

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 18 JULY 2023

ANNOUNCEMENT

The Speaker:

Levy of Tolls for Chapman's Peak Drive

In terms of section 17 of the Interpretation Act, 1957 (Act 33 of 1957) that the notice levying the above tolls was published under Provincial Notice 63 in *Provincial Gazette* 8773 dated 15 June 2023.

COMMITTEE REPORTS

- 1. Report of the Standing Committee on Human Settlements on its oversight visit to the Belhar Housing Project and Unibell Student Accommodation on Friday 3 March 2023, as follows:**

Delegation

The delegation consisted of the following members:

Maseko, LM (Chairperson)
Murray, C
Sileku, I

- 1. Overview and background**

Adjacent to the University of the Western Cape and the Cape Peninsula University of Technology, the Belhar projects was a mixed-use, high density residential project valued at R1,3 billion. The phased development will consist of approximately 3 616 units and comprised various types of residential units and forms of tenure that have specific economic target markets of social housing (subsidised rental), open market rental units, student accommodation, open market GAP units (Gap housing includes those who earn

too much to qualify for a government-subsidised house but also earn too little to qualify for a bond from a bank to buy a house) as well as a small number of freestanding open market bonded units.

Various green initiatives of energy saving technologies such as solar water heaters, heat pumps, improved insulation, and gas were being implemented. Residential recycling projects, food gardening and urban greening initiatives were currently also being looked at. Besides the green component, the added benefit of these measures will also reduce electricity demand and make the precinct socially and visually more attractive.

The scope of works consisted of a complete township establishment process, upgrading of bulk and link infrastructure, construction of roads, storm water, sewer, water and electrical infrastructure as well as the marketing and sales of a wide range of residential units.

The Department of Human Settlements (the Department) entered into a Land Availability Agreement with Superstrike Investments (now Belhar Central Business District (CBD) Development Company) in 2006. The agreement related to the development of the Belhar CBD precinct. The developer was responsible to apply for all development rights. Subsequently, the developer lost the rights to develop the commercial and industrial components of the project due to not being able to secure finance for the project. As a result of this, limited cross subsidisation of the residential units was possible.

The developer created a subsidiary (Belhar CalgroM3) that was responsible for the development of the residential components. To date approximately 50% of the development footprint of over 4 000 residential units has been completed, which included 630 social housing units at “Belhar Gardens”, 102 military veteran units, over 1 182 Walk-up apartments, including Finance Linked Individual Subsidy Programme (FLISP) units, and student accommodation.

The Standing Committee on Human Settlements resolved to undertake an oversight visit to the CalgroM3 building site in Belhar to observe, given the shortage of student accommodation in the Western Cape, progress with the development, the involvement of the Department in the project and to ascertain if the model could be replicated in land parcels that were close to other universities in the province.

The visit proceeded with a discussion among the Members, officials from the Department, staff members from the University of the Western Cape as well as project developers from CalgroM3, and was followed by a visit to the student accommodation and other living quarters. The student accommodation boasted facilities that created a conducive environment for studying as well as recreational facilities for a positive psychological mindset. This included lounges, an interactive kitchen and a gym.

2. Key issues discussed

2.1 The portion of land in the Belhar area that was earmarked for a hospital belonged to the Department. There was interest shown from the Western Cape Department of Health in mid-2010 to build a regional hospital to replace the Tygerberg hospital on that particular site. This was the proposal with the previous developer that fell through when they could not get finance for the commercial component as

mentioned in the overview. At the same time there were discussions taking place between the Head of the Department of Human Settlements and the Head of the Department of Health, where the latter was looking for a site to purchase from the City of Cape Town (CCT). Here was a site owned by the Department that could potentially be transferred to the Department of Health, with partial rights for rezoning. The application for rezoning for the purposes of a hospital would be for a higher order, six-story building. The reason the site was still in the name of the Department was that it was awaiting approval for the rezoning application and the approval for subdivision and conservation.

