

Mr. Speaker, I once again thank the Most Honourable Prime Minister for the confidence he placed in me when he asked me to assume the responsibility for the Water and Housing portfolio. Indeed Mr. Speaker, water and shelter are two of the most critical human needs.

## **Water**

Water resource management has shaped the history of human civilizations to a major and permanent degree. Management of water resources is also one of the greatest challenges facing the present generation. Today, around 2 billion people have no access to clean drinking water and sanitation, and only 5 percent of the world's wastewater is treated or purified. As a result, one person in two in the developing countries suffers from a water-related disease, and 5 million people die each year after drinking contaminated water.

International conflicts are expected to arise from the growing scarcity of this crucial resource in many parts of the world. Referring to Ethiopia's plans for dam projects on the Blue Nile, President Anwar Sadat, the former Egyptian president, once threatened "Anyone who plays with the waters of the Nile is declaring war on us!"<sup>1</sup>

Mr. Speaker, the Tainos, who were the first inhabitants of Jamaica called the island "Xaymaca" because the island was blessed with hundreds of springs and rivers. The present reality however, is that

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<sup>1</sup> World in Transition, Ways towards Sustainable Management of Freshwater Resources, 1997

like the rest of the world we are faced with challenges to our water resources.

Notwithstanding these challenges, Mr. Speaker, the Ministry is committed to the goal put forward in our Water Sector Policy that **ALL HOUSEHOLDS WILL HAVE ACCESS TO WATER BY 2010.**

In order to achieve this goal we have taken a five-pronged approach:

1. Enhanced Institutional and Legislative Framework
2. Utilization of technology to monitor and protect our water resources
3. Installation of new water systems and rehabilitation of existing ones
4. National Irrigation Development Programme
5. Increased emphasis on rural water supply

#### **ENHANCED INSTITUTIONAL AND LEGISLATIVE FRAMEWORK**

The comprehensive organisational restructuring, which was embarked on by the National Water Commission was completed and is expected to realise annual savings in excess of \$300 million. Included in this programme was the development and adoption of new work procedures to improve operational effectiveness and efficiencies.

The Restructuring and Modernisation programme at the NWC aimed at achieving improvements in the operational efficiency particularly in the areas of:

- i) Improved system reliability and reduced down-time;
- ii) Reduction of water loss and Non-Revenue Water (NRW);
- iii) Increased potable water supply production and distribution capacity;
- iv) Increased sewage collection and processing capacity and effectiveness;
- v) Improved customer care and improved responsiveness to customer complaints and concerns;
- vi) An even higher product quality and improved quality assurance procedures; and
- vii) Increased efficiency in the implementation of capital projects;

Consequent on the steps being taken, the Office of Utilities Regulation's (OUR) National Consumer Survey, carried out by Market Research Services Limited, has confirmed that the NWC is ranked by the Jamaican consumer significantly above the other utilities in a number of the major aspects of service delivery.

The Management team of the Rapid Response Unit was restructured and was repatriated from Carib Engineering Corporation Limited

(CECL) to the Ministry. This has resulted in savings of over \$10 million and an improvement in the capacity of the Unit to fulfil its mandate.

Work is continuing on the development of a new Water Supply and Sewerage Services Act, which will facilitate private investment in the water sector by allowing for the licensing of service providers. This Bill should be enacted in the 2005/06 financial year.

The National Water Resources Master Plan that will detail the water resources inventory, the water demands, the impact of water quality on availability and the use and development of a new allocation framework, is being updated. The Master Plan will provide projections to the year 2025 and is being funded by a grant from the IDB.

## **UTILIZATION OF TECHNOLOGY TO MONITOR AND PROTECT OUR WATER RESOURCES**

The Water Resources Authority (WRA), which has responsibility for managing the water resources of the country, undertook two major projects to optimise the development of ground water:

- The Assessment of Water Quality around two bauxite/alumina plants using isotope hydrology to fingerprint the water and determine the extent of the contamination. The results of this exercise will be used to optimally develop water resources without increasing contamination. The Scientific Research Council (SRC) is a partner in this project, which is being funded by a grant from the International Atomic Energy Agency (IAEA).

