent cabinet decision to improve service delivery and was being developed in conjunction with the public service and administration department.

According to Buthelezi, the plan would serve as a basis for discussion and agreement on improving service standards which are to be implemented in January next year.

Buthelezi said the plan aimed to encourage public servants to be customer-friendly.

It would also serve as a monitoring document and form part of the public service commitment to be announced in December.

Buthelezi said new and improved standards based on an assessment of the current situation would be set for public servants.

The assessment had enabled the home affairs department to identify inadequacies in the present administration and had allowed the department to implement improved procedures.

Buthelezi announced that the successful tender bid for the new national identification system would be announced early next year.

Implementation of the system, which would include an automated fingerprint identification system, would begin in 1999.

The department was in the process of producing a draft white paper on international migration which would be finalised early next year.

There would also be a separate white paper on refugees, Buthelezi said.

A protocol drafted by the Southern African Development Community (SADC) to provide for the free movement of people within the SADC region had been rejected by member states.

Buthelezi said members had felt the region was not ready for the removal of migration controls, due to the low and uneven levels of development in southern Africa.

The protocol would now be redrafted to allow for the movement of citizens across borders within the framework of the laws of individual member states.
Balancing controlled and free market needs
Housing trust to be replaced

By Joshua Raboroko

THE South African Housing Trust (SAHT) is to be replaced by two home and development loan institutions which, in line with the Government’s policy, will aim at speeding up the delivery of affordable homes for poor communities.

A revamped Khayalethu Home Loans will lend money for building homes, while the newly-formed Nu-Way Investments will provide loans to buy land, infrastructure and services in the low-cost housing sector.

This means that the SAHT will be dissolved when the two institutions are launched within weeks, following the approval of the Housing Minister Mrs Sankoe Mthembu-Mahanyele.

Nu-Way Investment’s managing director Mr Laki Constantines yesterday said the company was created to spearhead the provision of low-cost houses.

The company’s strategy is to be recognised as the benchmark in the property development service industry, to deliver houses and service stands, to be privatised and attract foreign investment and to economically empower emerging contractors.

Important milestone

Its budget of R2.9 billion should provide 18 000 units by 2001. It said the 8 246 units completed this financial year was an important milestone towards delivery.

Khayalethu has been rescued by the intervention of the minister after the crue organisations threatened to pull out of an agreement to end broad boycotts which cost the company about R160 million. The South African National Civics Organisation (Sanco) pulled out of the deal after it said Khayalethu, a subsidiary of the SAHT, had flouted the terms of the agreement.

Khayalethu corporate affairs manager Mr William Maponya confirmed there were differences, but after discussions Sanco agreed to review the situation with its decision-making structures.
Electricity domimates authorities' income
Private skills help housing

Cape Town – The housing ministry was tapping the skills and resources of the private sector and donor agencies to help beef up capacity in struggling provincial housing departments, Sankoe Mthembu-Mahanyele, the housing minister, said yesterday.

Her officials were revising the complex housing subsidy manual to make it more user-friendly and to simplify procedures, she said.

Financial management training was provided and the new national housing bill would recommend restructuring the provincial housing boards to make them more effective, she added.

The minister was addressing a media briefing where she welcomed the recent report by Hoen Klaever, the auditor-general, into the Motheo housing project in Mpumalanga. She said she would welcome a speedy investigation by the public protector.

“The problem identified by the auditor-general relates to how that proposal was evaluated and approved by the Mpumalanga housing authorities,” she said.

“This is a problem right throughout the country and not just in Mpumalanga.”

She also said the private sector was helping the department “Some sectors of the private sector have come forward to assist us.”

She said the government was “trying to trim down departments” though her department was small, its needs were “huge” and it therefore needed “highly skilled people”, she said.
more aptitude in real area will supportieve in view.

The rise of fright which is acrue taken for granted by most urban Arians.
Minister mum on Cobbett’s claims

STAFF REPORTER AND SAPA

Housing Minister Sankie Mthembu-Mahanyele refused to comment today on claims by former housing director-general Billy Cobbett that he had been dismissed after asking auditor-general Henry Klauever to probe irregularities in the Motheo housing project.

Cobbett said he had not resigned, as claimed by Mthembu-Mahanyele. His contract was ended prematurely after he reported the irregularities, he said.

“As the accounting officer for the South African Housing Fund, I referred certain information to the auditor-general on April 24 1997.

“At my request an investigation was launched which culminated in the report being released yesterday.

“My contract as director-general was terminated prematurely following processes initiated by the minister in the immediate aftermath of my reporting this information to the office of the auditor-general.”

Cobbett said the state had subsequently met its contractual obligations in full.

Klauever’s report, tabled in Parliament on Monday alleges incompetence and a disregard for proper financial control by the Mpumalanga housing department and board.

It also calls for a commission of inquiry to investigate alleged family or other “close relationships” to the Motheo project, headed by Thembi Ndlouvu.

Newspapers reported that Ndlouvu was a close friend of Mthembu-Mahanyele, but Mthembu-Mahanyele dismissed allegations that she was involved in awarding the contract to Motheo.

Cobbett is now the director of housing for Cape Town.
MASAKHANE, RENTS & SERVICE PAYMENTS

Using the carrot, not the stick, to beat boycotters

Midrand shantytown shows how to raise revenue without raising resentment

It was understandable that Provincial Affairs & Constitutional Development Minister Valli Moosa chose Ivory Park as the venue from which to launch the national “Masakhane Focus” drive earlier this month. After all, the Midrand shantytown has had a remarkable surge in payments of rents and services — from just 3% last June to 80% last month (see graph).

But there was irony in the hoopla surrounding Moosa’s visit, for Ivory Park has achieved its success largely by ignoring the national and provincial Masakhane campaign.

Midrand metropolitan local council executive committee chairman Alan Dawson describes Masakhane as “big advertising agencies, T-shirts, caps and messages over the radio — totally ineffective.”

Ivory Park’s homegrown Masakhane programme relies instead on financial incentives, giving residents control over their payments, spending and maintaining constant, one-on-one communication between local government and residents.

The Midrand council has used only the carrot, not the stick. When the Gauteng government pressed local governments for tough action on non-payers last month, Midrand paid no attention. Dawson, an ANC councillor, says “we don’t operate according to Gauteng’s programme of action, since we’ve found our programme works a great deal better.”

Spearing through the effort are zone leaders such as Johannes Mathekg'a. During the struggle against apartheid, he helped enforce the rent boycott. Today, he is responsible for prodding the occupants of 1 300 shacks to pay their water, sewerage, refuse removal, rates and rent bills. Every month, he delivers account statements by hand to each household. Residents must sign his ledger to acknowledge receipt of the bill.

To Mathekg'a, the usual practice in other townships of sending statements by post makes no sense.

“One of the reasons the people of Ivory Park pay their services is that they get no chance to say ‘I didn’t get my account,’ ” he says. “To post the account is a dangerous thing.”

Mathekg'a not only encourages his neighbours to pay, he puts unemployed non-payers in touch with social workers and even helps arrange meetings with local contractors who might need workers. On any street he can point out which houses are in default.

The formerly unemployed 46-year-old programme administrator, efficiency, service delivery and service payments.

Payments have touched the 80% mark, so that index now measures eight out of 10. Service delivery has lagged somewhat, under seven out of 10, mainly because of a shortage of capital.

The programme provides incentives for people who pay consistent rates. Given trees to plant in their yards, the best-paying zones receive preferential treatment. Because Mathekg'a’s zone won the award late last year for the highest level of payment, the council will spend all of this year’s R2m budget for sewerage system connections in his zone.

“The demand for services is everywhere,” says Dawson. “We’re talking about 15 000 sites spread over 7 km. — where do you start? We start where people are paying.”

All rent payments made in Ivory Park are set aside for projects chosen by the people. While taxes on the Midrand business community cover the operating expenses and basic infrastructure projects for Ivory Park, payments by the settlement’s residents go into a separate fund that has been described to them as something like a stokvel.

Earlier this year, they voted to spend the R2.2m they had accumulated on street lighting.

Of course, in a self-supporting community, trying to run a government budget as a stokvel would be a recipe for chaos. But it will be a long time before the shack-dwellers of Ivory Park can afford to provide for their township’s needs without subsidies. Even if payments reach 100%, they will cover less than a third of the R18m-R20m Midrand spends on Ivory Park each year. In the short term, such a radical plan may be necessary to bridge the gulf of mistrust between many blacks and their local governments.

Midrand has yet to prove that its success can be replicated. Ivory Park is the only major township within Midrand’s borders. But other local governments have begun to show interest. Leaders of Kempton Park, east of Johannesburg, and Sasolburg in the Free State have invited Dawson to give presentations.

Mibiane, in Mpuama, and Benoni have gone further, getting training in Masakhane at Ivory Park.

This week, Elizabeth was sending a fact-finding delegation to the township.

Midrand relies heavily on incentives that should easily transcend geography. For example, rule four of its Masakhane programme states baldly “exploit greed” — and Ivory Park has no monopoly on that.

Don Bowers
New laws will alter face of land development, says Hanekom

BY ADAM COOK

Within a year South Africa could have laws that would dramatically change the way land development takes place, Land Affairs Minister Derek Hanekom said when launching the Development and Planning Commission yesterday.

The commission, whose task is to shape a new legal and administrative framework for planning and development, has a year in which to produce its findings.

The commission will be tasked with finding ways of swingng the balance in favour of land development instead of constraining it.

Speaking at the launch yesterday, director of land development facilitation Steven Berrisford said the aim of the commission was to get to the bottom of the morass of planning and land development law that had been inherited from apartheid days.

"That legislation was not just very complicated, but it actively discriminated against certain people," he said.

Giving an example, Berrisford said development in the previously white suburbs of Johannesberg had been a very complicated and closely monitored process.

However, in townships, development had never been controlled effectively, and at the same time, industrial development had been prohibited.

The commission's findings will inform South Africa's long-term development planning, which is being handled in the interim by provincial tribunals.

Chaird by Pam Yako, past head of the National Land Committee, the commission was warned by Hanekom to take into account the needs of all citizens and not just the most vocal views of land-owning interests.

"Right now our cities, towns and countryside still starkly reflect the patterns of apartheid. It is only by specifically addressing the needs of the poor ... that the commission will be able to have an impact upon the enduring legacy of apartheid," he said.
Commission launched to shape land development

AN INDEPENDENT commission appointed to unravel inherited planning and land development legislation, and to shape it into a new framework which embraces the needs of all provinces, was launched yesterday by Agriculture and Land Affairs Minister Derek Hanekom.

At a news briefing in Edenvale in Johannesburg, Hanekom said the new body, the development and planning commission, faced an awesome task. “The commission was established in terms of the Development Facilitation Act and has the task of unravelling the morass of planning and development legislation inherited from apartheid, and reshaping a new legal and administrative framework for planning and land development,” he said.

The committee has three main output objectives — to make a provincial analysis of existing frameworks, to make general principles for land development and planning and local government representatives.

Hanekom said he was delighted the commission could begin its work, which was long overdue. “I am confident the men and women appointed to the commission are the best qualified and experienced to undertake the task,” he said.

Hanekom said the subject matter of the commission’s work was of provincial and national importance. “In the light of the crucial implications that its findings will have for local government, I am pleased there is a strong local government profile on the commission,” he said.

He said legislation was unfair, especially with regard to former white suburbs which received more protection than residents in the homelands.

Members of the commission were appointed on September 1 and consist of experts in land development and planning and local government representatives.

“Tt is asking a lot, but in the interests of efficient and effective administration, it is important to get clarity on all the issues as soon as possible,” he said.

— Sapa
Writing on the Wall for Water Hoses

Whether or not Mother Nature Intends It, This Year's Water Distribution Scheme is a Failure.
Irish Aid to pump R7-m in aid for water

The Irish government and a South African non-governmental organisation have signed an agreement that will see R7-million pumped into the country for rural water and sanitation projects. The agreement was struck between the Irish government and South Africa's largest water and sanitation NGO, Mvula Trust. Addressing a ceremony at the Irish embassy in Pretoria yesterday, ambassador Eamon Tuathail said the Irish Aid/Mvula Programme would be used to develop 10 model community water supply and sanitation projects in northern province, Mpumalanga, KwaZulu Natal and the Eastern Cape. "The Mvula Trust's policies of community-driven and managed development closely reflect Irish Aid's focus on relevant and sustainable development in South Africa's rural areas," said Tuathail - Staff Reporter.
SA on target to meet water supply goal

FULL MOLEHOESE

THE water affairs and forestry department was well on the way to meet- ing its objective of supplying safe water services to 1.7-million people this year, Water Affairs Minister Kader Asmal said yesterday.

Asmal was speaking at the celebration ceremony of the completion of the 100th water supply project by Mvula Trust in Arekwaneeng village, Mpumalanga.

He commended Mvula Trust for its success in achieving the goals set out in government's national water supply and sanitation programme.

Asmal said the programme formed the base of government's delivery success in water.

European Union (EU) ambassador Erwan Fouetèrè praised the trust for its innovative approach to community-driven water and sanitation development and applauded the Arekwaneeng community for the instrumental role it played in improving its own living standards.

The trust was founded in 1994 with funding from the Development Bank of Southern Africa, the Independent Development Trust, Kagiso Trust and the EU.

The project supplies safe running water to 993 people. It was financed with reconstruction and development programme (RDP) funds allocated to the trust in terms of the collaborative agreement signed between it and the department in 1995.

This was the first RDP project to be completed in Mpumalanga.
Banks grant fewer home loans to poor

Belinda Beresford

BANKS have failed again to meet their goals for lending to the lowest end of the housing market, achieving only 72% of their target of 50 000 loans, although the trend is improving.

For the year to May 1997, banks provided 144 724 low-income housing loans totalling R3,1bn, the Council of SA Banks (Cosab) said yesterday. The number of loans fell 9.4% compared with the previous period, but there was a 3.1% increase in their value. The loans include microloans, generally backed by pension and provident fund money, and larger loans through the Mortgage Indemnity Fund (MIF) and those without government backing.

Housing Minister Sankie Mthembu-Mahanyele said she was encouraged by the figures but felt the banks needed to go further. "I am still concerned about the high average loan value. Still, there are people who have income and can afford some credit who are not being reached because of the lack of appropriate finance products.

"Also, not sufficient promotion and marketing of these products is occurring and that could partly explain the reason that banks collectively have not achieved their targets," she said.

Mthembu-Mahanyele said the record of understanding between government and the banks on low-cost housing loans was due to expire in May next year. Government was looking for a "bold and quantifiable commitment on behalf of the banks to reaching out to the millions of people who are formally employed but still unable to access housing credit."

The trend towards higher value loans was confirmed by Cosab's figures. Microloans, which apply to the poorest home owners, are generally for R10 000 or less. This category showed a 22.3% drop in the number and a 13.5% fall in the value of loans granted.

In contrast there were increases in the number and value of other loans.

Cosab's figures show a 206.2% increase in the value of non-MIF-secured loans and a 36.3% rise in the number granted. MIF covered loans showed a slower rise — 62.5% in the number granted and 134.1% in value.

In total the banks made 35 879 non-microloans worth R2,1bn in the year under review against 19 786 loans worth R774m previously.