The first rezoning application was submitted approximately 18 months ago and there were several aspects that needed to be addressed. CalgroM3 initially started the application for the hospital land and then the land swap took place that necessitated a restart of the application process. This led to numerous delays. The application was resubmitted approximately 6 months ago and once approval has been received, the property would be transferred to the Department of Transport and Public Works. The Committee was informed that that the process of rezoning and tendering for an architect will have to be completed and that it would take approximately three years before anything starts to happen. The Committee expressed concern regarding this timeline as the land parcel was likely to be susceptible to land invasion because of delayed planning. The Committee was further informed that the area north of the proposed hospital would be used for a clinic and ambulance station which were a part of the negotiations with the Western Cape Department of Health.

The Committee expressed concern, although taking cognisance of the challenges experienced to date, of the lengthy timeframe for the transfer of land from one government department to another government department, stating their concern for the possibility of even longer timeframes for the private sector in terms of land transfers.

The Committee expressed further concern regarding the cost of land invasion and security.

- 2.2 The University of the Western Cape amended its policy relating to the requirements for student accommodation. The past policy stated that if a student lived in a 60km proximity of the university, that student could not apply for student accommodation. The university felt that this was unfair as many of the students lived in unsuitable, unforgiving circumstances and environments. The policy has since changed so that more students have access to student residences. The Committee welcomed this.
- 2.3 In terms of security operations, the university employed its own staff to provide security on the precinct. A major concern for the university was the safety of students. There were 2 700 students walking over the bridge on a daily basis. This bridge was designed as a foot bridge for a few people crossing the subway, not for the number of foot traffic now being experienced.
- 2.4 The effect of loadshedding was an additional cost that had to be incorporated into financial planning and production. A generator was sourced for the construction site. The monthly expenditure in terms of diesel amounted to R500k, bringing the yearly cost to R6 million. Another effect of loadshedding was that handover of projects were delayed. Construction was not delayed due to the use of a generator.

However, the Deeds Office was not in possession of a generator which caused administrative delays. Loadshedding also affected water supply and has also led to numerous delays in the manufacturing of products that were needed to complete the project.

3. Resolutions/Actions

3.1 The Committee **RECOMMENDED** that the:

- 3.1.1 Departments of Human Settlements liaises with the Department of Health to work on a roll out plan in respect of the land identified for a hospital and clinic on the Belhar precinct;
- 3.1.2 Department engages with the CCT in relation to grass cutting in the precinct so as to prevent the potential risk of fires;
- 3.1.3 Department liaises with the Department of Community Safety to consider the establishment of a safety plan for the new development in partnership with law enforcement, the South African Police Services, the local private security companies, neighbourhood watches and other safety stakeholders;
- 3.1.4 Department engages with the CCT in respect of the bulk services allocation for this site as well as the rezoning/redevelopment of the land parcel identified for the university; and
- 3.1.5 Department investigates and considers the possibility of replicating the model used at the university for housing opportunities to other University of the Western Cape satellite campuses, as well as other universities in the province.

3.2 The Committee **RESOLVED** that it would invite the Department to brief it on the criteria used for the exchange of land parcels and how timelines were monitored, with specific reference to the establishment of the hospital by the Department of Health in the Belhar precinct, as well as their engagements with other departments to ensure that essential infrastructure such as police stations are erected for the community.

3.3 The Committee **REQUESTED** that the Department provides it with a response as to whether there were any further development plans for the area adjacent to the Belhar development.

4. Acknowledgements

The Committee expressed its appreciation to the Department, CalgroM3 and the University of the Western Cape for coordinating the visit and for informative engagements.

2. Report of the Standing Committee on Human Settlements on its oversight visit to Transhex Housing Project, as follows:

Delegation

The delegation consisted of the following members:

Maseko, LM (DA) (Chairperson)
Sileku, I
Klaas, T

The following staff attended the oversight visit:

Jones, S; Procedural officer

Barends, A; Driver

1. Introduction

The Standing Committee on Human Settlements, accompanied the Minister of Infrastructure, Mr Simmers to the Transhex Housing Handover event in Worcester on Wednesday, 15 March 2023.

2. Overview

The Committee met with the Breedevallei Municipality, the Ministry of Infrastructure, and the Department of Human Settlements.

