



SALGA
South African Local Government Association

PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS

Public Hearings on Redrafted Rental Housing Amendment Bill
[B21B – 2011]

24 APRIL 2012

V227, SECOND FLOOR, OLD ASSEMBLY BUILDING



PRESENTATION OUTLINE

1. Introduction

2. Comments:

- Section 14
- Section 15

3. Conclusion

INTRODUCTION

- This submission seeks to reinforce some of the comments that **were not considered** by the Portfolio Committee (PC) when redrafting this Bill.
- In particular, we are requesting the PC to reconsider our comments on sections 14 and 15 of the Principal Act .

SECTION 14

- The rationale behind the establishment of RHIO is that the public would have easier access to the services of the RHT.
- Considering that municipalities are in general seen by the public as the point of entry for all government services, this is indeed a logical step.
- However, this raises a question as to what would happen if the RHTs do not function effectively? Ultimately, municipalities will be held accountable for the failure of an unfunded mandate.

SECTION 14 cont

- We still wish to argue, as we did in our previous submission, that housing is **still an unfunded mandate for municipalities** and as such the mandatory establishment and operation of the RHIO is just another extension of this unfunded mandate.
- It is not all municipalities that will be able to combine the functions of the RHIO with existing functions. **Small and struggling municipalities do not even have sufficient resources to carry out their mandate functions, let alone an unfunded mandate.**

SECTION 14 cont

- The proposed addition of subsection (6) under section 3 of the Principal Act is welcome, which is one of the proposals of SALGA in the previous submission; **however, it should not be obligatory for all municipalities to establish RHIO's. SALGA therefore wishes to resubmit the following proposals in this regard:**
 - Section fourteen (14) of the principal Act must not be amended to make it obligatory for all municipalities to establish RHIOs.; and
 - Section fourteen (14) of the principal Act should only be amended to make it obligatory for municipalities that have been assigned the housing function by MEC's to establish and manage RHIOs.

SECTION 15

- We acknowledge and accept that it is the prerogative of the Minister of Human Settlements in terms of Part 2, section 3 (1) of the Housing Act to establish and facilitate sustainable national housing development.
- Section 163 (a) of the Constitution requires the Minister of Human Settlements, even MECs in terms of Part 3 section 7 (1) of the Constitution, to consult with the national organisation representing organised local government.
- However, consultation in the Bill is only limited to MECs and the relevant parliamentary committees.

SECTION 15 cont

- Municipalities are an integral part of government and it is the Constitutional responsibility of both provincial and national government to consult SALGA as a representative of Local Government on key policy and legislative developments.
- It is therefore proposed that section 15 of the Principal Act be amended further to stipulate that the Minister must also consult with organised local government in addition to the relevant parliamentary committees and every MEC.

CONCLUSION

- SALGA supports and welcomes the consideration of its previous comments on the Bill as part of the redrafted Bill, particularly in regard to sections 3 and 7 of the Principal Act.
- However, **sections 15 and 16** of the Principal Act should be revised further to take our comments into consideration in the interests of municipalities.



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THANK YOU