Cosab housing GM Lance Edmunds acknowledged the trend towards higher value loans. "Essentially there are only four major banks fairly heavily into microloans. One had done so well the previous year that it pulled its horns in... Another ran into computer problems and stopped lending altogether. The other banks have picked up the higher-value loans."

Cosab said in its statement that the target of 50 000 "is not being met because there are not that number of applications a year for loans in this market. It attributed this to a shortage of houses being built for the market, a lack of people qualifying for the loans, and pressure on the banks to cut credit.

The housing minister also called on "other signatories to the record of understanding, such as the construction industry, to reconfirm their positions and commitment to assisting government in low-cost housing delivery."
Banks grant fewer home loans to poor

Belinda Beresford

BANKS have failed again to meet their goals for lending to the lowest end of the housing market, achieving only 72% of their target of 50,000 loans, although the trend is improving.

For the year to May 1997, banks provided 144,724 low-income housing loans totaling R2.1bn, the Council of SA Banks (Cosab) said yesterday. The number of loans fell 8.4% compared with the previous period, but there was a 61% increase in their value. The loans include microloans, generally backed by pension and provident fund money, and larger loans through the Mortgage Indemnity Fund (MIF) and those without government backing.

Housing Minister Sankie Mthembu-Mabuyele said she was encouraged by the figures but felt the banks needed to go further. "I am still concerned about the high average loan value. Still, there are people who have income and can afford some credit who are not being reached because of the lack of appropriate finance products."

"Also, not sufficient promotion and marketing of these products is occurring and that could partly explain the reason that banks collectively have not achieved their targets," she said.

Mthembu-Mabuyele said the record of understanding between government and the banks on low-cost housing loans was due to expire in May next year. Government was looking for a "bold and quantifiable commitment on behalf of the banks to reaching out to the millions of people who are formally employed but still unable to access housing credit."

The trend towards higher value loans was confirmed by Cosab's figures. Microloans, which apply to the poorest home owners, are generally for R10,000 or less. This category showed a 22.2% drop in the number and a 13.5% fall in the value of loans granted.

In contrast there were increases in the number and value of other loans.

Cosab's figures show a 206.2% increase in the value of non-MIF-secured loans and a 96.3% rise in the number granted. MIF covered loans showed a smaller rise — 63.5% in the number granted and 134.1% in value.

In total the banks made 38,879 non-microloans worth R2.1bn in the year under review against 19,796 loans worth R7.4bn previously.

Cosab housing GM Lance Edmunds acknowledged the trend towards higher value loans. "Essentially there are only four major banks fairly heavily into microloans. One had done so well the previous year that it pulled its horns in. Another ran into computer problems and stopped lending altogether. The other banks have picked up the higher-value loans."

Cosab said in its statement that the target of 50,000 "as not being met because there are not that number of applications a year for loans in this market". It attributed this to a shortage of houses being built for the market, a lack of people qualifying for the loans, and pressure on the banks to cut credit.

The housing minister also called on "other signatories to the record of understanding, such as the construction industry, to reconfirm their positions and commitment to assisting government in low-cost housing delivery."
New Water Bill is the key to internal stability

The time for action is now, urges Tami Sokitu, Deputy Director General of the Department of Water Affairs and Forestry

At the same time, under the proposed water allocation system, downstream landowners will not be left with merely nominal rights, because the river, by the time it gets to them, is empty — as is the case now in certain areas. In short, the new system will bring fairness and equity to water allocation.

In moving towards a system based on beneficial use of water, the government will take its public obligations as custodian of water resources more seriously. By drawing on the best of overseas law and adapting it according to local priorities, we will secure the continued viability of the water itself.

Protecting the environment is like protecting our golden goose. If we continue with the current approach to water resource management, we will not be in a position to protect or attract investors since the water, which is central to most economic activities, will be totally degraded or in short supply. Investors will have phantom collateral — empty rivers.

The minister has inherited a range of draconian powers from the past, and if he wanted to “grab” water from privileged farmers, he could do so right now by, for instance, declaring “control areas”. He needs no new law to do that. But, by moving away from the arbitrariness of the past, the new allocation system will give water users more certainty. Water will be moved to where it can do the most good, and as circumstances change and new uses become more beneficial than old ones, water will be moved on again.

We are moving from a mystical and static common-law system to a modern and evolving one, one which will include trading in water allocations. There is no intention to promote a regime of random water-grabbing as a means of redistribution. However, it is important to signal to those who were previously disadvantaged that they will also benefit under the new arrangements. This will go a long way towards securing internal stability.

For too long we have acted like frontiersmen, believing that new water needs can infinitely be met by building more dams. This mentality is outdated. In terms of water use, no less than in the nation’s budget, we have to tighten our belts and make less go further.

After all, our Constitution requires it. Section 24 gives every citizen the right to an environment protected for the benefit of present and future generations by “reasonable legislative and other measures”. Likewise, the property clause of the Constitution expressly states that it shall not impede the state from taking legislative and other measures to achieve “water and related reform” and to “bring about equitable access to all South Africa’s natural resources”.

The legal requirement in the new law for a water reserve to meet environmental needs fulfills constitutional requirements. Protecting the environment represents a giant leap towards protecting water resources to meet the needs of our country.

The Department of Water Affairs and Forestry, through its community water supply initiatives, has already supplied water to more than one million citizens. One million people who now have a basis for more productive economic activity than the daily grind of the long walk for water. The next challenge is to ensure that these people have enough water, not only for physical survival, but for engaging in activities that will enhance rural development and help the economy to grow.

By ensuring that water allocation priorities and procedures are responsive to the evolving realities of the economy in the future, the new Water Act will remove another of the old barriers to growth. The challenge now is for each of us who use water to support the initiatives of the Department of Water Affairs and Forestry by commenting positively on the current draft of the Water Bill. The Bill should be celebrated by all.
Banks under pressure to reduce the cost

Of loans
R7,5-m debt: authorities cut services

Pensioners question high bills they received from the council

By Joshua Raboroko

Essential services to more than 4 000 home-owners, including pensioners and squatters in informal settlements in Leandra, have been cut off as a result of non-payment of tariffs.

Local authorities in Leandra, Mpumalanga, yesterday took drastic credit control measures in an attempt to recover R7.5 million in arrears owed to it by residents since February 1994.

Town clerk Mr Elliot Maseko told Sowetan yesterday that the residents – the majority of them pensioners and the unemployed – were warned to pay for their water, sewerage and refuse removal, but most refused to do so.

They were expected to pay a flat rate of between R35 and R40 a month for the use of the services. The residents were asked to arrange how they would pay the debts or to explain their problems to the authorities.

Maseko warned about 1 000 people in the informal settlement to pay their dues before the end of the month.

Credit control measures would be introduced should they fail to comply.

The council was prepared to call ward meetings weekly to discuss problems with the residents, saying it was not “our policy to cut off services or to evict defaulters from their homes”.

However, the majority of those affected by the termination of services have claimed that they received bills ranging from R1 500 to R2 500 for the debts, saying that the bills were high compared to their consumption.

A pensioner, Mr D Mahlangu, said yesterday that he did not understand how the authorities calculated that his debt amounted to R1 500.

He had been paying for utilities, even during the years marred by protests against poor services.

Explanations of his plight to the authorities fell on deaf ears. No court order was obtained against him.

A group of residents, without water and other services, intend to protest against the credit control measures, saying they wanted councillors to explain their decisions.

Maseko said the decisions were taken in line with the principles of the Masakhane campaign.
DURBAN — SA had the means to build its way out of economic problems such as unemployment and a shortage of housing if construction companies were given the necessary tax relief, Tongaat-Hulett chairman Chris Saunders said yesterday.

Speaking at a breakfast organised by the Democratic Party, Saunders said SA had the demand, labour and materials to make up the housing shortfall. All that was needed was a more realistic approach to the shortage of infrastructure, such as that adopted in the initial reconstruction and development programme.

"We could see a scale of building in this country similar to what has occurred in Pacific Rim countries . . . with determination and the political will it could be fairly simple," he said.

Given the necessary tax relief, companies could build affordable housing and still make a profit. He said the resultant "pull through" effect on the economy would be enormous because once people had homes they would be motivated to buy goods such as appliances and furniture.

Saunders said that he had heard government had "floated the idea" of giving tax breaks to companies that built houses, but nothing further appeared to have happened. He saw tax relief as the solution to the housing shortages and to unemployment, which were at the heart of SA's economic problems.

He was convinced that the country had the necessary capacity to cut the housing backlog. In the 1960s Anglo American had built 11 000 houses in Soweto in one year for the families of mine workers. There was therefore no reason why 100 000 houses a year could not be built 30 years later, provided the tax incentives were provided.

Saunders said SA's limitless potential as a growth area had not gone unnoticed by the developing world. He warned that if the country did not educate its people and make them more productive to become part of the global economy, it might soon find itself being colonised from the east — Sapa
Housing "truts" require serious reconsideration.

Housing subsidies will not make high-rise towers more affordable even if they come with a "tax" to clean them and a "fee" to maintain them.

Additionally, public housing has become a circus of crime, vandalism and waste of public funds. Local authorities already have too many problems to deal with. People who do not have the means to pay for a normal apartment should pay for the "public service" instead of living in these "truts."
MEC attacks housing department

Vuyo Mvoko

GAUTENG housing MEC Dan Mofokeng lashed out yesterday at “irresponsible statements” attributed to national housing department officials saying four more provinces had been “ordered to freeze” their low-cost housing projects.

Mofokeng also called on Housing Minister Sankie Mabetshe-Mahanyele to take disciplinary action against the housing acting director-general Neville Karsens and the department’s spokesman, Mandy Jean Woods.

Woods said later Mofokeng’s statements were based on a report that was not entirely accurate.

Mofokeng was speaking at the Gauteng housing department’s housing of international housing day. He condemned “irresponsible statements that send wrong signals to the people”, saying “You can’t talk about applying brakes when people live in informal settlements.”

MECs now had to explain the situation to both the people who needed the houses and the developers, he said.

Mofokeng pointed out that MECs were elected representatives, saying “It is questionable whether the department in fact make a unilateral decision on freezing low cost housing projects.” The matter had “not been subjected to the normal decision-making processes of the meeting of the minster and all MECs.”

A newspaper report that raised Mofokeng’s ire yesterday said four more provinces had been “ordered to freeze” their low-cost housing projects because of overspending.

The report was a follow-up to a recent national housing department call on all provinces to freeze their future financial commitments.

At the time of the announcement, Karsens said the freeze, which was expected to last several months, was a bid to improve management of overspending in some provinces and to get an understanding of the provinces’ financial commitments to low-cost housing projects.

Yesterday, Woods said the call did not prevent provinces from approving projects. Provinces had been asked only not to commit funds to those projects, she said. It had been clear that present and past projects were not affected.

The effort was in line with the medium-term expenditure framework to improve the government’s cash-flow management, Woods said.

Mofokeng, who said Gauteng needed about R18bn to address its housing backlog, also attacked the department for not responding to the Gauteng department’s submission of a “detailed” three-year plan and budget. The department’s actions in that regard were “annoying, disgusting”, he said.

Woods would not comment on the statement, saying she would first have to investigate it.

Gauteng housing MEC Dan Mofokeng was the keynote speaker at yesterday’s celebrations of international housing day, the United Nations Habitat II. He said his department would meet its target of 243 000 houses by 1999.
Government housing finance company ‘making a positive
impact’

Shareen Singh

THE government-owned National Housing Finance Corporation would have granted about 215 000 home loans valued at R443m in just more than a year as a public company, CEO Johan de Rudder said yesterday.

Housing consultants said the figures indicated that low-cost mass housing delivery had gained speed and there were positive signs from both government and the corporation that the housing crisis was being “actively addressed”.

De Rudder said there was an 18- to 24-month lag in the delivery of housing but it was possible to make up for lost time. As long as government continued granting 250 000 to 300 000 subsidies a year, it could achieve its housing targets. For the corporation the challenge was to continue making it possible for families in the target market to gain access to credit.

According to the corporation’s first annual report released yesterday, by the end of the first financial year to March it granted five loan facilities totaling R116m to institutions. This was expected to translate into 118 000 home loans. Subsequent to the year end, facilities of R125m had been granted and a further R200m was being considered. This would translate to about 215 000 home loans in total.

The corporation is 100% owned by government and provides loans via intermediary institutions to those who have limited access to credit.

De Rudder said the loans were used to improve accommodation such as squatter dwellings or to supplement subsidies granted by government.

He said that with the assistance of the corporation, nonbank finance companies were expected to provide about R250m in credit facilities this year.

The corporation’s clients processed about 20 000 new loan applications for housing every month, “making this form of housing finance delivery the most significant in terms of broad impact in the market”, said De Rudder.

In the period to end March the corporation reported net income of R49.4m. Retained income was R23.4m on revenue of R67.5m, representing earnings a share of 60c.

The company paid R10m into a general risk reserve fund to provide against significant unforeseen losses. Operating costs stood at R6.03m, including staffing costs.

A dividend had not been declared in line with company policy to allow for maximum utilisation of funds in pursuit of its mission.

See Page 5
Historic Watershed in the Lives of Many
Housing freeze deemed shocking

THE freeze order being imposed on new provincial housing commitments was "astonishing" to that provinces which had overcommitted potential expenditure were acting in terms of national housing policy, Prof Gaye le Roux, director of the Quarterly Surveying EduTech Centre, said this week.

Le Roux, former deputy chairman of the new defunct Eastern Cape Housing Board, said the provinces had been driven by "the fear of potential shortfalls on funding". However, the overcommitment did not involve actual expenditure or payments, but concerned "merely approvals on budget".

The statement follows a letter by the housing ministry to all provinces last month informing them they should not make further commitments until an accurate reconciliation of their cash flow and current level of commitments and current level of commitments compared with their allocations from the national housing subsidy scheme had been made. The ministry said that "in no way means that provinces cannot continue with projects for which funding has already been approved".

The situation has been complicated by inaccurate reports on the ministry's directive. Gauteng housing MEC Dan Mofokeng has criticised "irresponsible statements" attributed to housing officials and called for disciplinary action against acting director-general Neville Kuren and spokesman Mandy-Jean Woods. Woods said Mofokeng's statements were referring to a report which included "factual inaccuracies".

Le Roux said that before the end of the 1996/97 financial year, provincial housing boards were required to overcommit their potential expenditure, based on annual budget, by 50% to ensure the allocation of adequate funds for the following financial year.

"Approvals in principle are one aspect of the housing delivery process. Actual cash flow is another, with at least half a financial year (elapsing) between the two. The provinces acted in accordance with national housing policy. Is this freeze simply further evidence of bureaucratic ineptitude?" Le Roux said statements from political platforms put further pressure on provinces to speed up delivery of low-cost housing. Some provinces were branded as scapegoats for non-delivery.

The ministry repeated this week that the housing department had informed provinces that they may not approve new monies until a letter of allocation had been received. This did not mean government had decided to freeze subsidies.
‘R2.8-billion spent on housing in two years’

A total of 333,847 housing board-approved houses had been built or were currently under construction throughout the country between March 1994 and August 31 1997, Housing Minister Siphiwe Mthembu-Mahanyele said yesterday.