- The development of a management model to increase abstraction from coastal karstic limestone aquifers in a manner such that saline intrusion is reduced. This is a regional project with Barbados and Antigua. The transfer of technology and the capacity strengthening of the WRA is a critical output.

The WRA was also involved in a horizontal cooperation with Haiti and the Dominican Republic through the UNDP funded radar project for the Caribbean. This project will see an increase in the capability of the three countries to forecast weather events more accurately and reduce the impact of water disasters using the Doppler Radar. The WRA provided the technical expertise for the modelling and watershed management components. Mr. Speaker, I think it is noteworthy that the UNDP has complimented the WRA staff on their professionalism and the organisation on its collaboration efforts.

## **INSTALLATION OF NEW WATER SYSTEMS AND REHABILITATION OF EXISTING ONES**

Mr. Speaker, I am pleased to announce that the Great River Water Supply Project was one of National Water Commission's (NWC's) major successes during the year. The project was completed three months ahead of schedule and within the US\$40M budget. It involved a 50 per cent expansion of the treatment capacity of the Great River Water Treatment Plant, the installation of some 22 kilometres of 500 mm trunk main from the Great River Water

Treatment Plant to Lucea and improvements in the network infrastructure and operations management of the Great River to Negril distribution systems. As a result of the savings realised on this project, the NWC was able to undertake the Askenish Water Supply project.

The NWC has also embarked on a massive systems rehabilitation programme to modernise the infrastructure and to ensure that its water treatment facilities consistently meet the water quality standards set by the Ministry of Health.

Work has started at the Kellits (Clarendon) and Berkshire Hall (St. Catherine) facilities and work will commence shortly on the Constant Spring and Hope facilities in St. Andrew and the Bogue and White River facilities in St. Ann.

Work continues to be undertaken at various stages on Cascade; Christiana/Devon/Coleyville; Santa Cruz Phase I; Kingston Metropolitan Area Water Supply Projects; as well as on a series of projects costing \$140 million stretching across the parishes of Westmoreland, Hanover, Trelawny, Clarendon, St. Elizabeth and St. Thomas under the Red Stripe/Diageo Foundation and NWC Hurricane Ivan Water Supply Restoration and Improvement Project.

In addition, programmes aimed at mains replacement; the rehabilitation of pumping equipment; procurement of both source and customer meters; the assessment and rehabilitation of wells;

maintenance of storage tanks; and installation and maintenance of pressure reducing valves are all being given the full attention of the NWC.

Not to be left out, 20 wastewater treatment plants and wastewater systems are now being rehabilitated with another 8 projects to commence shortly.

Work has also commenced on the rehabilitation of wastewater treatment facilities such as Boone Hall in St. Andrew, Greater Portmore in St. Catherine and Hayes in Clarendon.

## **NATIONAL IRRIGATION DEVELOPMENT PROGRAMME**

Mr. Speaker, the passage of hurricane Ivan, highlighted the importance of our agricultural sector. In fact, we had to rely almost exclusively on the import market for certain food items and in some instances the government had to intervene to ensure affordability.

Freshwater is the most important factor limiting food production, as any farmer in Southern St. Elizabeth will attest and worldwide agriculture accounts for 70 percent of global water use.<sup>2</sup>

Mr. Speaker, the National Irrigation Commission (NIC), is now in the implementation phase of the National Irrigation Development Programme (NIDP). In my 2004/05 presentation, I spoke to the fact

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<sup>2 2</sup> World in Transition, Ways towards Sustainable Management of Freshwater Resources, 1997

that 51 irrigation projects had been identified for construction by 2015 at a cost of approximately J\$6.5 billion (US\$ 106.3 million).

Three Flagship Projects to be funded jointly by the Government of Jamaica and the Caribbean Development Bank (CDB) were identified namely; Pedro Plains (Beacon/Little Park) in St Elizabeth, Seven Rivers in St James and the Hounslow Rehabilitation also in St Elizabeth.

Mr. Speaker I am happy to announce that the Most Honourable Prime Minister P.J. Patterson broke ground for the first of the three flagship projects, the Pedro Plains Irrigation System in January of this year. One new well has already been drilled at Beacon and three in the Little Park area.

