

Honourable Speaker and Deputy Speaker

Honourable Premier, Mr DD Mabuza

African National Congress Leadership

Chief Whip on the Majority Party (ANC)

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Chairperson: Portfolio Committee on Human Settlements and CoGTA

Chairperson: House of Traditional Leadership

Representatives of the Business Community

Representatives of Labour Federations

The Director General, Dr N Mkhize (Office of the Premier)

HOD Human Settlements and staff members

Distinguished Guests

Members of the Media

Fellow Compatriots

Citizens of the Province

Introduction

Honourable Speaker, I am greatly humbled to be given such an opportunity to present my maiden Policy and Budget Presentation for the Department of Human Settlements, Vote 13 which changed from Housing to Human Settlements in the beginning of this term of administration with a clear focus on an integrated developmental advance as outlined by Outcome Eight.

The formation of the African National Congress (ANC) in 1912 was a culmination of our people's struggles against colonial domination and racist oppression.

The mission of the ANC has always been to unite all South Africans and work towards the liberation of Africans, in particular and Blacks in general.

The Natives Land Act (1913)

Honourable Speaker, this year marks exactly 100 years since the enactment of the 1913 Natives Land Act.

This Act meant that Blacks were deprived of their rights to shelter, became homeless - a situation which forced them to go work in mines, domestic work, and generally inferior jobs.

The huge housing backlog that we see today is as a result of the introduction of the Act in 1913, which immediately declared all Africans to be homeless.

Freedom Charter (1955)

Sequel to the enactment of the Act in 1913, which undermined people of their freedom - the majority of people resisted the oppression imposed by the Act.

This led to the adoption of the Freedom Charter in 1955.

Hon. Speaker, the noble vision of a united and non-sexist human settlement was proclaimed by the Charter that:

“There shall be Houses, Security and Comfort!

All people shall have the right to live where they choose, be decently housed, and bring up their families in comfort and security,

Unused housing space to be made available to the people.....

Slums shall be demolished, and new suburbs built where all have transport, roads, lighting, playing fields, crèches and social centres”

The declaration by the people’s congress clearly had a Human Settlements Department in their mind in a free South Africa.

Our existence as this department is derived directly from the people’s congress in Kliptown.

State of the Province Address (SOPA)

Speaker, Premier DD Mabuza in his State of the Province Address reaffirming the provinces’ commitment of delivering integrated human settlements, - ***“As a country and the Province in particular, we have made a decisive shift from providing housing to building integrated human settlements”.***

These are the critical issues that he raised:

- Complete all the incomplete houses,
- Finalise the outstanding work on the establishment of integrated Human Settlements in Klarinet, Emakhazeni, Dipaleseng and Thaba Chweu,

- Focus on spatial planning and integrated development planning for Umjindi, Nkomazi, Msukaligwa and Mbombela;
- Speed up and finalise the implementation of the people housing programme (PHP) in all the CRDP municipalities,
- Conduct township establishment in eMalahleni, Govan Mbeki, Steve Tshwete and Mbombela as part of eliminating informal settlements, and
- Provide basic services and elimination of backlogs
Expanding Access to Basic Services.

The realisations of these services are in line with the commitment by government to deal with three stubborn social ills, namely - poverty, inequality and under-development.

Departmental Challenges and Interventions

Honourable Members, having said that, the department has in the last few years experienced challenges that undermined service delivery.

Speaker let me take this opportunity to thank the Hon. Premier for his intervention into getting to the source of the problem in the department.

I want to be upfront and admit that there are impediments that find themselves in the system:

Human Resource Constraints:

The human resource has been a challenge affecting the department. The implementation of projects faced difficulties owing to poor planning, project monitoring and management.