Replying to a question by Jac Ralbe (National Party), Mthembu-Mahanyele said provincial housing boards had approved 41,361 individual housing subsidies between April 1 1996 and March 31 1997.

She said 111,739 individual housing subsidies had been approved between April 1 1996 and March 31 1997.

Mthembu-Mahanyele added that provincial administrations had spent R2.8-billion on housing programmes over these two financial years.
Housing department faces staffing crisis

Robyn Chalmers

THE housing department is facing a staffing crisis, with 18 people - of whom two were chief directors - having left since March.

A third chief director is understood to have accepted a voluntary retrenchment package. This means only one chief director - Friek Barnard, who oversees the housing sector performance portfolio - is left.

Housing support chief director Beet van Rooyen has vacated his position for health reasons and former human settlement chief director Tanya Abrahamse-Lamola has moved to the land affairs department.

Corporate services chief director Johan Jooste is understood to have taken a voluntary retrenchment package, although he declined to comment. Housing funding director Dawie Strauss is also believed to have taken a package.

Analysts said the departure of so many top managers was likely to affect significantly the management of the low-cost housing programme.

Acting housing department director-general Neville Karsens said that of 221 posts, 55 were vacant. "The 18 staff members who left the department since March did so for personal and promotional reasons. The department (has) created a new organisational structure and the process to fill vacancies takes time."

Sources said while a number of staffers had left for health reasons or had been promoted elsewhere, morale had slumped particularly following the public spat between former director-general Billy Cohbett and Housing Minister Sankie Mthembu-Mabuyele.

The cabinet last week approved Mpum Nxumalo-Nhlapo's appointment as director-general following the departure of Cohbett in May.

Housing ministry spokesman Mandy Jean Woods said negotiations on Nxumalo-Nhlapo's contract were under way. Nxumalo-Nhlapo, who is Gauteng's housing chief director, could not be reached for comment yesterday.
Affluent blacks tell of 'new SA' trauma

NEW YORK — Newly affluent South African blacks are struggling "socially and emotionally" as they climb the ladder of success, reports Suzanne Daley in The New York Times.

Daley, who interviewed nouveau riche South Africans, writes that they generally enjoy the trappings of their new status and, given a little power, are not above using it.

However, those who played no part in the fight for equality spoke of guilt feelings about benefiting from the sacrifices of others.

Well-to-do blacks still faced small humiliations as they adapted to a new lifestyle and negotiated the minefields of situations like taking out a mortgage and talking to neighbours who assume they are servants.

Some likened work to "a battlefield where they are patronised and ignored by white colleagues".

Members of this new social class are not comfortable, either, with friends who have done less well and traditionally want to borrow money.

However, prosperous lawyer Enos Banda told Daley, finding new friends was not easy. There are so few wealthy blacks that he sees the same people at every party he attends. — Sapa.

Water reserves to outlast El Niño

PRETORIA — The El Niño weather phenomenon should not dry up South Africa's water reserves, thanks to the best storage levels in 77 years at major reservoirs, the water affairs department said yesterday.

It said water delivery was not expected to become a problem for at least two to three years, which matched El Niño's life expectancy.

"It is therefore evident that the emergence of El Niño does not necessarily bode us all that is evil," the department said.

"It is fortunate that it hits us at a time when storage levels are excellent."

The department said SA experienced above-average rainfall during 1996/97 and 1997/98, and noted the current storage state at major reservoirs was the best on record since 1920, it said.

El Niño, which is expected to cause a warming of the Pacific Ocean, generally negatively affects SA's summer rainfall.

It was therefore expected that run-off from catchment areas would also be below average.

The department said the long duration of a warm spell caused by El Niño between 1990 and 1995 was regarded as exceptional.

Also, the 1982/83 drought caused by an unusually strong El Niño affected SA at a time when storage levels were low — at about 48%. The current storage level was 90% of capacity.

"No problems are foreseen in water delivery from major water systems for the next two to three years, by which time the Pacific Sea surface temperatures may be back to normal or even below normal," the department said. — Sapa.
Freeze to hit housing just before election?
Single housing-subsidy scheme on way

BY JOVIAL RANTAO
Political Correspondent

Cape Town - Draft legislation which provides for the phasing out of racially based housing-subsidy schemes initiated by the National Party government has been tabled in Parliament.

The housing bill will regulate the phasing out of subsidies granted to the white, coloured and Indian communities by the triameral parliament.

The bill provides for a single, national system of housing subsidies. The bill will be debated in Parliament today.

Titus Mafolo, chairman of Parliament's housing committee, said the bill would remove elements of discrimination in the Government's housing-subsidy policy and bring the financing of housing provision in line with the constitution.

He said the racially defined benefits would be phased out a year after the bill became law.

The bill also provides for the scrapping of the R9.7-billion local-government housing debt and the introduction of a social compact between the Government, business and communities to speed up housing delivery.

Once approved, the bill will also enable the Government to prohibit shoddy workmanship in the construction of houses, through the establishment of minimum national standards.

These would include the minimum size of house that could be built for a family.

Provision has also been made for a national housing code with guidelines for minimum standards determined by the minister of housing.
Another housing dept departure possible

ACTING housing department director-general Neville Korsen, the most senior person in the department, is understood to be negotiating a voluntary retrenchment package.

Should he and Housing Minister Sunkise Mthembu-Mahanyele reach an agreement on the package terms, he will be the fourth senior person to have left, or who is about to leave, the department since March.

Effectively, out of four chief directors only one, Erik Barnard, will be left.

Korsen declined to comment on talk of his departure.

A total of 18 people have left the department since March, but he said there was no crisis.

"At present, 25 vacancies are being filled, including some senior positions. The voluntary severance measures are part of the initiatives for the rightsizing of the public service. The process is being well-managed."

All other departures had been for personal reasons and there was no lack of commitment among the staff.

On the recent appointment of Gauteng housing director Mphumzi Nxumalo-Nhlapo to replace Billy Cobbett as housing department director-general, he said Nxumalo-Nhlapo had "excellent credentials and a proven track record."

New era in housing policy dawns

Nod for bill that will replace 41 pieces of racially based legislation with one act

By Jovali Rantao
Cape Town

Draft legislation which will replace 41 pieces of racially based legislation from the statute books with one act, ushering in a new era in housing in South Africa, was unanimously approved by Parliament yesterday.

The most important aspects of the housing bill, which will now be referred to the provinces via the National Council of Provinces for consideration, are:
- A call for the National Housing Board to be abolished and replaced by an advisory body to be called the South African Housing Development Board
- It allows for the R9.7-billion local government debt to the National Housing Board to be written off
- It obliges the minister of housing – one year after the enactment of the law – to phase out housing subsidies granted under the previous government.
- It allows for the establishment of a national housing code
- It provides for the establishment of a national housing databank and information system to assist with developing, implementing and monitoring national policy.
- The bill also compels the housing minister to determine a national housing policy which will include national norms and standards in respect of housing development.

Introducing the bill for a second reading, Housing Minister Sankie Mthembi-Mahanyele said the draft legislation would allow all citizens and permanent residents to have access to permanent residential structures with secure tenure, privacy, protection against the elements, potable water, sanitary facilities and a domestic energy supply.

"Housing development in terms of this government’s housing policy and this draft bill will take place on the basis of holistic and integrated development planning, promoting the process of racial, social, economic and physical integration in urban and rural areas."

"This bill closes the door on a sad past and opens the window for the progressive realisation of everyone’s right to have access to adequate housing on a basis which is consistent with our new democracy," Mthembi-Mahanyele said.

A crucial facet of the bill was that it prescribed fundamental principles binding on all three spheres of government in respect of housing development. The principles, described by the minister as a “housing bill of rights”, would create certainty among all role-players regarding the fundamentals of the Government’s housing policy.

According to provisions in the draft bill, the national Government must establish and facilitate a sustainable national housing development process. Provincial governments would be expected to do everything in their power to promote and facilitate the provision of adequate housing within the framework of national housing policy.

Municipalities would be expected to ensure that inhabitants under their jurisdiction would have access to adequate housing on a progressive basis.
Bill ‘will speed up housing delivery’

Samantha Sharpe

CAPE TOWN — The next six to 12 months were critical to the success of government’s housing programme and the construction of a million homes by 1999, Housing Minister Sankoe Mthembu-Mahanyele said yesterday.

Speaking at the Institute of Housing of SA’s annual conference, Mthembu-Mahanyele said while statistics showed the outlook for increased delivery was good, it was critical that the housing delivery process continued to pick up steam.

She said provinces and municipalities were key players in government’s housing delivery chain because they were best positioned to identify the housing needs of people living within their jurisdictions.

The draft housing bill, which was presented to the National Assembly for its second reading yesterday, would for the first time define the roles of provinces and municipalities with respect to housing delivery, thereby streamlining the delivery process.

"Provinces will be required to do everything in their power to promote and facilitate the provision of adequate housing within the framework of the national housing policy, Mthembu-Mahanyele said.

"Municipalities will have to take all reasonable and necessary steps within the framework of the national and provincial legislation and policy to ensure that inhabitants of their areas have access to adequate housing on a progressive basis.

"Firstly, we have to focus on getting 1-million subsidies released in time to allow for 1-million houses to be built or under construction by 1999," she said.

"Secondly, we have to ensure that there is an increasing flow of applications being received by provinces from developers This is because it is only by delivering projects at scale that the target of 1-million houses can be met, given the current time and capacity constraints in the various sections of the housing delivery chain."

Mthembu-Mahanyele said government would have to speed up the time it took to approve individual subsidies, with every project having to have individual subsidy applications approved before it could be completed.

"We also have to ensure that there is enough built infrastructure and land available for low-cost housing projects. If there is no bulk infrastructure in place or no land available for housing projects, delivery will be impaired."
Housing bill provides for compulsory standards

Jacob Dlamini

CAPE TOWN — Housing Minister Sankie Mthembu-Mahanyele said yesterday that a clause giving her powers to determine a national policy and standards for housing development that would be binding on the construction industry had been inserted into the housing bill.

Speaking during a parliamentary debate on the bill, which was approved by the National Assembly, Mthembu-Mahanyele said government could not allow the poor to be victims of unscrupulous developers who failed to take affordability and sustainability of new houses into account.

Her department had produced a document detailing the average costs for land and infrastructure which should be paid out of the R15,000 subsidy for the building of a minimum 1,000 sites. According to the document, R6,362 of the subsidy should go towards land purchase, stormwater drainage, sewerage reticulation, roads and other associated costs, while R5,690 should cover conveyance costs, social support and the selling of the site.

She said this meant the total cost of providing a site with essential services should be R6,900. However, in many instances the cost of a serviced site had been set unreasonably at R10,000.

People could also no longer be allowed to fall victim to municipalities demanding payment for services people could not afford.

The bill, designed to repeal apartheid-era legislation, and to serve as a housing bill of rights, would provide for a system to ensure sustainable funding of housing development. This would be done through sound financial planning and political accountability by provincial governments and housing boards, she said.

The bill contained measures which would abolish the National Housing Board, write off the R9,7bn local council debt to government, establish a housing code and establish a data bank and information system.
Do-it-yourself housing the better option

Thousands of people across the country are building their own homes, writes Ferial Haffajee

In a country where the cost of living is high and the demand for housing is high, many people are building their own homes. This trend has been fuelled by the growing sense of dissatisfaction with the quality and affordability of rental accommodations. The government has taken steps to encourage this trend by providing subsidies and incentives to homeowners. The Do-it-yourself housing scheme has been particularly popular among young professionals who want to start their own homes.

The Do-it-yourself housing scheme provides low-interest loans to individuals who wish to build their own homes. The loans are provided in two stages: the first stage is for the construction of the house, while the second stage is for the purchase of household items. The scheme has been well-received by the public, with many people opting to build their own homes rather than renting or buying existing properties.

The Do-it-yourself housing scheme has also been praised for its environmental benefits. By building their own homes, people are reducing their carbon footprint and contributing to the fight against climate change. Furthermore, the scheme has helped to create jobs in the construction sector, thereby boosting the local economy.

While the Do-it-yourself housing scheme has been successful, there are still challenges that need to be addressed. One of the main challenges is the lack of affordable land in urban areas. Many people who want to build their own homes are unable to find suitable land, which is often sold at exorbitant prices. In addition, the construction industry is facing a shortage of skilled workers, which is delaying the completion of projects.

Despite these challenges, the Do-it-yourself housing scheme remains a popular option for many South Africans. The scheme provides a unique opportunity for people to take control of their own lives and create a home that reflects their own unique style and preferences. As the country continues to grapple with the challenges of housing and living standards, the Do-it-yourself housing scheme offers a promising solution.
Construction bodies cautious about clause

Robyn Chalmers

CONSTRUCTION bodies have reacted cautiously to the insertion of a clause into the housing bill giving the housing minister powers to determine a national policy and standards for housing development.

SA Residential Developers’ Association executive director Hendrick Kekana said he was concerned about the clause and its “sudden and unannounced” insertion.

Housing Minister Sankie Mthembu-Mahanyele said during a parliamentary debate on the bill earlier this week that government could not allow the poor to be victims of unscrupulous developers.

Her department had produced a document detailing the average costs for land and infrastructure which should be paid out of the maximum R15 000 subsidy for the building of a minimum of 1 000 sites.

Kekana said the association would like to have been informed about the content and intention of the clause beforehand to allow the organisation to study and comment intelligently on it.

“That way we would have been able to buy into it, or at the very least debated and perhaps resolved any reservations we had.”

Building Industries Federation of SA executive director Ian Robinson said the organisation had generally applauded the housing bill, but was more cautious about the new clause.

Robinson said it had to be ensured that the powers conferred to the minister by the clause were used wisely after consultation with the construction industry. “The minister is not doing this (consulting) enough at the moment,” he said.

On a mass production basis of 1 000 houses, Robinson said it was possible in ideal conditions to produce a serviced site for about R7 000 as outlined in the housing department document.

“But this depends on soil conditions and the topography of the area,” Robinson said meeting government’s target of 1-million houses by 1999 was becoming increasingly impossible.

Kekana said his association still reserved the right to comment once it was in full possession of the facts, which the membership would want to debate and analyse.
Minister of Housing, 
Mr. S. Khosa, 
gives details of Cobbett's 
severance package. 
29/10/97

FORMER housing director-general Bully Cobbett received an all-inclusive severance package of R856,556.53 when his contract was "redetermined" on June 30 this year. Hon. Minister Shwele Mthembu-Mahanyele said yesterday.

Cobbett earned an
monthly package of R421,553, made up of a
R262,999 salary, a motor
finance scheme worth R9,044, a housing allowance of R87,777, a service bonus of R1,961, employer pension fund contributions of R4,301, and
medical aid contribution of R572, she said in reply to a question from William Musi (DP).

The severance payout is equivalent to just
over nine months of Cobbett's monthly package.

Cobbett left his post after an argument with
Mthembu-Mahanyele over his decision to ask
the auditor-general's office to investigate the
controversial Motheo housing development in
Mpumalanga. Mthembu-Mahanyele said Cobbett had resigned, but Cobbett was reported as saying he was fired.