The Beacon and Little Park Projects will provide the equivalent of about 235 full-time jobs for rural persons. The net increase in annual income to farm households, assuming they perform all of the supervision, management, and half of the farm labour, will be J\$101.6 million. The total annual value of the increase in production from the St. Elizabeth Projects will be J\$533.2 million (US\$8.6 million) of which about one-third will be from potential export crops, such as thyme, peppers, pumpkin, and sweet potato. We expect to commission that system by July next year.

We hope to break ground for the second flagship project, Seven Rivers, in October this year. The total value of the increase in

production will be J\$6.5 million of which about half will be from potential export crops, such as dasheen, peppers, pumpkin and citrus. The third of the flagship projects (Hounslow) will be rescheduled for April next year. This project will provide the equivalent of 225 full-time jobs and the net increase in annual farm household income will be J\$31.4 million.

A Project Steering Committee consisting of stakeholders, and representatives from the relevant Ministries and the Planning Institute of Jamaica (PIOJ) has been established to oversee and monitor the progress of the implementation of the three flagship projects.

Mr. Speaker, as part of the second phase of the NIDP, the Government of Jamaica has just signed a loan agreement with the Inter-American Development Bank (IDB) to finance an irrigation programme for J\$1.3 billion (US\$21 million). This programme will implement some of the priority projects identified in the NIDP, as well as provide the necessary resources to effect institutional strengthening for the NIC.

The new irrigation systems to be built and/or rehabilitated are Yallahs in St. Thomas, New Forrest/Duff House in Manchester, Colbeck and St. Dorothy in St. Catherine and Essex Valley in St. Elizabeth. It is estimated that these systems will benefit about 1,000 farmers.

**The Government of Jamaica/CDB flagship projects along with the GOJ/IDB second phase of the NIDP represents a total**

**investment in Jamaica's Irrigation sector of over J\$2 billion over the next five years, the first investment of this magnitude in the history of our island.**

Mr. Speaker, I turn to,

### **INCREASED EMPHASIS ON RURAL WATER SUPPLY**

According to the Jamaica Survey of Living Conditions 2002, access to piped water stood at 77 percent. While this appears commendable on the surface, there is a serious disparity in access on a urban/rural basis. In 2002 for instance, 96 percent of the KMA had access to private piped water while access in the rural area stood at 40 percent.<sup>3</sup>

It is therefore quite clear that if we are to achieve the goal of all households having access to water by 2010, we will have to pay particular attention to the rural area.

Mr. Speaker, we have already taken a step in this direction with Cabinet's approval of the formation of the Rural Water Supply Limited, which has a mandate to expand rural water supply in a concentrated and structured manner over the next five years.

Under the GOJ/IDB Rural Water Programme, construction began on the Cotterwood Water Supply system, which is projected to cost approximately US\$2.4 million. In addition a contract was awarded for the construction of the White Horses/Botany Bay/Pamphret Water

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<sup>3</sup> Jamaica Survey of Living Conditions 2002

Supply in the sum of US\$3.4 million. Designs have been completed for the Mile Gully/Warwick Castle and the Gravel Hill Water Supply systems.

For its part, the National Water Commission will be undertaking its own Rural Water Supply Project which will involve system rehabilitation works, supply upgrading and extension as well as the establishment of new water supply systems that will benefit four communities, namely, Milk River (Clarendon); Christiana/Spauldings (Manchester); Shettlewood (Hanover); and Hope Bay/St. Margaret's Bay (Portland).

Engineering designs for all four areas were completed during last year and tenders were invited and received for both the Supply and Works Contracts. The NWC's Rural Water Supply Project being funded by the European Union has been reviewed, re-tendered and re-evaluated in keeping with the requirements of the funding agency. Recommendations have been made for the award of contracts and construction and supply activity is expected to commence during the 3<sup>rd</sup> Quarter of this financial year.

### **Standpipes....**

As it stands in Jamaica, standpipes are a viable and accepted means of delivering potable water to many communities especially in remote areas. Standpipes represent a way for the commodity to be readily

available to a larger number of consumers, and particularly those who cannot afford in-home pipe service.

When these standpipes are used in the manner in which they are intended to be used, the cost of providing this service is manageable. However, when such a service is abused, not only is the water wasted, the efficiency of the pipe network compromised and the road infrastructure damaged, but the cost becomes prohibitive resulting in the build up of arrears to the National Water Commission.