3. Transhex Housing Project

3.1 Background

The Committee previously conducted an oversight visit to the Transhex Housing Project on 24 February 2023. The aim was to observe the Transhex Housing Project, one of the largest projects in the Breede Valley and one of the province's eight catalytic projects for transformation in the Breede Valley. A total of 192 units, which formed part of Phase 1 of the project, was set for completion at the end of May 2022. Due to community dynamics, no handover took place. The R2,2 billion housing project was approved on 31 August 2017 and comprised of a mix-use development that was to consist of various types of housing opportunities, including Breaking New Ground (BNG), Finance Linked Individual Subsidy Programme (FLISP), affordable housing and rental accommodation. The objective for the development of the Transhex housing project was to alleviate the housing backlog of approximately 575 000 in the Breede Valley.

On 15 March 2023, the Provincial Minister of Infrastructure, Mr Simmers, handed over 190 houses at the Transhex Housing project in Worcester. Beneficiaries were able to take ownership of their new homes immediately. Minister Simmers praised the local municipality and the Department of Human Settlements for working tirelessly to ensure that the units were ready for hand over to beneficiaries despite the number of challenges. He informed the beneficiaries that catalytic projects like Transhex would create safer communities close to economic opportunities and public services for the residents of Transhex. A tour of the units ensued, and members, were able to interact with the beneficiaries.

3. Annual Report of the Standing Committee on Human Settlements for the 2022/2023 financial year, as follows:

Members

The Committee comprised of the following members:

August, S (GOOD) (From 15 March 2022)

Lili, A (ANC)

Maseko, L (Chairperson) (DA)
Murray, C (From 27 February 2023)
Sileku, I (From 27 February 2023)

Alternate Members

America, D (DA) (From 27 February 2023)
Kama, M (ANC)
Klaas, TM (EFF) (From 6 February 2023)
Marran, P (ANC)
Smith, D (ANC)
Van der Westhuizen, A (DA) (From 27 February 2023)

1. Introduction

1.1 The 2023/24 Strategic Objectives of the WCPP linked to the Speaker's Priorities which impact on committees are as follows:

Priority 1: Building a credible WCPP; and
Priority 3: strengthening the core business.

1.2 The mandate of the Committee was to:

- 1.2.1 maintain oversight over the Executive member and the Department and its Entity, of the way in which they perform their responsibilities including the implementation of legislation and to hold them accountable to the Western Cape Provincial Parliament; and
- 1.2.2 consider and report on legislation, other matters and the Annual Reports referred to by the Speaker.

1.3 In fulfilment of its mandate the Committee:

- 1.3.1 facilitated public participation and involvement in the legislative and other processes of the Committee;
- 1.3.2 conducted its business in a fair, open and transparent manner;
- 1.3.3 promoted cooperative governance; and
- 1.3.4 reported regularly to the House.

2. Reporting Department and entity

The Department of Human Settlements and its entity the Western Cape Rental Housing Tribunal.

3. Overview of committee activities

Number of committee meetings	16
Number of public hearings	3
Number of oversight visits	10
Number of provincial bills considered	2

4. Oversight activities

The 2022/23 financial year commenced with an oversight visit to Simon Street and Strydom Street in Montagu. The Committee was able to engage with the community members and with the Municipality on the strategies to be implemented to correct the

structural defects to the houses in Strydom and Simon Street. In addition to the above the Committee also recommended that the Langeberg Municipality provides the residents of Strydom and Simon streets with acceptable ablution facilities and implement strategies to provide title deeds to the beneficiaries.

The Committee as part of its Dignity venture with the District Municipalities and the Category B Municipalities also conducted oversight visits to Bitou and the Garden Route, the Cape Winelands, and the Overberg regions, where the District Municipalities and the Category B municipalities discussed the support provided to Category B municipalities. Further discussions were held on the status of the Housing Demand Database for the various towns that fall under each municipality, including how the Housing Demand Database aligns with the Provincial Housing Demand Database. How the municipality aligns its housing projects to the prioritised programmes for the prioritised beneficiaries as per the provincial housing policy.

Discussions were held on the Annual Reports of the Department of Human Settlements and its Entity the Western Cape Rental Housing Tribunal. The Committee considered and deliberated on Vote 8: Human Settlements, in the Schedule to the Western Cape Adjustments Appropriation Bill [B 3–2022]. The Department advised that the Western Cape Adjustments Appropriation Bill Estimates of Provincial Revenue Expenditure, provided for an additional allocation of R63,169 million to the Department of Human Settlements for the 2022/23 financial year. The overall budget increased from R2,415 billion to R2,478 billion.