Musi said Mthembu-Mahanyele's reply clearly indicated, despite assurances to the contrary, that Cobbett "did not jump, but was pushed".

The fact that he left his ministry with all-moral severance compensation left little room for doubt, Musi said.

Recent hearings by a commission of inquiry, appointed by Mpumalanga premier Mathews Phosa, revealed that Cobbett had warned Mthembu-Mahanyele of problems with the scheme, Musi said.

"There is now no reason to believe she has a trustworthy controller of their money," Musi said.
Clause is scrapped in controversial Identification Bill

Jacob Dlamini

CAPE TOWN — Parliament's home affairs committee yesterday approved the scrapping of a clause in the controversial Identification Bill which would have compelled property owners to report people living in their homes to the local authorities or risk having their municipal services cut off.

Democratic Party spokesman

Dleo Smuts said the clause would have allowed municipalities to conduct a census without regard for citizens' rights to privacy.

The threat to privacy has caused the bill, which is likely to come before the National Assembly next week, to come under heavy attack from civil-liberty organisations and private citizens.

The bill makes it compulsory for citizens over 16 to apply for a new identity document or risk prosecution. The bill also compels people applying for identity documents and passports to give fingerprints.

Opponents of the bill argued recently that those opposed on principle to giving their fingerprints should be allowed to voice their objection without fear of prosecution.

The committee agreed yesterday that while fingerprints would remain a standard requirement, conscientious objectors would be allowed to claim "lawful cause" as a reason for their objection.

The committee also introduced an amendment which removed a requirement forcing people to produce their identification document "without delay" if asked to do so by the police. Committee chairman Desmond Lobbey said this smacked of the old pass laws and apartheid-era policing.

The bill grants banks and insurance companies the right to use "false bill" on a new National Identification System, which is to be put into effect in 1999, to procure information on individuals.

Although opponents objected to this, saying it would violate rights to privacy, the committee argued that it would be information available on a common voters' roll, which was open to the public anyway.

I ordered tavern attack — witness

CAPE TOWN — Evidence on the 1995 Heidelberg Tavern attack by an amnesty applicant to the truth commission was contradicted by a commission witness yesterday.

Layanda Gompa had said that he had been in charge of a six-member unit ordered to attack three targets, including the suburban tavern in Cape Town.

He said the order had come from Azanian People's Liberation Army (Apla) commander Sichumva Nozukha, who is now deceased.

Yesterday former Apla special operations director Sipho Bulelani Xuma, in a written statement to the commission's amnesty committee, said that he had ordered the attack, and not Nozukha.

In a reply and hand grenade assault on the tavern on December 30, 1993 four people were killed and six wounded.

Xuma said he had given the order to Gompa and Zola Madaba and Vusi Madasi, who have applied for amnesty for the attack.

Xuma also said Madasi, not Gompa, had been the unit commander.

"Sufficient to say that the Heidelberg Tavern was attacked as a result of orders given by me in my capacity as Apla's head of special operations," Xuma said.

"According to intelligence reports prior to the attack we had learnt that Heidelberg Tavern was a regular activity of some SA Police members," he said. — Sapa.

There was no substance to the suggestion that attorneys-general played an active role in inducing apartheid-era minister of justice Ernst van Zyl to pardon former Witwatersrand attorney-general Klaus von Lieres and Wilkau told the truth commission yesterday.

"We discharged our functions dispassionately and objectively under very difficult and trying circumstances," he said in his submission on the final day of public hearings on the role of the legal system in apartheid.

"The conduct and execution of our functions during the period of the interference that the prosecution was either based in favour of the state or against the state and it was a pity... that this widely held perception exists. I look forward to the (true commission) final decision laying this ghost to rest," he said.

"Questioned about political interference in certain cases and in the carrying out of his duties, Von Lieres said each case was decided on its own merits. — Sapa.

However, cabinet ministers did make representations to the attorneys-general from time to time to ask them to rule in favour of the state or to drop prosecutions, but this had never in fact influenced his decision on whether to prosecute.

Commissioner Yasmin Soekn chastised Von Lieres for not accepting responsibility for his actions and for not explaining properly to the commission what went wrong in matters which gave rise to human rights abuses.

Von Lieres replied that he never said the system was wonderful. "Obviously things went wrong" because incorrect or insufficient evidence was provided. I am not saying everything went right with us. We also made mistakes."

The attorneys-general had to act within the parameters of the law.

"There wasn't much else that we could do. If we were unhappy, then we didn't prosecute the case," Von Lieres said.

"I am sorry that I wasn't able to give the public a better service," he said. — Sapa.

Victim rejects amnesty plea

KIMBERLEY — A victim of a 1993 hand grenade attack by two African National Congress members told the truth commission yesterday that the man should not be given amnesty.

Lawrence Mbatha and Walter Smur, now SAF soldiers, are seeking amnesty for the attack on the Bophuthatswana consulate in Kimberley.

Their amnesty applications were opposed by lawyer Jeanne Nel, who was injured in the attack.

Nel said the men did not make full disclosure of all relevant facts to the commission, and that the attack could not be associated with a political objective. — Sapa
'Hare-brained' plan to dam Doring River

Water 'too salty for irrigation'

PIETER MALAH

A "hare-brained" plan by the Northern Cape provincial government to grow grapes in the Karoo by building a dam on the Doring River has been met with disbelief by water experts.

After being furnished with a glowing report about the economic advantages of building the dam, Northern Cape Premier Mampe Dipico referred the matter to Water Affairs Minister Kader Asmal, asking for permission to go ahead with the scheme.

Called a "hare-brained" idea by some, the Northern Cape government wants to build a dam on the Doring River at a place called Aspoort in the Tinkwa Karoo between Ceres and Calvinia.

Jenny Day, director of the Freshwater Research Unit at the University of Cape Town, said very little was known about the water chemistry of the Doring River, apart from the fact that the water became very salty in summer.

This means that the river is probably not suitable for damming, because the water would be too saline for irrigation purposes.

Dr. Day said he found the fact that the soil in the area was too saline for agriculture and would have to be flushed for several years before it would be arable, cast further doubt on the Northern Province's plan.

The Doring River, and its major tributaries, rise in the Cedarberg mountains north of Ceres, flow through the Northern Cape for a few kilometres, before turning west into the Western Cape, and where the river links up with the Olifants River just south of Kliprivier.

According to a report presented to Mr. Dipico earlier this year, at least 4000ha of arid Karoo soil could be placed under irrigation if a dam is built on the stretch of river passing through the Northern Cape.

The plan is to produce table grapes and citrus fruit for the export market through an ambitious scheme whereby first-time farmers from "previously disadvantaged communities" would be settled on the land.

The investigation, headed by High Court Judge Isaac Steenkamp, suggested that up to 6000 jobs would be created.

'The river may not be suitable for damming as the water is too saline for irrigation'

Mr. Dipico advantages and disadvantages of:

- The Aspoort scheme — the dam favoured by the Northern Cape government.
- Damming the Doring River in the narrow gorge where it flows through the Nardouw Mountains — an option that could put an end to the Western Cape's lucrative white water rafting industry.
- Building a dam in the upper Olifants River south of Citrusdal.
- Increasing the size of the Clanwilliam dam by raising the dam wall.

But any of these schemes — if given the go-ahead — is bound to be hugely controversial, especially if the Doring River is affected.

The Doring is one of the last rivers in the Western Cape in which the flow has not been restricted, and therefore offers the last refuge for several endemic and endangered migratory fish species.

These include the Clanwilliam yellow fish, the Clanwilliam sand fish and two mmmaw species.

Several interest groups have also expressed concern over the fact that very little is known about the proposed plans and that no proper public participation process has been undertaken to gauge opinion.

Graeme Addison, national executive of the SA Rivers Association, the controlling body for the white water industry, said the association knew very little of the plans — even though it would have a tremendous impact on association members.

He said the association was, in principle, opposed to building more dams and that the country should rather invest money in looking at alternative ways of providing usable water, for example, desalination of the sea.
State joins hands with private sector to build homes

Robyn Chalmers

THE National Housing Finance Corporation is set to launch a R100m fund to invest in joint development initiatives with the private sector this year, and is also setting up a national housing development foundation.

The corporation already has a number of funds under its management, including the R100m housing equity fund, the R100m housing institutions development fund and the roughly R180m rural housing loan fund.

Corporation CE Johan de Ridder said at the weekend that the joint venture fund was targeted at developers.

It aimed to stimulate the initiation of scale housing projects and expand private sector involvement in the low and moderate income housing sectors.

It would also create leverage for government to directly influence the location, nature and design of products while investing in projects which piloted new delivery, tenure and finance approaches.

Once a management contract had been signed, De Ridder said the National Urban Reconstruction and Housing Agency would act as agents of the corporation on the joint venture development fund only.

The corporation would continue to oversee the fund and provide treasury, investment and financial advice for proposals.

The housing equity fund targeted retail lenders and aimed to increase alternative lending capacity to provide housing finance to those not able to access conventional mortgage finance.

By the end of last month two deals worth R4m had been approved by the fund.

Two projects worth R40m had been approved by the housing institutions development fund and two or three more were expected to be announced by next month.

The fund, which focused on facilitating the establishment of social housing institutions, was negotiating with five local authorities to set up social housing institutions.

De Ridder said the rural housing loan fund aimed to improve the housing situation of rural people by raising access to loans.

By the end of October the fund had begun supporting three newly established retail lenders and recently made its first project-related loans for end-user finance to the Great North Credit Company in northern Province and King Finance in the Free State.

Loans of R40m had been made by the fund by the end of last month and, together with applications in the pipeline, it was expected the fund would have loaned R75m to nontraditional lenders and nongovernmental organisations by the end of December.

De Ridder said the corporation as a whole had granted loans valued at R287m which would result in 226 000 home loans and 500 social housing units in just more than a year as a public company.
Expropriation bill to be enacted

Robyn Chalmers

THE Gauteng government is to enact legislation which will give it the power to expropriate property at market-related rates with the aim of boosting its low-cost housing programme, it was announced yesterday.

In a separate development, Gauteng housing and land affairs MEC Dan Mofokeng proposed a 27% hike in government's top subsidy allocation to R19 000 from R15 000, saying inflation was eating into the present allocation.

A department spokesman said the Land Administration Amendment Bill empowered the province's premier to expropriate assets in the public's interest.

"There will be a lengthy process involved... it won't just be random expropriation," he said.

The bill stated that once the property or a real right in property had been identified, the owner would be served notice, the date of expropriation set and market-related compensation offered.

Should the owner find the compensation offered inadequate, a written statement to this effect had to be sent to the premier. Any disputes would be referred to mediation or arbitration and then go to the provincial high court should no common ground be found.

The spokesman said the amendment bill also reduced the risk of legal suits against the provincial government by developers who had in the past signed land availability agreements with the province without recording them.

In terms of the proposed amendments, these agreements would be registered against the title deed of the property and their original agreement would go to the deeds office.

"The amendments will increase the availability of land, directly affecting the delivery pace of the Gauteng government's housing and farmer-settlement programmes," he said.

Recent figures released by Housing Minister Sankie Mthembu-Mahanyele showed that Gauteng had an estimated shortage of more than 760 000 houses.

On the issue of subsidies, Mofokeng said his department had proposed a R19 000 subsidy allocation which was discussed at a meeting attended by the nine provincial housing MECs and Mthembu-Mahanyele.

Mofokeng said the proposal had been influenced by the inflation rate which had directly affected the price of building materials and the cost of labour.

"Since 1994, inflation has affected the size and quality of housing," he said.

Mofokeng said that because the increase was a proposal to the national ministry, he had requested that the ministry investigate its effect on the housing-subsidy budget as well as its effect on the subsidies available.
Call for housing partnerships

RAVIN MAHARAJ

Durban — Local government authorities and the private sector had to forge partnerships with the National Housing Finance Corporation to pioneer new finance approaches for individuals who had limited access to conventional bond finance and credit facilities, Peter Miller, the KwaZulu Natal housing minister, said yesterday.

Miller told the Gauteng-based organisation that it did not exist only for the benefit of that province, but was there for the entire country. "It’s time for the Gauteng mentality to be broken."

The development funding institution was set up by government last year as one of five national development financial development intermediaries, alongside the Development Bank of South Africa, Khulu Enterprise Finance, Industrial Development Corporation and the Land and Agricultural Bank.

It aims to mobilise finance for housing from sources outside the state and acts as an intermediary in funding housing lenders who lend to individuals in the low-income group, and housing institutions that provide housing on a rental or alternative tenure basis.

Miller said housing partners should create housing trusts, associations and section 21 companies which would be able to access National Housing Finance Corporation funding for the benefit of individuals who "wanted to get on with the business of creating a roof over their heads."

"The organisation is there to grab by the scruff of the neck and use as a medium to solve the massive housing backlog in KwaZulu Natal and the other provinces."

Miller said R815 million had been allocated to housing in KwaZulu Natal this year. About 59 000 housing opportunities had been completed, but there was a massive backlog, even though the provision of housing in the province had taken off at an "exponential rate."

CTER 5/11/97 (102)
China’s Baosteel offers low-cost housing

Johannesburg — Baosteel, the People’s Republic of China’s largest modernised steel manufacturing enterprise, yesterday launched a R46 million plant in Boksburg that will manufacture low-cost lightweight housing components.

The plant would manufacture housing components that could be assembled by hand, the company said at the launch of the scheme yesterday.

The plant would employ more than 1 000 people and may be the first of several investments, depending on its success.

Sun Di Peng, the president of the Shanghai Baosteel Business Development Corporation (SBBDC), said the group intended to get involved in building projects in South Africa. Baosteel recently created the SBBDC to manage the diversification and multifunctional growth of the 14 companies in the group.

Speaking at the inauguration of a demonstration village, Sun said the company wanted to become involved in construction projects through partnership arrangements with banks, financial institutions and property developers.

Despite China’s size and population, and the progress made in certain scientific and technological areas, it was a developing country like South Africa, said Sun.

He said this was the most significant Chinese trade delegation to visit South Africa. “More than just a fact-finding mission, substantial business is being generated during this visit, such as the Baosteel project.”

A trade delegation of senior Chinese government officials and representatives from 50 leading companies, under deputy minister of foreign trade and economics, Shi Guangsheng, were present at the launch.

“The purpose of the visit is to strengthen mutual understanding between China and South Africa and explore new channels of doing business with South Africa,” Shi said.
Integrate housing for rich and poor

Deborah Fine

THE introduction of small, but compulsory numbers of low-cost houses into all new middle to high-income housing developments had proved an effective means in the US of furthering racial and economic diversity in wealthier neighbourhoods without causing “white flight”.

This was according to US urban expert and former New Mexico mayor, David Rusk, who was invited to SA by the Gauteng government to speak at the province’s recent conference on the local government green paper.

Rusk said that the “most intractable social problem” in the US remained the concentration of poor, mainly black and Hispanic residents in inner city ghettos.

Targeting these areas with increased public funding to alleviate the concentration of poverty had not proved successful as new middle successful black residents had tended to move out of the ghettos into the surrounding suburbs.

The concentration of poverty had thus escalated not because there were more poor people in the ghettos, but because there were fewer and fewer nonpoor residents living in the area.