With the assistance of the Cabinet, the department appointed the following personnel whom we think will better position the department going forward:

- Mr ED Awogu: Chief Director Incremental Interventions. He has an Honours Degree in Urban and Regional Planning and a Post Graduate Diploma in Computer Science.
- Dr AB Shabane: Chief Director People's Housing Process and Rural Development. He has a B.Paed Degree, BA Honours Degree, and Post Graduate Diploma in Professional Development.
- Mr SEB Matsebula: Chief Financial Officer. He has 13 years experience in financial management and auditing within the public sector. Broken down, he has two years in auditing, six years in middle management, five years in senior management specialising in Management Accounting, Financial Accounting and Supply Chain Management. He has a National Diploma in Internal Auditing and B-Compt Accounting Science.

Beneficiary Management:

- The process of beneficiary identification has been one of the biggest challenges which have led to most of the problems.
- This led to late submission of subsidy application forms, resulting in delays in the construction process.
- The uncontrolled processing of the beneficiaries submitted by municipalities has led to subsidies being awarded to those who are not amongst the most needy and vulnerable within our communities.
- The issue of untraceable beneficiaries has largely been fuelled by collusion by some municipal officials with contractors in the occupation of houses by persons not approved on the Housing Subsidy System (HSS).
- There is also a possibility that some departmental officials may be involved.

To address the problem, the following will be done:

- We have started with the process of upfront capturing of beneficiaries,
- Each municipality will be allocated a human settlement official to deal with the identification and management of beneficiaries working with Community Development Workers (CDWs) and ward councillors,
- A draft policy on the prioritisation of beneficiaries, i.e. the aged, the disabled, and child headed households has been developed,
- The department and municipalities will intensify the capturing of potential beneficiaries on the Housing Needs Register,
- Each waiting list must have an approved council resolution per municipality,
- The department will investigate an IT system of improving the screening and verification of potential beneficiaries, and
- Since 1994, the province has delivered over **173 000** houses and we will be looking at a possibility of conducting an impact assessment study on housing occupancy.
 - This will give us comfort as to who are occupying each house,
 - Whether these houses are used for the intended purposes, and
 - Determine how many of those occupants are eligible to alienate the property after eight years as stipulated by the Housing Amendment Act. (This include selling, renting, conversion, etc)

Incompetent Contractors

Again, let me admit that it does appear that in some cases incompetent contractors were appointed to deliver houses.

- This led to the delivery of poor quality,
- Incomplete projects,
- Delays in the completion of projects
- Contractors not using South African National Standards (SANS) approved material, and
- There is a high possibility that some of our inspectors are colluding with contractors

To rectify these challenges, this is what we are going to do:

- The department will strengthen its Supply Chain Management systems, by rotating officials,
- We will also undertake joint inspections between the departmental inspectors and officials designated by the municipality,
- Improve on contract and project management,
- We will also blacklist contractors that are involved in fraud and poor work
- Any of our inspectors to have been found approving houses not meeting approved standards will be dealt with.

Ageing Infrastructure and Municipal Development

- Municipalities are an area where the department delivers its services.
- The apparent slow phase of municipal growth regarding infrastructure, and servicing of sites,
- Due to demand pressures, you find that budgets meant for Municipal Infrastructure Grant (MIG) are used for something else.
- This state impedes the department in delivering projects with ease.

To address this challenge, the department will do the following:

- Increasing our equitable share in assisting municipalities,
- Undertake joint integrated planning with municipalities,
- Extensive engagements with municipalities, traditional leadership and other departments, and
- Ensure that implementation of projects are in line with IDPs and SDFs.

Land Invasion:

- In the last few years we have observed an unprecedented phenomenon of land grab or invasion in some parts of the province.
- The department will work closely with municipalities and traditional leaders in ensuring that the identification and allocation of land is in line with municipal Integrated Development Plans (IDP).
- Equally important is to make adequate budget available for township establishment to ensure the processing of title deeds.

Title Deeds

- Some old four-roomed houses are without title deeds,
- Some government houses have been built at un-proclaimed areas, and
- No township register in some proclaimed areas.

In addressing this challenges:

- We will ensure that township establishment processes are conducted, and
- Increase our capacity to expedite title deeds registrations.
- We will be investigating possible collusion of some bank officials and legal firms where houses are being auctioned and sold at exorbitant amounts. (e.g. Mr Khoza's matter at eMalahleni)

Administration

Following administrative challenges that impacted negatively to the smooth-running of the department, the Honourable Premier and the Provincial Administration identified some weaknesses and intervened swiftly.