The Committee deliberated on Vote 10: Infrastructure in the Schedule to the Western Cape Appropriation Bill [B 2–2023]. The budget for the Department of Infrastructure amounted to R9,887 billion for the 2023/24 financial year. The budget was adjusted to R9,661 billion for the 2024/25 financial year and would be adjusted to R9,524 billion in the 2025/26 financial year. Discussions on the establishment of the Department of Mobility (Vote 8) and the Department of Infrastructure (Vote 10) ensued. The two new departments would replace the former Departments of Human Settlements and Transport and Public Works in the new financial year starting 1 April 2023.

Further discussions were held on extortion cases that were reported in the past five years. The City of Cape Town, the Western Cape Department of Community Safety, the Department of Human Settlements, and the South African Police Services briefed the Committee on the negative effects of extortion in communities, and its effects on beneficiaries and contractors who reportedly were not able to deliver on their mandates due to extortion. The Committee was briefed on the strategies that were implemented to deal with gangs who were construed to be extortionists. A Western Cape Safety Plan was devised to resolve the rising number of extortion cases and discussions were held on the provincial response to the Anti-gang strategy that was developed with key safety stakeholders for the Western Cape.

5. Legislation

In the 2022/23 financial year, the Committee dealt with the following items of legislation:

5.1 Provincial bills

- 5.1.1 Western Cape Adjustments Appropriation Bill [B 3–2022]: Vote 8
- 5.1.2 Western Cape Appropriation Bill [B 2–2023]: Vote 10

6. Facilitation of Public Involvement and Participation

As part of the Committee's mandate to facilitate public participation as part of the legislative process, the Committee held three public hearings. To this extent the Committee advertised extensively on the Annual Report and on Bills such as the Western Cape Adjustments Appropriation Bill [B 3–2022], the Western Cape Appropriation Bill [B 2–2022] and the Western Cape Appropriation Bill [B 2–2023]: Vote 10, informing and inviting interested stakeholders to participate in processes.

7. Financial particulars

The Standing Committee was allocated an amount of R63 176 and the adjusted budget amounted to R324 644. At the close of the 2022/23 financial year, expenditure attributed to the activities of the Standing Committee on Human Settlements amounted to a total of R371 874 and an overspend of R47 230 (expenditure after the adjusted budget) was reported.

4. Report of the Standing Committee on Infrastructure on its recommendations for the appointment of candidates to the Western Cape Rental Housing Tribunal, dated Friday 23 June 2023

1. The Western Cape Rental Housing Tribunal currently has six vacancies. The position of four ordinary members and two alternate members became available on 30 June 2023.

Section 9(1) of the Rental Housing Act (Act 50 of 1999) stipulates: “The Tribunal consists of not less than three and not more than five members, who are fit, and proper persons appointed by the MEC, and must comprise of a chairperson, who is suitably qualified and has the necessary expertise and exposure to rental housing matters. There should not be less than two and not more than four members of whom at least one and not more than two shall be persons with expertise in property management or housing development matters. There should be at least one and not more than two persons with expertise in consumer matters pertaining to rental housing or housing development matters.”

2. The Department of Infrastructure placed advertisements calling for nominations for four (4) ordinary Members and two (2) Alternate Members positions in the following publications:

2.1	<i>Cape Argus:</i>	24 February 2023
2.2	<i>Mail and Guardian:</i>	24 February 2023
2.3	<i>Government Gazette:</i>	24 February 2023
2.4	Social media:	24 February 2023
2.5	<i>Vukani:</i>	2 March 2023

3. Upon conclusion of the advertisement process the Department of Infrastructure provided the Committee with a shortlist of candidates for the six vacancies. The Committee, having been briefed on the shortlisting process is of the opinion that all legal prescripts have been complied with.

5. Report of the Standing Committee on Infrastructure on its oversight visit to the Joe Slovo Housing Project in Riviersonderend on Friday 14 April 2023, as follows:

Delegation

The delegation consisted of the following members:

Maseko, LM (Chairperson)

America, D

Klass, T

Marran, P

Sileku, I

The following staff attended the oversight visit:

Jones, S; Procedural Officer

Barends, A; Driver

1. Introduction

The 2023/24 Strategic Objectives of the WCPP linked to the Speaker's Priorities which impact on committees are as follows:

Priority 1: Building a credible WCPP; and

Priority 3: strengthening the core business.