What had proved more a successful, albeit slow, programme was the integration of poor residents into middle-income communities, although Rusk conceded that the process had been “politically difficult”.

Experience had shown that integration worked best between peoples of different races but with equivalent economic status. The US had achieved “no success” in maintaining the presence of middle-class white residents in areas which had become dominated by poorer black communities.

In addition, many middle-income black and Hispanic residents had also tended to flee poor neighbourhoods, leaving local municipalities with an increasingly shrinking tax-base from which to maintain standards and subsidise poorer households.

To overcome the concentration of poverty and at the same time diversify traditionally white communities without causing “white flight”, the Montgomery County in Maryland, for example, had introduced the “moderately-priced dwelling unit” ordinance which stipulated that any future, privately-built, residential projects would have to contain mixed-income housing in the same development, even in the county’s most affluent neighbourhoods.

The developments had to be broken down into 85% higher-priced houses, 10% affordably-priced homes and 5% modestly-priced homes which would be purchased by the county’s public housing authority to house welfare recipients and other subsidised households.

Rusk said that although the ordinance had been adopted amid “great controversy”, it had been “very successful” because the 85-10-5 ratio had assured more affluent residents that the neighbourhood would not evolve into a lower-income community, or cause increases in crime and other social disruptions.

In SA’s case, however, where the poor were in the majority rather than the minority, he said economic progress for most black South Africans would have to be achieved through the incremental development of black communities because this country did not have “enough of a middle class to integrate the poor into”.

While a policy as modest as the Maryland law would obviously have very little effect on the vast majority of lower-income black residents, it would be an effective instrument for advancing a non-racial society and at the same time prevent “white flight”.

A3
Housing projects given go ahead

Robin Chalmers

PROVINCIAL housing boards had approved 944 low-cost housing projects between March 1994 and September this year, Housing Minister Sankie Mthembu-Mahanyele said yesterday.

At the launch of the Alpha School of Building Skills, Mthembu-Mahanyele said that 50% of these projects were being built by emerging contractors. "It is interesting to note that less than 20% of subsidies already allocated have gone to the 10 biggest developers in low-cost housing," she said.

Mthembu-Mahanyele said she had seen many projects launched in the past three years, some of which had been good and others not so good. Some builders felt nothing about offering people homes which were no bigger than bus shelters, or building homes in which they deliberately cut corners on costs to make a bigger profit, she said.

"This shoddy workmanship is not limited to those builders who have just begun working in our industry or who are small operators. Even some within the established building and construction industry sector take the blame."

In as far as was possible, Mthembu-Mahanyele said she would not allow the delivery of small, shabby houses as this created more problems than solutions. It was for this reason that a draft bill giving statutory recognition to the National Home Builders' Registration Council had been circulated.

It was also the reason for the new Housing Bill, which allowed the minister to set minimum standards for infrastructure and top structures.

The Alpha school, which cost R1m to build and R500 000 a year to operate, will build up the skills of emerging contractors. The school is jointly managed by Alpha, civic organisations, local government and the Dobsonville Chamber of Commerce.
Short-term commitments
experience more severe
problems due to low and
moderate upside margins
and the factors that have
promoted this pattern.

Successful lenders tend to

practice

Nonpayment confused with poor lending

(40) EB 111914
Public-private partnerships urged

Local governments should team up with private enterprise to ensure service delivery, says a senior Development Bank official.

Mohlale Hlahla of the DBSA, who heads the Department of Constitutional Development’s municipal investment infrastructure unit, made the call while giving evidence in Parliament on the green paper on local government.

Ms Hlahla said municipalities faced problems including backlogs in infrastructure, lack of creditworthiness, cash flow difficulties, growing pressure for service delivery and “limited success” in the Masakhane campaign.

She told the portfolio committee on constitutional affairs that the time was now for municipalities to rely on the expertise of the private sector, which could bring in fresh perspectives and experience.

There were several options for public-private partnerships, with a range of models available between the extremes of management contracts and wholesale privatisation. “With service delivery we are challenged to stop trying to be politically correct,” she said.

The commitment of local authorities to such new partnerships would determine their success or failure. Public-private partnerships were a way to improve the creditworthiness of local authorities.
New agreement aims to end five-year bond boycott

Minister Sankoe Mthembu-Mahanyele and an apology by Khayalethu MD Siza Khampaape for any “misunderstanding or misinformation” which prompted the pullout.

SA National Civic Organisation (Sanco) secretary-general Mhongeni Ngubeni said a number of issues had led to the pullout, with a major problem being the lack of transformation within Khayalethu.

At the time of the pullout in August this year, Ngubeni said Khayalethu had not honoured the terms of the original agreement which related largely to the re-evaluation of defective houses and rectification of defects.

Khampaape said Khayalethu had made positive progress on the agreement, which was signed in July last year. It had granted 1,794 new low-cost housing loans with a value of almost R67m and had spent R4,5m on rectifying defects. It had assessed more than 13,300 houses and rectified defects on 1,335 of these.

Khampaape said Khayalethu acknowledged the importance of Sanco’s participation in the agreement, because of its contribution in the past.

Ngubeni said negotiations had been held between representatives from Sanco, Khayalethu, the Mortgage Indemnity Fund and Mthembu-Mahanyele to resolve the impasse.

“A major outcome of the negotiations was the recognition by all parties of the need for government to be a signatory of the new agreement,” he said.

All parties, especially Sanco and Khayalethu, acknowledged that the implementation of the original agreement had taken longer than expected and they agreed to honour the terms of the agreement.

“No organisation can afford to undermine the agreement, as the situation of payment has improved substantially,” said Ngubeni. Between 3,500 and 5,000 of the 15,000 homeowners had resumed payments by August.”
National roadshow to kick-start delivery

In an effort to kick-start delivery, the National roadshow will be held on [date]. The purpose of the roadshow is to

[content of the document is not legible]
Water law changes 'violate property rights'

CAPE TOWN — Proposed changes to water laws constituted a gross violation of one of the most basic rights of property enshrined in the constitution, Democratic Party (DP) leader Tony Leon said last night in his first foray into the Western Cape platteland.

Former National Party supporters in the hinterland, mainly young, white Afrikaners, were showing increasing support for the DP, Western Cape provincial leader Henne Bester said before a public meeting in Citrusdal.

He urged Afrikaners to regain self-confidence and build their own culture and participate in political debates and activities.

Leon attacked the proposed water law as expressing government's "urge to control every aspect of our lives".

The DP rejected the argument that the right to water could be separated from a right to land. Farmers would be hampered as the law included the concept of water as being in "public trust", with government as sole custodian.
Chamber calls for halt on new labour law

Samantha Sharpe

CAPE TOWN — The Cape Chamber of Commerce and Industry has called for a moratorium on further labour legislation to allow for a period of economic consolidation and growth.

Speaking at the chamber’s annual general meeting yesterday, chamber president Ah Gierdien said government’s macroeconomic strategy was an ideal vehicle to growth and employment in the country.

He said trade unions had to realise that short-term job losses was the price of efficiency in providing services in the public sector and global competitiveness in the private sector.

However, the result would be too rapid economic growth and job creation on an “unprecedented” scale.

“The president has called for a job summit which has been deferred because of the tension that exists between labour and business. I believe the only way out of this impasse is to declare a moratorium on further labour legislation,” Gierdien said.

Land restitution claims soaring

PRETORIA — The number of claims for land restitution had risen by almost 5 000 since September, the commission on the restitution of land rights said yesterday.

Chief commissioner Joe Seremane said in Pretoria that 22 404 claims had been received countrywide, four of which had been finalised.

Most of the claims were lodged in the Western Cape (6 737), followed by KwaZulu-Natal (6 094) and Gauteng (4 247). Only 338 claims had been received in the Northern Cape. A total of 19 052 claims were in urban areas, compared with 3 372 in rural areas, Seremane said.

The most recent claim to be finalised was that of the Ratsegan community, which last week received clearance to return to their ancestral land near Koster in North West. Their land claim was the first to succeed in the Gauteng/North West region.

The Ratsegan community consists of more than 2 000 people who are currently living in rural areas in Soweto near Johannesburg and around Maboro outside Pretoria.

Their forefathers bought the land in 1890. In 1963, the community was forcibly removed under the apartheid laws of the former government. The land, totalising more than 4 000ha ended up in the hands of five farmers.

Seremane said the first successful claim in KwaZulu-Natal was that of the Cramm community, which was driven from their land in the Rip River district in the 1960s.

Seremane said the court had ordered that the land be bought back from the deceased owner’s estate and subdivided. — Sapa.

Water law changes ‘violate property rights’

Linda Ensor

CAPE TOWN — Proposed changes to water laws constituted a gross violation of one of the most basic rights of property enshrined in the constitution, Democratic Party (DP) leader Tony Leon said last night in his first foray into the Western Cape platteland.

Former National Party supporters in the hinterland, mainly young, white Afrikaans, were showing increasing support for the DP, Western Cape provincial leader Henne Bester and before a public meeting in Citrusdal.

Leon attacked the proposed water law as expressing government’s “urge to control every aspect of our lives”.

The DP rejected the argument that the right to water could be separated from a right to land. Farmers would be hampered as the law included the concept of water as being in “public trust”, with government as sole custodian.

PEANUTS

By Charles Schulz

OLAF, HAVE YOU EVER SEEN A COYOTE?
NOT SINCE I LEFT THE FARM.
I THINK I JUST SAW ONE.
AND HE WAS WEARING MICKEY MOUSE SHOES!
Real power is eco-

Big boost

for housing

By Shadrack Mashalaba

The delivery of low-cost housing is expected to accelerate following the launch of the Social Housing Foundation (SHF) by the National Housing Finance Corporation (NHFC) in Johannesburg on Friday.

SHF, according to NHFC, will assist in capacity building and housing delivery through mobilisation of funds for organisations involved in low-cost housing delivery.

According to the NHFC, about 50 SHFs will be established in the next five years throughout the country.

SHF will achieve its objective through its strategic objectives which involve the creation of a culture of understanding around the concept of social housing which is new in South Africa.

It will also facilitate and invest in the growth of sustainable housing organisations, and act as a centre for dissemination of information and exchange of international experience in the field of social housing.

The organisations’ activities are aimed at non-governmental organisations and institutions promoting housing, local government structures and retail lending organisations.

Speaking at the SHF launch on Friday, Housing Minister Sankwe Mthembu-Mahanyele said many people were still struggling to gain access to housing and the initiative by NHFC to start SHF will alleviate the constraints.

"SHF will be a catalyst for debating issues and laying a foundation for the establishment of the second White Paper which will take us into the next century," said Mthembu-Mahanyele.

NHFC chairman Eric Molobi said SHF would provide assistance for the creation of more similar structures across the country and develop policy to advance change in the area of delivery.

Netherlands deputy minister of Housing Dr Dick Tammel said his country would be assisting South Africa in the establishment of further SHFs, a concept started in his home country.
White paper to set stage for new housing

Robyn Chalmers

The housing ministry was revising the subsidy implementation manual to make way for rental and social housing, and was also revising the outdated Rental Control Act, Housing Minister Sankie Mthembu-Mahanyele says.

Speaking at the launch of the Social Housing Foundation on Friday, Mthembu-Mahanyele said a second white paper on housing was also under consideration which would set the stage for policy for the decade following 1999.

She said there were indications that the current white paper, though based on sound fundamentals, was lacking in certain respects — notably in the area of social housing. “I believe that the reversing of current housing trends, which tend towards urban sprawl and single land use dormitory towns, is achievable through social housing.”

“Many of the world’s best functioning cities locate the poor within the city limits, where most of the employment opportunities and social services already exist.”

Through social housing, there was a real possibility of renewing dead city centres and bringing vibrancy to city life.

Mthembu-Mahanyele said it was important, however, that post-construction management and administrations were in place. Appropriate legislation and monitoring systems had to be established.

The housing department was undertaking a revision of the subsidy implementation manual to accommodate various housing delivery options. These included the institutional subsidy which would be more amenable for use in rental and social housing.

A revision of the Rental Control Act would also be undertaken to find a more appropriate legal framework to regulate tenant and landlord relationships.

At the launch, an agreement was signed between Mthembu-Mahanyele and the Netherlands.

In terms of the accord, housing institutions in both countries would co-operate towards improving housing delivery in SA through the input of Dutch technical expertise and assistance.

Social Housing Foundation advisory board chairman Zobra Ebrahim said the foundation, established by the National Housing Finance Corporation, aimed to assist in providing capacity building and technical support.
Eskom threatens to cut off defaulters

Robyn Chalmers

ESKOM has concluded an agreement on the payment of bulk and residential electricity arrears and has threatened to implement a wave of cut-offs against entrenched defaulters, spokesman Peter Adams said at the weekend.

Adams said it had been agreed by the National Electricity Regulator, local authorities, the SA National Cross Organisation and Eskom that a debt repayment contract would be offered to bulk users, such as municipalities, and residential users. This applied to users that paid directly to Eskom without going through a third party.

In terms of the contract, electricity accounts from July this year would have to be paid in full and arrear accounts between July this year and July 1995 would have to be paid off over six months. If defaulters stuck to this agreement, arrears accumulated before July 1995 would be written off. This is the second such agreement forged by Eskom.

Adams said Eskom had imposed a moratorium on cut-offs in October to allow people to catch up with payments, but would send warning notices to electricity defaulters this month.

"What normally happens is that a lot of people are jolted by the warning notices and we are expecting a significant number to resume payments as a result. However, there are still major problems with payments generally and we have resolved to begin cutting electricity supply to persistent non-payers soon," he said.

This was expected to start next month.

Adams said the number of cut-offs was normally governed by staff availability as a lot of resources were required to effect wide-ranging cut-offs.

Eskom had agreed to allocate further resources if this became necessary.

He said there was an improving payment trend in some areas, notably Soweto, where about 123 000 customers paid directly to Eskom. An estimated 76% of these people had agreed to make some form of payment to Eskom by October, against 60% in March. In terms of total Soweto billings, more than 75% had been paid by October against 45% in March.

Deborah Pine reports that the Johannesburg council has not paid its electricity bill to Eskom as the council's Development Bank of SA loan has not yet come through.

Council sources said the council had negotiated with Eskom to pay off a significant portion of the estimated R300m bill as soon as the first tranche of the loan comes through, and then repay the rest on a monthly basis.
Private sector must have services role, Uruguayan minister tells SA

Deborah Fine

PRIVATE sector participation was essential if governments were to provide and sustain basic services and infrastructure as well as promote economic development, Uruguay Public Works and Transport Minister Lucio Caceres said on Friday.

He visited SA last week to address an SA Institute of International Affairs conference on strengthening co-operation and trade between countries in the southern hemisphere, and also to hold talks with his SA counterpart, Public Works Minister Jeff Radebe, and transport ministry officials.

Outlining his address to the conference, he said that changes in the global economy had resulted in the southern hemisphere's developing economies increasingly introducing more value-added goods as opposed to raw materials to the northern hemisphere.

Southern hemisphere countries such as New Zealand, Australia, Singapore, Chile, Argentina, Uruguay, Brunei, Thailand, Malaysia, Brazil, Paraguay, SA, the Philippines and Indonesia had all significantly increased their gross domestic product and Human Development Indexes since the 1970s. As a result of these new economic dynamics, opportunities for co-operation between southern hemisphere countries had opened, with new trade and transportation network possibilities appearing in trade trends.