Fraud and Corruption.

As you know that the department is under investigation by the Hawks and the Special Investigating Unit, we will be cooperating with them so to conclude these processes.

We are pleading with them to expedite these processes so the department can move on.

- Going forward, we are going to be aligning and placing officials in all municipalities,
- Improving on risk management and internal control systems, and
- Investigate establishing a departmental complaints call centre.

Achievements for 2012/13

Honourable Members, despite the challenges encountered over the years, the department managed to deliver a total of **7 571** units during the 2012/13 financial year.

The department also constructed **224** family units (Community Residential Units) and one Community Hall at Bushbuckridge Local Municipality.

The breakdown of the above units per instrument is as follows:

Housing Instruments	Actual
	Completed units
Individual Housing Subsidies	67
Project Linked Subsidies	787
IRDP Phase 2 (Top structure)	748
People's Housing Process (PHP)	3255
Informal Settlements Upgrade	1739
Consolidation subsidies	72
Emergency Housing Assistance	575
Rural Housing	328
TOTAL	7571

Honourable Speaker, a special word of congratulations and gratitude goes to the Honourable Premier DD Mabuza for his **Kancane-Kancane Special Housing Programme** where **150** houses have been delivered.

If the intervention is anything to go by, then we ought to humble ourselves, introspect and emulate him.

Siyabonga Kakhulu Ndunankulu for assisting the needy with decent accommodation on our behalf. This gesture is laudable.

OUTLOOK FOR 2013/14 FINANCIAL YEAR

Creation of New Sustainable Human Settlements

These ideals (*Freedom Charter*) bode well with the department's new mandate which focuses on Outcome 8 which is the creation of sustainable human settlements and improved quality of household life.

Outcome eight has four clear outputs with emphasis on:

- Improving access to basic services,
- Provision of accommodation within the gap market,
- Upgrading of accommodation within informal settlements, and
- Securing of well located public land for the creation of affordable settlements.

Honourable Members, in line with the above outcome, the department will deliver **14 681** units and connect internal services to **7 819** sites in the 2013/14 financial. The **14 681** units for 2013/14 financial year comprise of the following:

- Big contractors have been appointed a month ago which are currently on site to deliver **4 841** houses,
- A total of **5 042** units are at various stages of completion as at 31 March and construction is underway,
- The remaining number of **4 798** will be allocated and constructed in the current financial year.

Policy and Budget Speech 2013/14: MEC M.A Gamede
Mpumalanga Department of Human Settlements.
Provincial Legislature, Nelspruit, 28 May, 2013

The number of units to be delivered per municipality is as follows:

MUNICIPALITY	UNITS
EHLANZENI DISTRICT	3 898
Bushbuckridge	1 538
Mbombela	196
Nkomazi	1 233
Thaba Chweu	586
Umjindi	345
MUNICIPALITY	UNITS
GERT SIBANDE DISTRICT	4 489
Albert Luthuli	1 293
Dipaleseng	267
Goven Mbeki	637
Lekwa	329
Mkhondo	1 206
Msukaligwa	246
Pixley Ka Seme	511
NKANGALA DISTRICT	5 622
Dr JS Moroka	1 140
Emakhazeni	421
eMalahleni: Klarinet	2 120
Steve Tshwete	513
Thembisile Hani	862
Victor Khanye	566
OTHER : VARIOUS MUNICIPALITIES	672
	14 681

Number of sites for internal services per municipality

Municipality	NUMBER OF SITES
EHLANZENI DISTRICT	2 207
Bushbuckridge (Thulamahashe)	1 000
Mbombela (Tekwane North)	500
Thaba Chweu (Pilgrims rest)	400
Umjindi, Ext 15 and 16	307
GERT SIBANDE DISTRICT	1 773
Mkhondo (Malaynini, Maphepheni, Mangosuthu and Rustplast).	1 157
Msukaligwa (Wesselten Ext 7)	416
Pixley (Vukuzakhe)	200
NKANGALA DISTRICT	3 839
Emakhazeni (Siyathuthuka)	588
Emalahleni (Empumelelweni and Klarinet)	2 251
Steve Tshwete (Rockdale)	1 000
	7 819

In line with the mandate, the department will continue to focus of economic active municipalities by developing integrated sustainable development human settlements.