The Standing Committee on Infrastructure, as part of its oversight mandate, conducted an oversight visit to the Joe Slovo Housing Project in Riviersonderend, which was followed by a briefing in Caledon. Discussions were held on:

- 1.1 The Municipality's housing projects that are currently being implemented;
- 1.2 The status of the outstanding/delayed projects in Theewaterskloof region;
- 1.3 Reported and invasion per town with specific reference to:
- 1.3 The number of structures invaded/illegally occupied; and
- 1.4 The cost incurred per town to address land invasion.

The oversight visit took place on Friday, 14 April 2023.

2. Overview and background

The Committee was received by Mr. A Franken, Executive Mayor: Overberg District Municipality; Mr D Appel, Speaker; Mr W Solomons, Acting Municipal Manager; Ms S Nomdolo, Senior Housing Officer; Ms N Ndyalvan, Technical Officer; Mr S Tebele, Acting Deputy Director: Human Settlements; Ms T Lesesa, Executive Mayoral Committee, Portfolio Chair: Community Services; Mr R Nongxaza, Executive Mayoral Committee, Portfolio Chair: Community Services; Mr S Fredericks, Councillor; Ms M Mentoor, Alder Lady; Mr H Syster, Executive Mayoral Committee, Portfolio Chair: Technical Services; Ms R Mienies, Executive Mayoral Committee, Portfolio Chair: Finance; Mr B Mkhuiso, Member: Human Settlements Committee; Mr P Stander, Councillor; Mr C Cloete, Councillor; Mr C Benjamin, Councillor; Ms S Sable, Councillor; Mr M Mpamboni, Councillor; Mr L Litholi, Project Coordinator-Human Settlements. From the Department of Infrastructure Mr B Nkosi, Acting Chief Director: Strategic Management Support and Mr S Matshisi, Project Manager were present. From the Department of Community Safety, Ms N Gamgana, Safety Officer; Mr P Jansen van

Rensburg, Safety Officer; Mr J Jooste, Safety Officer; Mr C Williams, Safety Officer were present.

This report highlights the findings, key issues discussed and recommendations stemming from the oversight visit.

3. Joe Slovo Housing Project in Riviersonderend

The Department of Human Settlements (DoH), the Theewaterskloof Municipality (TWK) and the Peoples Housing Empowerment Process (PHEP) embarked on a tri-partite agreement on 28 November 2017 to construct 135 houses at a total cost of R16 352 145; the houses would accommodate beneficiaries from the Joe Slovo informal settlement in Riviersonderend.

ASLA Construction was appointed as the contractor for the housing project in 2018. A total of 87 houses of the 135 houses were built; this occurrence was due to 48 households that were not relocated. The 48 households did not form part of the beneficiaries identified for a housing opportunity in the PHEP project. No available land for human settlement was available for relocation of the families. Numerous attempts were made to relocate the 48 households with no success. Due to no further progress on the relocation of the 48 households, ASLA Construction resolved to stop construction on the site until the matter was resolved.

In 2019 a new strategic relocation plan was formulated for the 48 households with a revised subsidy quantum. ASLA Construction contracted to continue with construction of the remaining 48 housing units but indicated that it was dissatisfied with the new subsidy quantum. The TWK applied for revised funding, which was approved in accordance with funding resolution reference 19/116 on 10 October 2022. The funding was increased to R17 225 460 and included an unchanged transfer fee of R2 000 per unit. The subsidy had since increased to R125 956 per unit excluding transfer fees. ASLA Construction indicated once again that the revised subsidy did not meet their requirements. The cost to build the remaining 48 houses exceeded the amount provided in the subsidy, and it would not be in their best interest to continue with the contract. A mutual agreement was reached to terminate the contract. A new developer, Erika 19 Construction Company, was appointed in early 2020. Delays were reported when Erika 19 Construction Company also expressed concern regarding the subsidy quantum. They also indicated that the amount provided was insufficient to finalise the project. Simply Do Construction was appointed in November 2021 to continue with project, but they also informed the Municipality that the funding provided was insufficient.