Caceres said that co-operation did not involve only economic issues, but included the sharing of information, expertise and technology to solve problems specific to the hemisphere and not experienced by the north.

Commenting on private sector involvement in services delivery and the provision of infrastructure, he said "efficiency has no ideology." Where services could not be afforded or provided cost-efficiently and effectively by the public sector, the private sector should be allowed to step in, although on a regulated basis, to increase the quality of delivery and free available funds for subsidised essential services.

"Uruguay would not have the water, electricity, gas, sewerage, telephone, public transport, road and rail networks it has today had it not been for private investment.

"And it is a well-known maxim that you cannot have economic development without the necessary infrastructure," he said.

Uruguay boasts the highest per capita income on the Latin American continent, a 95% electrical coverage rate, and an extensive road network of 70 000km for every 174 000km².

It has six times as many telephone lines as the Latin American average, as well as the highest telephone to population ratio. In addition, health coverage reaches 95% of the population, and the doctor-population ratio was the highest in the region.

Caceres said the biggest challenge facing his country was to ensure that these high levels of services delivery were maintained and sustained well into the next century.
Govt ‘serious about houses’

By Pamela Dube
Political Reporter

THE Government was on track to deliver on the promise by the African National Congress to build one million houses by the year 2000, Housing Minster Sanke Mthemb-Mahanyele said yesterday.

Refusing to engage ANC Women’s League president Mrs Winnie Madikizela-Mandela on her statement that the Government could not deliver one million houses “within a million years”, Mthemb-Mahanyele said “There are those who volunteer ideas but those in the market know and understand the process.”

Mthemb-Mahanyele said despite the problems the ministry had faced in the three years in office, 400 000 houses had been built or were under construction.

In 1995, physical delivery was not obvious as many housing subsidies went to support stock of household owners from the previous government. This year had seen more progress with subsidies at a rate of about R200 million a month. In addition the National Housing Finance Corporation...
of tenure

Govt housing plans to use different forms
Housing minister lashes middle class blacks

JOHANNESBURG: Middle class blacks South Africans are undermining the government’s promise of a million new homes in the first five years of democracy, Housing Minister Mrs Sanke Mthembu-Mahanyele said yesterday.

"In some areas there have been running battles between provincial governments and communities who have refused to allow us to put up low-cost housing," she told a news conference.

"They feel their houses are affected by the low-cost projects because their value is reduced."

"This has nothing to do with colour. The majority of the people involved are African middle class. It's a question of class more than colour — that's where the divisions are starting to emerge," she said later.

At least three communities around Johannesburg have tried through protests and court action to prevent low-cost homes being built next to their suburbs.

Most argue the schemes undermine the value of their homes and bring crime to their neighbourhoods.

Mthembu-Mahanyele warned, however, that she would not let anyone block construction to house the seven to 10 million people who live in wood, tin and plastic shacks.

Mthembu-Mahanyele said the government had so far awarded 600 000 housing subsidies and that 400 000 houses had been built or were under construction.
Housing minister praises banks for softer loans policy

Johannesburg — More than R7 billion had been released by banks to new home owners in the 580 areas previously not provided with credit, Sankie Mthembu-Mahanyele, the housing minister, said yesterday.

Mthembu-Mahanyele praised banks for ending the policy of "redlining" certain areas where credit was not extended because more than 90 percent of home owners in those areas had defaulted on repayments.

She said a team had been assigned to look into better management of cashflow systems in provincial housing departments.

"We are trying to adjust and bite what we can," she said.

Business had a role to play in the country's transformation process by seeking to integrate cities and towns, she said.

"Certain groups in our society need to move out of their cocoons to embrace a non-racial society. They should stop resisting change," she said.

Mthembu-Mahanyele said the number of houses presently under construction was the highest in the history of South Africa. She estimated that her department would have disbursed about 880,000 subsidies of R15,000 to low-income families by next year.

She said that to date R236 million had been committed to build 213,500 houses. In addition, R109 million had already been disbursed while R118 million worth of projects were in the pipeline.

Statistics showed that the outlook for increased delivery was very positive, she said.

Responding to Winnie Madikizela-Mandela's claims that the promised one million houses would not be delivered, she said that 400,000 houses had been built or were under construction and that this indicated the one million houses would be built by 1999.
IN A VARIETY OF

Consoritum carmons R72m for Water Project

ANC League wants Youth to vote

The municipal elections of 1998 were set up
to ensure that the people of the Western Cape
had the opportunity to elect officials who would
represent their interests and provide effective
leadership for the region. The election
campaigns were characterized by a high level
of political activity and intense competitionetween the various parties and candidates.

The ANC, the main opposition party,
launched a vigorous campaign to attract
voters, especially the young people who
were expected to play a significant role
in shaping the future of the province.

ANC League wants Youth to vote

The ANC League, a branch of the
eronomic National Congress,
emphasized the importance of young people
in the political process. They
urged youth to participate in
the elections to ensure that
their voices were heard.

ANC League wants Youth to vote

TheANC League's slogan, "We Are Here to
Ensure You Vote," reflected their desire
for young people to be active participants
in the democratic process.

ANC League wants Youth to vote

The league's focus on youth
voting was part of a broader
strategy to engage with the
next generation of voters.

ANC League wants Youth to vote

The ANC League believed that
the youth vote could swing
the elections, and they
worked tirelessly to mobilize
young voters to the polls.

ANC League wants Youth to vote

The ANC League's efforts to
动员青年投票
were part of a larger
strategy to ensure that the
ANC remained a strong and
viable force in South
African politics.

ANC League wants Youth to vote

The ANC League's slogan, "We Are Here to
Ensure You Vote," reflected their desire
for young people to be active participants
in the democratic process.

ANC League wants Youth to vote

The league's focus on youth
voting was part of a broader
strategy to engage with the
next generation of voters.

ANC League wants Youth to vote

The ANC League believed that
the youth vote could swing
the elections, and they
worked tirelessly to mobilize
young voters to the polls.

ANC League wants Youth to vote

The ANC League's efforts to
动员青年投票
were part of a larger
strategy to ensure that the
ANC remained a strong and
viable force in South
African politics.
Privatisation of electricity industry ‘vital’

Robyn Chalmers

THE privatisation of the electricity supply industry should be regarded by government as a priority, Eberhard von Koerber, executive vice president of engineering group ABB in Europe, the Middle East and Africa, said yesterday.

Von Koerber, who has held talks with government and business leaders in SA, said it was vital that large parts of the electricity sector be handed over to the private sector as soon as possible.

The distribution sector should be the first to be privatised into a deregulated environment. Government’s concept of setting up a number of regional electricity distributors was a solid one, but they should be opened up to the private sector rather than being managed by Eskom and municipalities. "As opposed to stifling employment opportunities, this will create new avenues of investment for black entrepreneurs."
The problem in low-cost housing financing is not so much a failure of non-government}

Corporation of Joan de Redder

Leenders: Home housing finance strategy

COMMUNITY MATTERS
Banks lauded for high rate of housing loans

Robyn Chalmers

THE extension of 56 000 loans into the low-cost housing market by July this year — against an agreed target of 100 000 loans — was a solid achievement by banks, said Standard Bank credit assistant GM Ayanda Mjekula.

Mjekula said recently the level of lending into a high-risk market was achieved despite the fact that attempts to "normalise" the market had still not made it possible for banks to exercise rights in terms of mortgage contracts.

"Banks still cannot realise money from the sale of mortgaged homes when borrowers default, to settle the loans involved. This has also been achieved despite the many dysfunctions around the capital subsidy dispensation and the provincial housing boards," he said.

In terms of the record of understanding signed between government and banks in July 1995, it was agreed banks would extend 50 000 housing loans into the low-income market each year. They had not yet met this target.

Putting the banks' cases forward, Mjekula said they had already been warned by the Reserve Bank that they were out of line to grant 100% loans with the reduced capital ratios on mortgages secured by urban homes.

The International Monetary Fund had threatened to limit its facilities to any country that put pressure on banks to fund risky social investments, and more than 70 banks had entered the local market in the past five years.

New entrants did not want or need to cross-subsidise from a more to a less profitable area of the market, and neither did the plethora of fund management companies which were targeting union, pension and provident funds.

Mjekula said the only way the big five banks could compete was for them to ensure they did not cross-subsidise, either, yet there was a tendency to regard the big-banks as having the sole responsibility to provide housing financed in the low-income market.

"What does this mean... when we are trying to house the nation? It means that we have a crisis that is not recognised as such," he said.

He said high expectations around housing had to be better managed, as housing would always be restricted by the limits of grant funding allocated from national budgets.
UN recognises SA housing project

Josey Ballenger

A LOW-COST, public-private housing venture in Northern Cape has become the first SA project to be recognised by the United Nations (UN) as a “no regrets” case study, and is expected to save the Kutlwanong community R96 600 a year in low energy bills.

UN “no regrets” projects are those that not only reduce greenhouse gas emissions, but also make sense from a financial, social or other policy perspective, said Lula Abron, president and founder of US environmental and civil engineering firm Peer Consulting, which developed the project.

Peer’s trademarked 50m² “Eco” house is designed to maximise sunlight in winter months with its north-facing position and specific window size, while roof overhangs shade the house in the summer when the sun is higher in the sky. Its insulated cavity wall system consists of a steel frame base with polystyrene as the primary insulating material, and the insulated ceiling is made from products easily obtainable in SA, Abron said.

The Eco house is designed for cross-ventilation — something important for households which burn carbon dioxide-emitting coal, paraffin and wood. Low-income communities in SA typically use the cheapest — but most unsafe, environmentally costly and unhealthy — energy sources.

Assuming an energy saving of between 60% and 80% of the household heating bill, Abron said the Kutlwanong project would achieve carbon dioxide reductions between 562 600kg and 776 800kg annually in the 2 300-home community, which amounted to a savings of an average R172 for each household. Thus would release scarce financial resources and reduce the high incidence of respiratory disease, cardiac arrest and lung cancer associated with the air pollution, she said.

Nearly 200 homes have been built so far and Peer plans to finish the balance in the next two years. The US energy department and Agency for International Development contributed $76 000 and $500 000 respectively, with 70% of the investment footed by Peer. The homes are available to the community through government’s R15 000 housing subsidy.

The initiative is also the model for SA’s first recognised Activities Implemented Jointly (AIJ) project — a R2.8m SA-Dutch housing scheme spanning four townships in the Eastern, Northern and Western Capes and Gauteng.

Under the UN Framework Convention on Climate Change, AIJs are pilot projects in which industrialised countries reduce global greenhouse gas emissions by transferring “cleaner” technology to developing nations.

SA’s national climate change committee, an advisory body to the environmental affairs and tourism department, approved the AIJ project proposal last Friday.
Mvula Trust aims to grow its capacity in sanitation

Robyn Chalmers

The Mvula Trust will significantly expand its capacity in sanitation while remaining a niche player in facilitating and financing potable water projects, says new executive director Hors Kleinschmidt.

Mvula, which was set up in 1993 to fund projects which would help poor and disadvantaged South Africans gain access to safe water and sanitation, is SA’s largest non-governmental organisation involved in this area.

Kleinschmidt said yesterday that for the next four to five years Mvula’s focus would be on promoting the delivery of water and sanitation projects with the involvement of communities.

He recently took over from Pierre Cross, the trust’s founding executive director, who resigned last month to take up a post with the World Bank in Delhi.

The organisation recently completed its 100th water supply project — a R543 000 scheme in Mpumalanga which would service a community of 334 households. Most Mvula schemes had cost between R500 000 and R800 000, Kleinschmidt said.

“Mvula now has a proven track record and our focus over the coming few years must be on not only retaining, but building our capacity and significantly increasing the number of projects we focus on. The need is huge,” he said.

Recent government statistics showed that about 10-million South Africans did not have convenient access to safe water, and up to 20-million were without adequate sanitation.

Kleinschmidt said the Mvula Trust board had recently decided that the organisation would become a permanent entity. The founders of the trust, set up shortly before the new government was elected, stipulated an initial life of only four years.

He said close relations had been forged with the water affairs and forestry department and they were working together on a number of schemes, including two long-term water projects in Eastern Cape and Northern Province.
'Housing benefits important'

Robyn Chalmers

GOVERNMENT cannot meet SA's housing needs alone, and companies can play an important role due to their ability to support employees' involvement in the process, says Housing Minister Sankie Mthembu-Mahanyele.

At yesterday's launch of the National Business Initiative's (NBI's) guide for SA employers in facilitating housing delivery, she said more was being done by companies than many people realised, and much more could be done if companies would take the time to develop effective policies.

NBI executive director Brian Whittaker said housing remained a key element in SA's socio-economic transformation.

"While inroads have been made since 1994 into the housing backlog, it is important to mobilise the resources of all sectors if the trend is to continue and accelerate," Whittaker said.

The NBI had found that 92% of its 150 member companies provided benefits to their employees which improved their ability to gain access to housing.

If this trend could be further developed, refined and expanded, employers could make a significant contribution to help meet SA's housing challenge.

The guide said there were significant benefits to employers getting more actively involved in housing.

Good housing benefits helped attract quality staff and companies which already provided housing benefits could save money by implementing new approaches.

A sound housing policy would improve a company's long-term relationship with labour and political and social pressure could be avoided by companies implementing housing policies before government was obliged to legislate to alleviate housing backlogs.

It said an examination of existing housing policies revealed a total of 15 programmes which companies could incorporate into their overall housing policy packages.

These could be grouped into four categories — awareness, affordability, access to goods and services, and availability.

Issues addressed under these categories included education, advice, consumer protection, payroll benefits, housing subsidies, investment and savings schemes, mortgage loan schemes, small loan schemes and access to government subsidies.
ports Company stake

The company has embarked on a five-year programme to spend R2,3bn on infrastructural improvements and redevelopment at its Johannesburg, Cape Town, Durban, Port Elizabeth and East London airports.

Transport department director-general Ketso Gordhan said while price was an important component of the sale, government would also look at which potential partner could add the most value to its assets.

Areas where value could be added included the retail, property development and security functions of the company.

"We were pleased with the submissions we received. The bidders put a lot of work into ensuring they put forward well-researched submissions," he said.

Transport and General Workers' Union general secretary Randall Howard said his union was satisfied with the process and that stakeholders had reached consensus on most of the strategic issues. Randall said it was a precondition of the partial privatization that all employees' jobs were secure.

Labour Minister Tito Mboweni speaking at the release of the Employment Equity Bill in Pretoria yesterday.

Water affairs might have to trim projects — Asmal

When the African National Congress came to power in 1994, more than 12 million, mainly black, people had no access to clean, safe drinking water and more than 20 million people had no proper sanitation facilities, Asmal said.

Since then, 1.5 billion people, most of whom were poor and lived in rural areas, had received water at a cost of about R2bn and plans to provide water to another 6.5 million by 1999 were under way.

The department had played its role in job creation, using R150m set aside by government for a poverty relief programme in the Working for Water project, removing water-hungry invasive plants in catchment areas, Asmal said.