As a result of the negative continuing cycle of abuse and wastage resulting in the build-up of arrears, the National Water Commission recently disconnected 285 or about 10 percent of the 2,653 standpipes across the island.

Following a meeting last week between the Minister of Local Government, Community Development and Sport, Hon. Portia Simpson Miller; President of the National Water Commission (NWC) Mr. E. G. Hunter; representatives of the Ministry of Finance; and myself, an agreement was reached on resolving the issue of the

growing arrears owed to the National Water Commission for water supplied to standpipes as well as the persistent problem of the abuse of standpipes.

It has been agreed that:

- A payment arrangement with an initial payment of \$35M will be made to the National Water Commission
- There will be an audit of standpipes across the country to be done jointly between representatives of the Ministry of Local Government, Community Development and Sport; representatives of the respective Parish Council; and the NWC.
- The NWC will reconnect all recently disconnected standpipes across the island.
- Thereafter, there would be a process of rationalisation of standpipes to be undertaken by the Ministry of Local Government, Community Development and Sport and the Parish Council in an attempt to remove standpipes that are not serving a social purpose as well as to reduce wastage and abuse of the facilities.

This agreement not only addresses the present arrears to the NWC, but also charts a course for a more efficient, cost-effective, manageable and orderly process of delivering water to standpipes islandwide.

Mr. Speaker, the Honourable Minister of State in the Ministry of Water and Housing will have much more details on the water side of the Ministry when he speaks in the debate.

## **HOUSING**

Mr. Speaker, it is the dream of every Jamaican to own his/her own home. Homeownership is second to none in terms of the feeling of accomplishment and pride that it evokes. In fact, I have participated in several 'handing over' ceremonies since assuming the housing portfolio and the sense of pride and achievement that emanates from the beneficiaries is unsurpassable.

Mr. Speaker, I would like to reiterate our goal with respect to housing which is that **BY 2025 ALL JAMAICANS WILL HAVE ACCESS TO AFFORDABLE, SAFE AND LEGAL HOUSING SOLUTIONS.**

Mr. Speaker, this Government prides itself on its record in providing and facilitating the provision of housing solutions and the numbers speak for themselves. As I indicated during my 2004/05

presentation, during the decade of the 90s some one hundred and thirty seven thousand nine hundred (137,900) houses were built.<sup>4</sup>

Notwithstanding our success of the past, we still face major challenges, especially in providing housing solutions for the lower end of the market. In addition, the projected expansions in the tourism and bauxite sectors will significantly increase the demand for housing.

As, the Most Honourable Prime Minister indicated in his budget presentation, over the next few years, the tourism sector will expand by some 8,000 new hotel rooms while expansions in the bauxite sector will provide employment for some 3,000 new workers. I am advised that these 8,000 new hotel rooms will generate approximately 20,000 new jobs.

Mr. Speaker, by underestimating the demand for housing that would arise as a result of the expansion in the tourist industry, we unwittingly created opportunities for the establishment of large informal squatter settlements in areas such as Boscobel, Ocho Rios, Falmouth and Montego Bay.

It is for this reason that I have mandated my officers to commence an assessment of the effective demand for housing that will ensue from the proposed expansions in the tourist and bauxite sectors so that we can effectively plan for them.

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<sup>4</sup> Population Census 2001

We have already initiated dialogue with representatives from the Ministry of Development and other relevant Government Agencies, to put the necessary framework in place to provide affordable housing for these workers.

To date we have signed a Joint Venture Agreement for the construction of 493 units at Rosedale in St. James and work on this project has already commenced. We are also in the process of negotiating with major developers for the construction of 1,500 units at Shaw Park in St. Ann as well for the creation of 234 serviced lots at Green Park and 64 serviced lots at Kings Land both in the parish of St. Ann.

The Jamaica Mortgage Bank will also be financing three housing developments on the North Coast during this year. These are Greenwich Estate in St. Ann, which will provide 130 units, and Irwin Point and Mango Walk both in St. James, which will provide 145 and 242 units respectively.

