

# Kubayi calls for transformation in community schemes economy

Speaking at the inaugural Community Schemes Ombud Service (CSOS) Indaba in Johannesburg last week, Minister of Human Settlements Mmamoloko Kubayi said economic transformation has to take place in the multi-trillion-rand community schemes economy.



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The minister noted the growth in community schemes and their importance in South Africa.

“South Africa has an estimated 70,000 community schemes and has also seen a growth trend in gated communities. Twenty-seven percent of the total value of residential property in South Africa is from organised communities, which means that community schemes are a significant economic sector,” she said.

“The services these schemes solicit - such as security and garden services - make the sector a huge contributor to job creation, mainly because many of the services are sourced from small and medium enterprises. We, therefore, need to put measures in place to ensure that a procurement approach that gives opportunities to emerging SMMEs, especially those from previously disadvantaged communities, becomes mandatory.”

## Transformation in managing agents sector

Managing agents should also be a focus area, she said. “An estimated R800bn in assets is managed by community scheme managers, therefore the transformation of the managing agents in this sector remains critical. Last year, in an effort to transform the managing agents industry, CSOS signed a memorandum of understanding with Pretor, MidCity and Trafalgar to collaborate on the development of emerging Black managing agents so that they can also play a meaningful role in the sector. The collaboration must yield tangible results and CSOS has to ensure that these emerging Black managing agents are integrated into the sector,” the minister said.

Added Kubayi: “Transparency is important, so it is expected that part of community schemes’ responsibility is to be able to be transparent in the manner that we do things, but also understand consciously that we have a role to play to ensure that economic participation is broadly opened for all to participate.”



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### Embracing diversity within schemes

Noting that people from all cultures live in community schemes, the minister also urged stakeholders to embrace diversity within schemes. “Community schemes are growing at a rapid rate because of the growth of the middle-class, migration and rapid urbanisation. As people flock to urban centres in search of economic opportunities, there is an urgent need for spaces to live in. The scarcity of land in urban centres, security concerns and the convenience of community schemes have made them an attractive option for many middle-class people,” she said.

“Implicit in this development is the fact that community schemes are occupied by people from diverse cultural backgrounds. Instead of enriching the living experience, cultural diversity has unfortunately become a major source of disputes within the schemes. Issues and conflict will be greatly reduced if people learn and accept that living together means embracing diversity and not forcing people to adopt their preferred way of living. Embracing cultural and religious diversity has to be made a necessary element of the good governance of community schemes,” she said.

The minister also committed to improving services, transparency and turnaround times at the CSOS.

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