The project had already created 9,000 jobs and the new injection of funds would create a further 40,000, 50% of which would be for women.
SA secondary mortgage market viability probed

By Robyn Chalmers

THE National Housing Finance Corporation and the US Agency for International Development (USAid) have launched a study into the feasibility of a secondary mortgage market in SA.

Corporation senior GM David Porteous said at the weekend that the findings would be released this week. The study would focus on the need for security at the lower end of the housing market.

"In the corporation's mandate it was noted that the issue of securitisation should be further explored, and we have now decided to look into it," he said.

The corporation had entered into a technical co-operation agreement with Fannie Mae, the largest secondary mortgage institution in the world. A delegation from Fannie Mae would be in SA this week to provide consulting advice on various aspects of secondary market development.

Porteous said a secondary market could be created by an institution, such as the corporation, buying up home loans from banks. The issue of securitisation would arise if this was financed by reselling the debts to investors.

There are a limited number of secondary mortgage markets in the world, with the US leading the way with a market that is now into its fourth decade. James Jones, chairman and CEO of US-based World Mae, said recently that developing international secondary markets in real estate was an increasingly attractive notion for investors.

The potential for a global secondary market in mortgages was "outstanding" as the worldwide gap between the demand for housing and its supply was widening, especially in nations with stabilising economies and growing middle classes.
Tailored securitisation vehicle planned for SA

Robyn Chalmers  01/12/97

A NEW special-purpose vehicle was planned which would implement a form of mortgage securitisation appropriate to local conditions, National Housing Finance Corporation senior QM David Porteous said yesterday.

Porteous said the corporation had assembled a top team to look at the legal, systems, product and funding issues surrounding the launch of the proposed vehicle, and private sector partners were being sought.

"Securitisation may be particularly appropriate for the low- and moderate-income market in SA as it allows lenders with the ability and infrastructure to make relatively small housing loans available on a large scale, without carrying all of the risk," he said.

A report commissioned by the corporation and the US Agency for International Development has found there is significant potential for the creation of a secondary home loan market. In a secondary loan market, a standardised loan is originated by a lender such as a bank, which securitises it to a secondary market institution. This institution may then package the loans purchased and sell the packages to investors in a process called securitisation.

Porteous said there was a "black hole" in the housing finance market for employed people requiring loans of between R10 000 and R40 000. This was despite more than 50% of SA's households earning less than R3 500 a month and many needing this sort of finance. The black hole was largely due to the risk and the cost of making these loan amounts available.

Corporation CEO Johan de Ridder said that given the urgency of finding mechanisms to make housing credit available on a large scale, the corporation was looking to find a package of initiatives to meet the need for housing finance. He said the corporation had engaged the technical advisory services of Fannie Mae, a US-based privately owned corporation which was the largest source of home mortgage funds with on- and off-balance sheet commitments of $870bn.

Teresa Clarke, director of ABT Associates, which did the research report, said key elements in the establishment of most international secondary mortgage markets was a need for greater liquidity, increased access to funding at a cheaper cost and to give capital markets greater stability.

Clarke said if SA went the securitisation route, management information systems would have to be upgraded; documents standardised; transfer tax and stamp duty either scrapped or reduced; and legislation restricting securitisation practices to banks and the corporation be done away with.
More housing help for poor

THE housing ministry today is expected to announce details of changes to the housing subsidy scheme which could mean bigger benefits for people in low-income groups.

At present people meeting certain criteria and earning up to R800 a month qualified for a non-repayable capital subsidy of R15 000.

Those earning between R801 and R1 500 could get R12 500.

The cabinet yesterday approved the merging of the two lowest income categories.

The housing ministry has found that about 90% of those who apply for subsidies are in the category earning less than R800.

Only a small percentage are in the next-from-bottom category.

This has led to the change.

The capital subsidy may be used to pay for a serviced site, and the balance to pay for a “top structure” in housing parlance, meaning a basic dwelling.

Housing Minister Ms Sanele Mthembu-Mahanyele has said the government is on track to have awarded a million housing subsidies by 1999 — Parliamentary Bureau.
New deal on housing aid gets the nod from cabinet

Claude Sawyer

Par Quote Concessions

Families earning less than R1 500 a month will now qualify for the maximum government housing subsidy after a cabinet decision to merge the two lowest income categories.

Previously only those earning less than R800 a month qualified for the maximum benefit of R15 000, with the bracket between R801 and R1 500 getting a reduced benefit.

Housing Minister Sankie Mthembu-Mahanyele said about 37.1% of households qualified for the full subsidy under the old scheme, while 23.5% qualified for the lesser subsidy.

She said the change would be financed by reducing the number of subsidies that could be financed from the fixed budget allocation for the 1997-98 financial year and subsequent financial years.

About 318 492 subsidies could be financed out of the 1997-98 housing budget allocation in terms of existing policy.

Developers in the Government’s housing subsidy scheme would be allowed to revise project approvals on the basis of agreement with beneficiaries. This would enable developers to add value to housing projects or reduce mortgage bonds. Projects already completed were not affected.

Merging the two categories would make life more affordable for people living below the breadline, she said.
Banks might soon blacklist municipalities

By WILLEM STEENKAMP

Municipalities defaulting on billions of rands in debt may soon find themselves blacklisted by all of South Africa’s major financial institutions, leading to widespread collapse of local government. Municipal authorities face a nightmare financial future with the formation of a powerful forum by major lending institutions.

This forum has been tasked to develop a database of defaulting municipalities so that a local authority which defaults on one member will not be able to access loans from any other. This will effectively cut off access to services and pay municipal officials, and may bring many of the struggling municipalities to their knees.

This follows the recent announcement by the ministries of finance and constitutional development that provinces and municipalities in dire financial straits will not be bailed out by the Government.

Local authorities’ debt to financial institutions soared by 132% from September last year to more than R3.8 billion in September this year. This forced the Council of South African Banks to assess the implications of the growing debt.

Neo van Logerenberg, a general manager at the Council of South African Banks, confirmed the new hardline approach that will be followed by financial institutions. "A high-powered forum which represents all the major money-lending institutions has been formed and we are investigating the compilation of a database where defaulting municipalities will be listed."

Under the new dispensation, local authorities have to supply and meet the demand for services from previously disadvantaged communities. In many instances the income base for local authorities has remained the same because of the culture of non-payment. The nine provincial governments have a total shortfall of R6-billion after Minister of Finance Trevor Manuel cut back the budget for provinces.

In the Western Cape, which has a shortfall of about R1.2-billion, the cutback on the budget has had a huge impact, with thousands of medical staff and teachers being retrenched.
SABC under fire
for filling newly
created posts

By JACQUIE GOLDSING-BUFFY
NATIONAL MEDIA EDITOR

The South African Broadcasting Corporation has come under fire in some quarters for four senior appointments made recently.

Two of the appointees had jobs created in them with special portfolios; a special advisor to chief executive of television, Moekganye, and a senior general manager for television.

Moekganye’s special advisor is Australian Malcolm Long, who had been assisted by a former SABC employee, Johanne Henderson. Henderson has been labelled an “old-guarder” by some staffers who argue that as a former programme scheduler for the SABC, his contribution to overall broadcast policy and his assistance to the chief executive is limited. However, the SABC counters that Henderson has an “abundance” of experience that will be useful to Moekganye.

Henderson left the SABC last year but no details are available about his departure or the package he was paid. He has been re-employed in a “part-time” position, according to the SABC. The corporation says Henderson is “close to retirement”. He could not be reached for comment.

The other post created was that of senior general manager for television. The appointee is Rob Stevenson, who was the former general manager for news. According to SABC head of group communications Enoch Sithole, Stevenson is “assisting with the workload of the chief executive”. He adds: “A lot of chief executives have large portfolios and cannot cope with the workload. Assistants make the job more efficient and easier flowing.”

The other two senior posts that have been filled are those of acting channel head for SABC3 and a channel head for SABC1. According to the SABC, appointing an acting channel head at SABC3 was necessary because channel chief Louis Rautenbouwer was involved in the Millennium 2000 project, where broadcasters across the globe will be working towards having worldwide satellite transmission.

A former head of human resources Theo Erasmus has been appointed as SABC3 channel head. Erasmus has been involved in Erasmus for his lack of television experience and broadcast knowledge. He was also the acting head of SABC1 after Mokhwebi’s promotion to chief executive of television. With a background in human resources, Erasmus is poorly equipped to manage an entire television channel, insiders say.

The new channel head for SABC1 is Eric Nhlapo. He was involved in the drafting process of the communique proceedings for independent film-makers and, at the time, some independent producers accused him of “foot-dragging”.

Bureaucracy

The SABC recently cut back on staffers in an attempt to streamline its operation in line with recommendations by US consultants McKinsey.

Two of the new appointments go “against the grain of ridding the corporation of bureaucracy”, said one staffer, referring to the posts of special advisor and senior general manager for television. The staffer refused to be named for fear of reprisals.

The SABC was unable to deal with the tasks of the special advisor and that of the senior general manager, adding fuel to the belief that the appointments are unnecessary.

The corporation has also been accused of not advertising some of the posts in line with the Labour Relations Act. But the counter-argument from some SABC personnel is that the list of those opposed to the appointments are “mohicans” and their criticisms are aimed at creating rifts between staffers.
Call to speed up water, electricity deregulation

Lucia Mutukani

GOVERNMENT should speed up deregulation of the electricity and water industries to ensure greater transparency and competitive prices for consumers, utility consultant Drew Stem said at the weekend.

Stem, a director with Deloitte & Touche Consulting Group, said SA had been talking about deregulation of the utilities sector for years; but progress had been slow so far.

The first step in deregulation was to pull out the natural monopoly, the "transmission" system, and place it into its own corporate structure.

"The reason for this is that the natural monopoly needs to be open and transparent so that all the users of the system are treated equally," said Stem.

It appears that in the current structure, with transmission being in Eskom, it is extremely difficult for any one wishing to use the system to be sure there are no cross subsidies and that the transmission system is operating as a neutral carrier.

Referring to electricity utilities, he said the key to deregulation was to ensure that the structures inhibiting the process were broken into their various natural components.

On bulk water, he said it was unusual that central government was still involved in management. Governments all over the world were departing from the operational side of the water industry after regulation and solid control mechanism had been established. "I believe the SA water industry will follow the same route," said Stem.

Most importantly, government needed to establish acceptable robust governance procedures and policies. Each corporate structure should produce a statement of corporate intent on an annual basis.
Call to speed up water,
electricity deregulation

Lucia Mutikani

GOVERNMENT should speed up deregulation of the electricity and water industries to ensure greater transparency and competitive prices for consumers, utility consultant Drew Stein said at the weekend.

Stein, a director with Deloitte & Touche Consulting Group, said SA had been talking about deregulation of the utilities sector for years, but progress had been slow so far.

The first step in deregulation was to pull out the natural monopoly, the "transmission" system, and place it into its own corporate structure.

"The reason for this is that the natural monopoly needs to be open and transparent so that all the users of the system are treated equally," said Stein.

"It appears that in the current structure, with transmission being in Eskom, it is extremely difficult for any one wishing to use the system to be sure there are no cross subsidies and that the transmission system is operating as a neutral carrier.

Referring to electricity utilities, he said the key to deregulation was to ensure that the structures inhibiting the process were broken into their various natural components.

On bulk water, he said it was unusual that central government was still involved in management. Governments all over the world were departing from the operational side of the water industry after regulation and sold control mechanisms had been established. "I believe the SA water industry will follow the same route," said Stein.

Most importantly, government needed to establish acceptable robust governance procedures and policies. Each corporate structure should produce a statement of corporate intent on an annual basis.
After a month as director-general in the Ministry of Housing, Mphumi Nxumalo-Nhlapo is firmly in the driving seat of one of the most difficult positions in Government.

When asked why she applied for the potentially controversial job – there is still confusion over whether or not her predecessor resigned or was fired – she says, without hesitation: “Because I actually thought I could do it.”

Now that she’s in the hot seat, she is finding that housing delivery is not as daunting as outsiders think, despite the multi-million rand scandals and public dispute between Housing Minister Sankie Mthembu-Mahanyele and previous DG Billy Cobbett.

“We are well on our way to reaching our target of one million houses. It’s just that we are not good at communicating our successes,” she maintains.

She is confident that now that a “system” is in place and the spending patterns are already established, the momentum to build houses will be sustained.

The only potential obstacle would be the Ministry of Finance not providing the necessary funds, but that is unlikely, she believes.

As the former chief director of housing in the Gauteng provincial government (when she left she was acting head), Nxumalo-Nhlapo says she experienced a lot of frustrations about things the Government was not putting into practice.

Returning to her previous position for two and a half years also meant that she got to know the issues well – the constraints, needs and the key people in the sector.

Nxumalo-Nhlapo says the current target is to “fast-track” the building of houses to make inroads into the backlog.

However, there is still some debate over whether or not the first million will be completed around election time in 1999 or by the end of that year.

Product enhancement

A million was set as the initial goal by the new Government in 1994, but last year’s census shows there is a shortage of 2.7 million homes.

This involves a readjustment in spending since the other projections were done on an underestimation.

For now housing is about closing the numbers gap and about providing the basics that a R15 000 subsidy can sponsor.

The next phase would have to look at “product enhancement” and ways to cater for those wanting rented accommodation, communal and high-density developments, she says.

A needs assessment will start in the new year and once that is completed, the ministry will have a clearer idea of what it should do and where.

For example, it is estimated that about half the homeless people in Johannesburg are migrants who do not want to buy or build their own homes, but need rented accommodation.

There is also “no land left in Gauteng.”

The province, with only 1.5 percent of the country’s land mass, is home to an estimated one third of the population.

Future planning would therefore have to look at creative ways of using the spaces within the cities, which would then ensure the rejuvenation of urban areas currently perceived as unhealthy.

Already there are about 10 projects in Johannesburg in which tenants formed consortia and, with subsidies from the provincial government, were able to buy buildings and renovate them.

That kind of subsidy means that money is available for the slow rejuvenation of the city. Once tenants get organised and find the necessary technical expertise.

Although she started her career as an architect, Nxumalo-Nhlapo says she preferred the innovation and challenge of town and regional planning, which she studied at the University of Coventry in Britain.

Ideally, when housing moves out of a crisis phase, they would be able to build for new households, but that is not expected to happen for at least the next 10 years.

The political commitment to provide shelter for the homeless is there, she says, but private sector investment in new areas is still a difficulty since a stigma is attached to low-income housing.

Cheap land

Despite the incentives of a guaranteed market and access to relatively cheap land, private investors are still reluctant to put their money into new areas.

What is needed are a few success stories, she says, and she hopes that upcoming developments in areas such as Soweto will provide the model.

The need to quickly build houses means that the product is very basic.

But, says Nxumalo-Nhlapo, Government is doing its best by handing over ownership.

It is expected that once people have possession of their homes, they will invest in them, which would, in turn, change the appearance of even the most basic areas within a few years.

Therefore new housing schemes should not be seen as potential slums in a decade or two.

Another fear that has to be challenged is the “NIMBY” (not in my backyard) syndrome, where people in former white or middle class areas object to low-cost housing in their vicinity.