The NHDC has targeted to come on stream in the tourism and bauxite expansion areas a total of 6,612 solutions. These include:

- Belle Aire (St. Ann) - 952 solutions
- Mt. Edgecombe (St. Ann) - 328 solutions
- Mammee Bay South (St. Ann) - 332 solutions
- Shaw Park Glades (St. Ann) - 267 solutions

<b>Total (St. Ann)</b>	<b>- 1,879 solutions</b>
• Pitfour III (St. James)	- 147 solutions
• Barrett Hall (St. James)	- 1,891 solutions
• Meadow Vale (St. James)	- 330 solutions
<b>Total (St. James)</b>	<b>- 2,368 solutions</b>
• Whitehouse (Westmoreland)	- 676 solutions
• Whitehall II (Westmoreland)	- 1,148 solutions
• Egypt (Westmoreland)	- 230 solutions
<b>Total (Westmoreland)</b>	<b>- 2,054 solutions</b>
• Fishermans Village (Hanover)	- 138 solutions
• Hague Cave Island (Trelawny)	- 173 solutions
<b>Overall Total</b>	<b>- 6,612 solutions</b>

Mr. Speaker, the construction of new houses is projected to take care of the demand that arises as a result of the formation of new families. However, there are a number of inner city areas in Jamaica that due to neglect over the years have become derelict and are in urgent need of rehabilitation.

The Ministry is supporting the Inner City Housing programme being spearheaded by the National Housing Trust (NHT) and in order to facilitate the programme, has to date contributed 105 lots in Denham Town and one parcel of land comprising 13.5 acres in Trench Town.

In addition, the properties have been declared under the Housing Act in order to speed up the process and to reduce cost to the beneficiaries.

We are taking a number of approaches to achieving our goal for housing. These include:

1. Improving Security of Tenure
2. Community Participation
3. Joint Venture partnerships
4. Mortgage Provision
5. Provision of Social Housing
6. Improved legislative framework

### **IMPROVING SECURITY OF TENURE**

Regarding security of tenure, Mr. Speaker, the Ministry has a significant number of housing schemes, which were developed for rental and as cooperatives and condominiums. These schemes comprise 4,633 units and have been occupied by families for extended periods, in some instances in excess of 40 years.

The Ministry is now in the process of divesting these units in order to provide security of tenure for the residents and to foster the creation of stable communities through pride of ownership. During the divestment process, occupants are trained and assisted to establish Strata Corporations to manage the properties.

Mr. Speaker, we have divested 1,201 units so far and it is projected that another 1,400 units will be divested in this financial year. We have had successes in the divestment of Units in Arnett Gardens Phase 7, Duhaney Park and McIntyre Lands.

On Wednesday January 12, 2005, the then member of Parliament for West Kingston, the Most Honourable Edward Seaga and myself participated in a ceremony at the Tivoli Gardens Community Centre. In this ceremony we began the process of executing agreement for sale of 630 rental units, which were built in 1964.

The Ministry's officers are currently working in Tivoli Gardens and Tavares Gardens, executing Agreement for Sale for some 700 families.

Mr. Speaker, notwithstanding the challenges we are facing with respect to our titling programme, during the past financial year, 1201 Splinter Titles were received from the Titles Office in respect of 52 schemes and 332 Certificates of Titles were delivered to persons who completed payments. Applications were also made to the Titles Office for the splintering of Titles relating to 12 schemes.

The Ministry through the Joint Venture Programme is also in the process of acquiring and upgrading brownfield sites. Discussions are underway for the installation of infrastructure and the provision of security of tenure for approximately 1,000 families on two sites - Buckshaven (Clarendon) and Frazer's Content (St. Catherine).

The Ministry in providing security of tenure in these areas has approved the acquisition of 29 properties by private treaty or by compulsory acquisition under the Land Acquisition Act of 1947. The acquisition of these properties will enable the Ministry to provide security of tenure for over 2,100 families. Some of the properties include:

- 131/2 – 17 Waltham Park Road
- 35, 371/2 Waltham Park Road
- 6 properties in Cassava Piece
- 27 Job Lane
- Properties at Riverton City (Seaview Gardens Phase II)
- Jackson Town (311-315 Molynees Road)
- 1 Logwood Park Road
- 113 Hagley Park Road
- 40 Mannings Hill Road
- 53 Nugent Street (Spanish Town)

## **COMMUNITY PARTICIPATION**

Mr. Speaker, Operation PRIDE was created to enhance the shelter status of the lowest percentile of our people, whose incomes are well below that which is required to meet the infrastructure standards demanded by the regulatory agencies. The programme has not been without its challenges but Mr. Speaker, it will go down in history as having been unparalleled in the tremendous impact that it has made in improving the living conditions and by extension, restoring dignity to the poor of this country.