After conducting market research, the TWK and the PHEP representatives appointed the Seven Sir's Group to carry out the project as approved by the council in 2021. Once again, the subsidy quantum was reported to be insufficient. TWK requested that a cost breakdown be provided for the construction of the 48 houses. The Seven Sir's Group complied with the request and submitted a cost breakdown which reflected higher than the amount provided for in the subsidy quantum. In March 2023, the Department of Human Settlements approved the revised cost for the project, which amounted to R160 923.36 per unit. The contract for the revised cost was entered into and signed by the Theewaterskloof Municipality and the Department of Human Settlement in March 2023.

The Seven Sir's Group was awarded the revised quantum and proceeded with the excavation of the foundations. During the excavation rocks were discovered in the erven that were being excavated. The National Home Builders Registration Council (NHBRC),

Department of Human Settlement and Theewaterskloof Municipality Inspectors who were on site agreed that a new Method Statement was required to deal with the new challenge. The NHBRC has since approved the Method Statement, and the contractor has subsequently continued with the excavation of the foundations.

4. Key issues discussed in the meeting

- 4.1 Challenges regarding land invasion was reported as a major problem in the Theewaterskloof area. Members were informed that invaders allegedly had access to information which identified land parcels earmarked for housing projects. High-risk areas for invasions were identified as Grabouw with 26 successful land invasions, Riviersonderend with 24 successful land invasions, and Caledon with 18 successful land invasions. Theewaterskloof recorded 115 successful land invasions and 617 instances where land invasion was stopped.
- 4.2 The Human Settlement security cost for land invasion and land protection in Theewaterskloof amounted to R14 387 252,50. Members were informed that security was sourced to safeguard land earmarked for a private school in Greyton. A court order was issued that instructed the land invaders to vacate the area. The threat of invasion at the school became so challenging that the Public Commissioner's aide was sourced to deal with the threat. The Public Commissioner addressed the issue by informing the Municipality to provide services to the people who had invaded the land earmarked for the private school.
- 4.3 Further discussions were held regarding a house that was built on erf 2989 without approved building plans. It was alleged that political involvement was associated with aiding and abetting the illegal action. The owner of the house was instructed to tear down the structure.
- 4.4 The Municipality advised that due to the cost associated with safeguarding projects, alternative strategies would have to be implemented to circumvent illegal land occupation. Part of the Municipality's strategies to circumvent invasion was that the Municipality would consider utilising alternate building material, which would allow for projects to be completed sooner and handed over to beneficiaries sooner for occupation.
- 4.5 The Committee was informed of Paul Cluver, a farmer who engaged with the Municipality to form a partnership for a housing project. The TWK had not met with the farmer to form a collaboration. Discussions were held regarding Private Partnerships where the Municipality was questioned regarding the reasons for not engaging with private partners to collaborate on housing projects.
- 4.6 The Committee was informed of three families in Bergendal who were residing on the land earmarked for the new road that would be built in the area. The Municipality indicated that they were in discussions regarding the placement of the families.
- 4.7 It was reported that the area has had an increase of illegal immigrants. This was due to seasonal farm workers who accessed the area for seasonal work and then remained once the work was completed. The Municipality informed the Committee that the influx of seasonal workers has strained available resources.
- 4.8 The Municipality identified a housing need of 14 456 in the Theewaterskloof area. Grabouw, Villiersdorp and Caledon were identified as the areas with the highest need for housing. Towns with the most informal settlements were construed to have the highest need. A survey taken in the 2021/22 financial year by the Municipality indicated a 12% increased demand for housing in Theewaterskloof area.

5. Resolutions or actions

- 5.1 The Committee REQUESTED that the Theewaterskloof Municipality provide it with its action plan to circumvent land invasion.
- 5.2 The Committee RESOLVED to:
 - 5.2.1 Conduct a follow-up oversight visit to the Joe Slovo Housing project in Riviersonderend after three months to observe the completed housing project; and
 - 5.2.2 Engage with the Public Commissioner to find out the rationale behind reasons for overriding the court order pertaining to the land invasion and the reasons for the directive to Theewaterskloof Municipality.

6. Acknowledgements

The Committee expressed its appreciation to the Members, the Mayor of Theewaterskloof, ward councillors, officials from the Department of Infrastructure and the Theewaterskloof Municipality officials for their participation in the meeting and oversight visit.