“If anything, it is just an irrational fear, and we have to question where that kind of thinking comes from – whether it is black or white people saying it, it is still based on perceptions of race.”

And while Government can commit itself to discouraging informal settlements in the areas, low income housing should not be built on the margins.
6,5-m will get water by 2000, says Asmal

LENORE OLIVER
STAFF REPORTER

More than 14 million people are without access to clean and safe water in South Africa and more than 20 million do not have adequate sanitation.

These are some of the figures disclosed by Minister of Water Affairs and Forestry Kader Asmal at the international conference on Partnership in the Water Sector for Cities in Africa, held in Somerset West.

The conference, organised by the United Nations Centre for Human Settlements (Habitat), is being attended by delegates from Africa and is aimed at creating a credible, integrated approach to water service management on the continent.

Professor Asmal said his department had already succeeded in delivering water to 1.5 million people and had plans to supply another 6.5 million before 2000. He emphasised the importance of working together as a continent to provide water to the poor and disadvantaged.

“We have been able to achieve this only through a variety of partnerships with non-governmental organisations, communities and the private sector,” said Professor Asmal.

“Some municipalities have recognised that they do not have the resources to deliver water supplies themselves and have entered into contracts with the private sector.”

Habitat assistant secretary-general Darshan Johal said the urban water challenge was taking on an ominous dimension in Africa, where the situation was already precarious.

A prerequisite for development in cities was availability and access to an adequate water supply.

Before the end of the conference, delegates are to adopt a “Declaration of Cape Town” which will commit them to a united process to tackle the continent’s water crisis.
Housing fund can cover provincial cash flow needs

Robin Chivers
Councillors owed more than R7-bn

Authorities to toughen laws to help municipalities receive payment

By Joshua Raboroko

Some of the 843 municipalities in South Africa are owed more than R7 billion for non-payment of essential services, in spite of stringent credit control measures aimed at recovering the huge debt.

Deputy director general in the Ministry of Constitutional Development and Provincial Affairs Mr Crispian Oliver, told a conference in Midrand yesterday that local authorities would enforce harsh measures to recover the money, part of which was accumulated during apartheid.

He said 50 percent of defaulters were from Gauteng, followed by KwaZulu-Natal, the Western and Eastern Cape.

Greater Johannesburg topped the list of defaulters - probably because the city has the largest population.

Some of the measures that the White Paper needed to provide included tax-based considerations in drawing municipal boundaries, supporting longer term budgets and developing financial key performance indicators.

Chairman of the South African Local Government Association Mr Collin Matjila said municipalities had been delegated functions without being allocated sufficient resources to carry out the mandate.

However, he said the Government would be sympathetic to poor communities and the unemployed, provided they made arrangements to pay.

The conference, hosted by Provincial Affairs and Constitutional Development Minister Mr Mohammed Valli Moosa, also heard how the Government's White Paper on local government aimed to provide solutions to the present crisis facing municipalities.

Many municipalities are presently suffering deteriorating credit worthiness, lack of borrowing capacity, administrative inefficiencies and unacceptable levels of non-payment

Some of the measures that the White Paper needed to provide included tax-based considerations in drawing municipal boundaries, supporting longer term budgets and developing financial key performance indicators.

Chairman of the South African Local Government Association Mr Collin Matjila said municipalities had been delegated functions without being allocated sufficient resources to carry out the mandate.
UK aid for sanitation project

Pearl Sepholo

THE British government donated £1m to the water affairs and forestry department yesterday for the development of its national sanitation programme. The programme’s objective is to build sanitation infrastructure nationally with a special focus on rural areas.

The money will be used for technical assistance, capacity building and training to develop the sanitation sector and to establish guidelines.

Water Affairs and Forestry Minister Kader Asmal and British High Commissioner Maeve Fort met in Pretoria yesterday to sign the agreement.

Asmal’s spokesman Thembeka Khumalo said the project would assist the national sanitation co-ordinating office during the start-up phase.

The co-ordinating office would monitor and evaluate sanitation projects, train and support local government, disseminate research and help formulate sanitation policy, Khumalo said.

He said several sanitation projects had been started in Mpumalanga and the Northern Province.

He said the British government’s objective with the exercise was to improve implementation and develop a coherent and organised sanitation programme to assist the rural population.

The meeting between Fort and Asmal also marked the completion of a UK-sponsored £2m capacity-building project for the water and forestry department, started more than two years ago, to provide sanitation skills to local government staff and the community, Khumalo said.

The British government and the department were also involved in forestry sector projects valued at more than £3.5m covering strategic planning, community support, and education.

The UK was also expected to plough in about £500,000 into a proposed human resources development project. This would bring to about £100m the total planned or agreed British support to the department.
Business claims the right to be consulted on municipal rates

Deborah Fine

The business sector believed it should have an “unchallengeable right” to be consulted on municipal rates levels because the sector contributed two-thirds to three-quarters of the tax base of nearly all local government structures.

This is according to submissions by the SA Chamber of Business (Sacob) in response to the recently released green paper on local government transformation.

Sacob represents about 40,000 businesses through its 90 autonomous chambers and its 40 trade associations.

In a 16-page document submitted to the provincial affairs and constitutional development ministry — which is at present preparing a final white paper to act as a basis for new legislation guiding the local government transformation process — Sacob said changes to the structure, financing and role of municipalities would obviously affect its members both as business organisations and ratepayers.

Commenting on options contained in the green paper regarding possible changes to local government political systems, Sacob said SA’s political transformation had heralded little change from the past because the political reality continued to be about securing and retaining power through votes and the appeasement of local political power bases.

While organised business would continue to remain neutral in the political power struggle, it could not, however, remain silent on the economic outcomes stemming from such battles.

Such outcomes touched businesses in the form of taxes, levies, service provision, regulatory mechanisms and in local government management.

These factors constituted cost determinants and were taken into account by businesses in deciding where and if to invest, Sacob said.

Shying away from more centralised local government structures, Sacob advocated a preference for local government decision-making activities to be assigned, wherever practical, to the lowest tier of government.

While seemingly offering prospects of greater efficiency, centralised structures were “ill suited to the democratic ethos”, Sacob said.

Sacob also supported a ward-based system for the election of municipal councillors by popular vote over a proportional representation system which it claimed detracted from the principle of accountability to constituencies.

The business sector believed that, ideally, there should be minimum party-political dominance in the metropolitan arena and that representation by political party nominees should be limited to between 25% and 30%, Sacob said.
CoG gives go-ahead for ESKOM’s outsourcing

BUSINESS DAY Thursday
A helping hand for the cities

Once the credit base is expanded many other things will become possible, including urban renewal.

Some ailing cities could get a leg up. The announcement a fortnight ago that the National Housing Finance Corp (NFHC) plans to launch a secondary home loan market in 1999 could significantly expand the housing credit base and open the doors for new investors, developers and banks.

The US secondary home loan market provides loans up to a maximum US$200 000, primarily aimed at urban Hispanics and blacks. This market is mainly mortgage-bond based and run by Fannie Mae, a privately owned corporation with on- and off-balance sheet commitments of $870bn.

With Fannie Mae's technical assistance, the public corporation NFHC is initially targeting non-mortgage home loans between R10 000 and R40 000 to supplement government housing subsidies. It says that new housing projects will receive attention first.

In time NFHC foresees the market growing to include conventional mortgage bonds in all income brackets and extending into urban upgrades in central business districts.

For potential institutional investors such as Sanlam and Old Mutual such a spin-off is a vital incentive, though predicated on a better functioning housing finance system.

They own underperforming commercial properties in cities like Johannesburg and Pretoria and see the new market as a way to sell old, empty office stock to a new generation of developers. These in turn could convert the property into rental or rent-to-buy sectional title flats.

The resulting urban renewal would improve returns on the revitalisation of better-grade commercial stock.

The institutions would not be compelled to invest directly in residential stock to carry out the necessary renewal. The investment would be by their asset managers, utilising the new market instrument.

Sanlam Properties Gauteng manager Fanie Lategan says Sanlam will definitely invest in a secondary home loan market.

For Sanlam Asset Management director Dries du Toit, apart from the demand that the bonds be tradeable and offer returns competitive with RSA or Eskom loan stock, risk will also have to be factored in.

This is not news to either NFHC CEO Johan de Ridder or senior GM David Porteous, who say initial discussions with investors and research carried out by ABT Associates show Du Toit's concerns and demands are common.

The NHFC is still at the detailed planning stage. A funding adviser will soon be selected from a number now tendering for the job. NHFC plans a pilot issue of R500m in the second half of next year.

The NHFC is now gauging an area long overlooked — the size of the secondary home market in townships that will be needed to make the secondary bond market work. This will start next year once a researcher has been appointed.

It will initially conduct a household survey of township areas, compile deeds transfer figures, and interviews with black estate agents to "get a feel" for the market.

"We've been getting conflicting reports about activity in the secondary market. Black estate agents say they can't get finance, banks say they can," says Porteous.

He adds that various potential roles are open to banks.

"First off is accreditation as primary market lenders, which will start in the new year. This will enable them to sell loans to us. They could also participate in funding arrangements, given their access to large funding networks."

"For our part we still have to apply for a credit risk rating."

Council of SA Banks housing GM Lance Edmonds thinks banks will specialise in a secondary mortgage market by separating their functions as originators, servicers, risk managers and funders of the loans. "I'm not sure banks will want to do all these. Some will pick and choose and, not unlike the US, we will see special purpose vehicles formed and the entry of new players."

Quasi-equity funding may come from an international partner. Says Porteous, "Our biggest concern is to leverage our own investment as much as possible, an amount which has still to be determined."

Alison Goldburg
Texans, Malaysians weave a new web

Foreign equity partners waste no time turning group on its head after another top executive heads for the door

Telkom's new offshore partners, Southwestern Bell Communications and Telecom Malaysia, appear hellbent on not losing market share when the telecommunications landscape is thrown open to competition in a little over four years (five years if it meets certain targets).

The telephone monopoly has embarked on a gargantuan internal restructuring exercise in an attempt to rectify its substandard levels of customer service and improve poor communication between traditionally isolated business units.

The restructuring comes after the departure last month of Telkom stalwart Tony Leng, former head of the corporate customers business unit. Leng's departure follows the resignations this year of MD Brian Clark, finance executive Angus Band, IT group executive Peter Jordi and networks & technology managing executive Hannes Steyn. All would have had their management positions weakened because of the right of the strategic equity partners to appoint a chief technology officer and chief financial officer.

Leng's unit, which has now been disbanded, held a number of highly contentious projects. These included the mostly abandoned, R500m SA Value Added Intelligent Network (Savain) project and the SA Internet Exchange (SAIX), for which Telkom is seeking a monopoly to the chagrin of consumers and the private sector.

Managing executive for customer service and sales Ben Bets, says Leng's departure prompted chief operating officer Mac Geschwind to conduct the restructuring. "He certainly didn't leave because there was a restructuring being planned," Bets says.

Other interesting moves include the appointment of former Unisys executive Cavell Deal to managing executive of corporate accounts, and the appointment of Chan Hok Pung to the newly created position of re-engineering executive. Both report to Bets.

Of particular significance, a division will also be formed to look after the 20 to 30 SA corporations and government institutions, which contribute substantially to Telkom's revenues.

This operation will be housed alongside a special market services unit, set up to handle services to internet service providers and cellular network operators, previously handled by corporate customers. The service providers and cellular operators now fall under Rhynie Greiff, the controversial executive whose division was responsible for Telkom's complaint to the regulator (Satra), calling for the banning of callback operators. Other corporate customer unit functions move to Bets' division.

There is good reason for establishing a team to focus on Telkom's top 30 clients. Senior management within the large banks and other top companies are known to detest Telkom's poor service and perceived arrogance. Telkom cannot afford to risk losing these clients when competitors arise. These customers contribute "significantly" to Telkom's revenues, Bets says. "We intend to give these accounts special attention."

But unless it gives up its stubborn attempts to monopolise internet access, industry executives warn, Telkom stands to lose a substantial number of customers anyway (Information Technology, December 12).

Rampant cable theft is also hampering the group's plans. So far this year, the company has lost 278 000 pairs of copper cable on the East Rand alone.

Bets says the aim of the restructuring, expected to be largely completed by January, is to "emphasise service and deemphasise business units, which possibly created silo thinking within the company."

At the regional level the customer service and sales unit is integrating geographically dispersed organisations to enable seamless service delivery and to de-emphasise many of the artificial splits that existed between voice and nonvoice services.

While Bets says there could be resignations as part of the overhaul, he is emphatic that no staff will be retrenched instead they will be redeployed within the organisation.

Further restructuring is not planned at this stage.

The closure of the corporate customers unit and the rationalisation of divisions will not affect the size and value of information systems and network lenders, a large source of revenue for the IT industry.

Telkom is rolling out new customer-facing systems, including seven nationally linked call centres in a project with Didata worth up to R130m.

New services planned include three common national numbers for billing inquiries, fault reporting and service orders, which will be in place in January, as well as a national tollfree number for escalated customer complaints.

Within 24 months Telkom will replace all its remaining electromechanical and manual exchanges, as well as upgrade all electronic exchanges. It will spend R6,9bn on capital projects to modernise and build its network in the current financial year.

Duncan McLeod

IT Digest

Telkom denies that an R800m-R1bn cable contract has been awarded to Aberdare, ATC and Samsung. "There is a short list of seven companies and we will decide within a month," says a Telkom spokesman.

Financial Mail December 19 · 1997
Private sector low-cost housing gains momentum

Robyn Chalmers

THE low-cost housing delivery process is finally gaining momentum, but the private sector faces a number of obstacles in its quest to build homes, says New Housing Company (Newho) outgoing chairman Selwyn MacFarlane.

Problems faced by Newho over the past year included a lack of access to credit for many of its customers and the lack of decisive direction on housing policy from some provincial housing boards, MacFarlane said in his latest annual report.

The increasing spectre of violent crime, disagreement on minimum house sizes and how to build houses of acceptable quality for the very poor with limited funds were further issues.

However, MacFarlane said that during the 1996/97 year, Newho had placed more people in houses than it had in any previous year and it had increased its turnover for the second successive year.

In the year ended June 30, Newho's profit rose to R6.1m from R4.2m the previous year on turnover of R199.6m (1996 R178.7m). The total number of units delivered in the review period stood at 10 718, with by far the largest number of homes built in west Gauteng at 4 996 followed by Mpumalanga at 1 908.

Newho executive chairman designate Zobra Ebrahim said the challenge for SA was to convert the estimated 670 000 low-cost housing subsidies which had been approved into houses with families living in them.

There were still a number of obstacles to this being achieved, including rising prices for raw materials.

As there was no plan to increase subsidies from the maximum R15 000 level, Newho aimed to use its financial and delivery strength to ensure increases were kept within reasonable bounds.

Ebrahim said the new Housing Bill, likely to become law next year, would place the central responsibility for housing development in the hands of provincial and local governments.

She said there was little reference to the private sector in the bill, so private sector delivery vehicles such as Newho would have to form close alliances with provincial and local governments.
A useful guide to help employers formulate a housing policy

For staff...

The need to have a housing policy

The need to have a housing policy

A useful guide to help employers formulate a housing policy

For staff...

The need to have a housing policy

The need to have a housing policy