During the year, the restructuring process of the National Housing Development Corporation (NHDC) was completed and for the first time in its history, the organisation adopted a regime of performance-based compensation, as part of a systematic approach to improving organisational performance.

For the entire year and consistently on a monthly basis, mortgage collections surpassed projected collections. At the end of the financial year, collections stood at \$918.2 million. Overall accounts in arrears represent 2.72 percent with PRIDE schemes and 1.78 percent without PRIDE schemes, making the NHDC's mortgage portfolio one of the best in the country in terms of arrears rate.

Mr. Speaker, the NHDC is current with all statutory financial requirements. It has been consistently current and compliant in the payment of statutory deductions. None are outstanding. Additionally, financial statements up to 2003/2004 have been audited, approved and laid on the table of this honourable House. Audits for the 2004/2005 financial year are now in progress and will be completed by June 2005.

Mr. Speaker, Operation PRIDE has already invested some \$6.9 billion in 102 projects island wide. Twenty-five of these projects comprising 5,648 housing solutions have been completed. I wish to mention some of the projects completed by the NHDC, all of which

have met the requirements of the Parish council and other regulatory agencies. These include:

- Bushy Park (Clarendon) with 457 fully serviced lots
- West Albion (St. Thomas) with 423 fully serviced lots
- Melrose Mews (Manchester) with 577 fully serviced lots

and,

- Norwich (Portland) 399 fully serviced lots

Mr. Speaker, it is important to note that the schemes that are now completed by the NHDC are fully compliant with all the requirements of the regulatory and local authorities.

A further 19 projects comprising 4,562 solutions are slated for completion in this financial year. In order for the NHDC to realise this goal, they must obtain the necessary funding and in fact, have now reached an agreement, which will result in them divesting a portion of their real estate holdings for the sum of \$1.5 billion. This money will enable the NHDC to pay-down debt incurred by the PRIDE programme in previous years, complete the 19 projects in this fiscal year and continue work on other projects.

In addition to Operation PRIDE, the NHDC also has an open market portfolio. During this financial year the Corporation will complete the Wellington Heights (St. Andrew) project and will design and start construction in three open market schemes namely, Lady Musgrave (St. Andrew), White River (St Ann) and Mineral Heights (Clarendon). The Corporation will also be participating in a Joint Venture

development at Stadium Gardens (St. Andrew), as well as acquiring and marketing 60 units in Ensom Green (St. Catherine).

## **JOINT VENTURE PARTNERSHIPS**

Mr. Speaker, in its present role as facilitator of housing solutions, the government has sought to increase the country's housing stock through the Ministry of Water and Housing's Joint Venture Programme. There are two components to this programme; a Joint Venture arrangement where the Ministry utilises its own lands and a Private Sector Facilitation arrangement where privately owned lands are utilised.

Over the past year, four Joint Venture projects were completed yielding 1,554 solutions. Two Private Sector Facilitation projects were also completed and these yielded a total of 667 solutions.

We are currently involved in 12 active projects comprising 2,769 solutions of which 5 projects comprising 1,311 solutions will be completed in this fiscal year.

## **MORTGAGE PROVISION**

The Jamaica Mortgage Bank, which was established to be a principal mortgage agency, providing in particular secondary mortgages, has made significant contributions in the area of housing financing. During the last year the Jamaica Mortgage Bank financed the construction of 2,891 housing solutions island wide, at a cost of \$540

million. It is projected that during this current financial year the Bank will finance some 1,356 units at a cost of \$1.094 billion.

Mr. Speaker, I wish to at this juncture in my presentation, update this honourable House on the state of affairs at the JMB. Certain breaches in procedure occurred in relation to the procurement and assignment of two motor vehicles belonging to the Bank, as well as the purchase and proposed disposal and occupation of two housing units at the Long Mountain Housing Scheme in St. Andrew. These housing units had been transferred to the JMB by arrangement through Selective Homes Limited, the developers of the scheme, in exchange for debts owed by the developer.

The chairman of the Bank, Mr. Peter Thomas accepted full responsibility for the breaches and offered his resignation to me, which I accepted. I immediately appointed the Permanent Secretary in the Ministry of Water and Housing, Mrs. Genefa Hibbert as the interim board chairman. The other members of the Board have all agreed to continue to serve until the expiration of the period of the appointment of the board in April of next year.

The Board subsequently decided to terminate the services of the managing director Mr. Everton Hanson with immediate effect. Mr. Speaker, further investigations into the breaches are now being conducted by the Financial Investigation Division of the Finance Ministry.

## **PROVISION OF SOCIAL HOUSING**

The programme as conceptualised by the Most Honourable Prime Minister went into its implementation phase in March 2004. The programme has two modalities, with one million dollars allocated per constituency per modality. The allocations to the MPs were subsequently increased by \$500,000 each, bringing the total allocations for 2004/05 to J\$150 million. Phase II of the programme will also be funded by the NHT with a sum of \$150 million.

Modality 1 involves the repair of units while modality 2 involves the provision of housing units in partnership with Food For The Poor. The impact of Hurricane Ivan resulted in a change of focus and at the request of some Members of Parliament, approval was granted for the conversion of some funds from modality 2 to modality 1.

Some Members of Parliament have utilised the facility to change allocations within the modalities. Of the \$77.2 million allocated to modality 1, \$64.6 million has already been paid out, with 9,286 families benefiting, while in modality 2, of an allocation of \$42.8 million, \$31.1 million has been paid out with 741 families benefiting. Therefore Mr. Speaker, we have paid out \$95.7 million, generating a total of 10,027 benefits. It is anticipated that when the \$150 million allocated for 2004/05 is fully utilised, approximately 12,000 families will have benefited.

## **IMPROVED LEGISLATIVE FRAMEWORK**

Mr. Speaker, while it is true that we have focused a great deal on homeownership, I would like to emphasize that access to housing does only not imply owning the home. In fact, depending on the stage of life that persons are in, it may be more advantageous to pursue other forms of living arrangements such as renting.

There are those who are of the view that there should be no rent control and that the sector should be driven by market forces, however if we are to realise our goal with respect to housing, we have to ensure that the playing field is level and that landlords have an opportunity to realise a reasonable return on their investments without tenants being disadvantaged.

It is for this reason that the Rent Restriction Act is now being amended. Some of the proposed amendments are:

- A renaming of the Act to reflect its new role
- The removal of rent control from public and commercial buildings
- Setting minimum standards for premises while let
- Legalisation of security deposits
- The establishment of a rent tribunal to deal with all rental cases, and
- An increase in the fines and penalties for breaches of the Act

Mr. Speaker, the 13<sup>th</sup> Session of the Commission on Sustainable Development which was convened at the United Nations Headquarters in New York in April of this year, highlighted the fact that in order for countries to meet the targets for human settlements as set out in the Millennium Development Goals and the Johannesburg Plan of Implementation, there must be a flexible and integrated approach to the development of human settlements incorporating water supply and sanitation, as well as land-use, housing, waste management, employment, income-generation, education, health care and transportation considerations, among others.

I attended the Ministerial Session and made the opening and closing presentations on behalf of the Group of 77 & China, a grouping of one hundred and thirty four (134) countries.

Mr. Speaker, I am pleased to announce that the Government of Jamaica is already taking steps to ensure this integrated planning. In fact as I speak, we in the Ministry are going full steam ahead to develop a comprehensive National Housing Policy and Implementation Plan, the overall objective of which is to create an enabling environment for the housing sector to develop, grow, and deliver adequate and affordable housing solutions in a sustainable manner.

Although technically speaking there has never been a written policy document, various policies have been put forward by Ministers of Housing over the years. Among the most notable ones are:

- The hurricane rehabilitation programme after Hurricane Charlie in 1951
- The Sites and Services Programme
- The Squatter Upgrading Programme
- The programme to upgrade rural areas

One of the challenges to the development of a unified housing policy in the past was the large number of agencies and ministries that were involved in the provision of housing.

Some of the key areas on which the policy will focus are; the role of the stakeholders, special needs housing and housing finance. I would also like to highlight one critical issue that will be addressed by the policy and that is the development of an information management infrastructure. One of my own concerns Mr. Speaker, since assuming this portfolio is that there is no consistency and reliability in the housing data that now exists. This information management infrastructure will therefore streamline the collection and dissemination of housing data to consistently inform the policy development and review processes.

A multi-sectoral technical committee has been established to lend support to the process, however, ultimate oversight will rest with the Ministry of Water and Housing. The technical committee comprises

representatives of the Cabinet Office, the Jamaica Developers Association, the Jamaica Mortgage Bank, the Ministry of Finance and Planning, the Ministry of Land and Environment, the National Planning Agency, the National Housing Trust, the Planning Institute of Jamaica, the Urban Development Corporation, the National Housing Development Corporation as well as the Ministry of Water and Housing.

A consultative approach will be taken in developing the policy and as such the process will involve extensive consultations with all stakeholders inclusive of, but not limited to the private sector, especially those agencies that provide loans and mortgages to the housing sector, professional bodies such as the Master Builders Association, Community groups, Non Governmental Organisations and political representatives.

Mr. Speaker in an effort to facilitate a bi-partisan approach to the development of the policy we invited the then Opposition Spokesperson on Housing to sit with the technical committee established to assist in giving oversight to the policy development process and to share his visions for the housing sector and for the policy. Mr. Speaker I am happy to announce that he accepted the invitation and the ensuing discussions were very fruitful.

## **PROJECTIONS FOR 2005/06**

Mr. Speaker there is no doubt that the work of the Ministry of Water and Housing over the past year has contributed significantly to an overall improvement in the quality of life of the Jamaican people. We have laid a sound foundation on which to build a secure future and we are committed to continuing to work towards this end in the present financial year.

### **In the area of water:**

- We will complete and commission into service the Cotterwood Water Supply System. Construction will also commence on the White Horses/Botany Bay/Pamphret Water supply system as well as on the Gravel Hill Water Supply system because **we have laid a sound foundation for a secure future;**
- We have already commenced and will continue apace with the implementation of the Martha Brae to Harmony Hall Water Supply Project, which will address the water supply inadequacies in areas east of Falmouth in Trelawny through to Harmony Hall because **we have laid a sound foundation for a secure future;**
- The National Water Commission will be undertaking some 44 specific water supply projects and expending some \$3.168 billion on these projects during this financial year to better serve the people of Jamaica. A further 28 wastewater projects will also be undertaken during the year with an expected additional expenditure of \$222.8 million to safeguard public health and

protect the environment because **we have laid a sound foundation for a secure future;**

- We will break ground for the Seven Rivers and Hounslow irrigation projects and commence implementation because **we have laid a sound foundation for a secure future;**
- We will seek to complete the National Water Resources Master Plan as well as the amendments to the Water Resources Act and the Floodwater Control Act because **we have laid a sound foundation for a secure future;**
- We will spend some J\$54 million to rehabilitate canals and pipelines in St. Catherine and St. Thomas under the IDB Flood Damage Assistance Programme because **we have laid a sound foundation for a secure future;**
- We will continue the implementation of the second phase of the NIDP, which will eventually benefit some 1,300 farmers in Yallahs (St. Thomas), Colbeck and St. Dorothy (St. Catherine), New Forrest/Duff House (Manchester) and Essex Valley (St. Elizabeth) because **we have laid a sound foundation for a secure future;**

**In the area of housing:**

- We have obtained 10,834 splinter titles to date and will deliver an additional 3,500 during 2005/2006 into the hands of Jamaicans under Operation PRIDE because **we have laid a sound foundation for a secure future;**
- We will spend J\$150 million through the Social Housing Programme Phase II, to assist a projected 12,000 families across Jamaica with building materials and houses because **we have laid a sound foundation for a secure future;**
- We will commence 2 Joint Venture projects comprising some 1,365 solutions and commence 3 Private Sector Facilitation projects comprising 1,491 solutions because **we have laid a sound foundation for a secure future**
- We will together with our agencies, complete projects comprising some 7,229 housing solutions because **we have laid a sound foundation for a secure future;**
- We will complete the National Housing Policy and Implementation Plan because **we have laid a sound foundation for a secure future;**

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