These projects will benefits the **Govan Mbeki, Mbombela, Steve Tshwete and eMalahleni Local Municipalities.**

Over and above these interventions, the National Department of Human Settlements has set aside **R1.1 billion** for the eradication of informal settlements in towns with high mining activities throughout the country.

All provincial departments are expected to submit business plans in order to benefit from the fund.

There are moves to support developments around **Dipaleseng and Msukaligwa Local Municipalities** as areas showing huge potential for growth.

According to the 2011 Statistics South Africa report, the department may have to look closely at **Mkhondo Local Municipality** as it is showing signs of growth.

The following portions of land have been earmarked for development of Integrated Human Settlements in the current financial year:

MUNICIPALITY	DESCRIPTION OF LAND
Dipaleseng	Negotiations under way
Emakhazeni	Portion 86 and 87 (remainder of ptn 92) of farm Doornhoek 344 JT
Emalahleni	Tweedam 377 JS
	Negotiations under way for the portion of land adjacent Klarinet Development.
Govan Mbeki	Kinross Ext 22
Mbombela	Holding 18,19,20 and 96 White River Agricultural Holdings JU
Msukaligwa	Portion 6 of farm Rietspruit 437 IS
Nkomazi	Portion 91 and 120(combined to be portion 158) of farm Malelane 389 JU
Umjindi	Portion 2 of farm Biggar 664 JT, farm Adelaide 339 JU, farm Mona 659 JU and farm Hulley's Hill 338 JU

Honourable Members, it must be noted that the rolling-out of massive integrated sustainable human settlements will be delivered in stages. In practical terms, these multi-year projects will require extensive stakeholder involvement, enhanced project management and adequate resourcing.

Finance Interventions

In responding to the needs of people who fall in the grey area of not qualifying for a government low cost houses and at the same time find it difficult to be financed by financial institutions, a total of **80** subsidies will be explored under the Finance Linked Individual Subsidies (FLISP) at an estimated cost of **R 5.6 million**.

Critical to our plans, will be the provision of six community halls and child care facilities during the current financial year. The support of municipalities in the province will continue in earnest for better co-ordination and smart delivery of proper human settlements.

A total of **210** units with a cost estimate of **R 14.7 million** will benefit children affected by the death of parents or guardian and other special cases through the Individual Housing Subsidies.

Housing for War Veterans

Included in the 210 housing units will be the delivery of **50** units to benefit war veterans.

Incremental Interventions

According to the 2011 Census, the backlog for people who are in need of houses is standing at a staggering 197 000.

The province with the available resources at its disposal delivers an average of 10 000 houses per annum – a situation that appears immense to conquer – factually speaking.

Given its rural nature, a dedicated approach is needed in addressing the requirements at communal areas. To this end, the upgrading of informal settlements where they are mushrooming throughout the province remains essential.

Responding to this obligation, a total of **2 354** housing units at an estimated cost of **R 164.8 million** will be constructed under this programme.

Members, equally important will be the upgrading of **4 980** sites with a cost estimate of **R 46.5 million** for accommodation within informal settlements.

Unplanned settlements - it must be said – encumber government's planning processes and purposeful development.

In continuing the ideal of the Comprehensive Rural Development Programme (CRDP), the department plans to deliver **4 106** units at an estimated cost of **R 287.4 million** through the People's Housing Process.

Honourable Members, I must indicate that the province's approach on rolling-out PHP was commended by the National Portfolio Committee on its recent visit to the province.

Perhaps it is high time that we as a collective strengthen the approach so as to influence the policy for the country. After all, we are a Province of the Pioneering Spirit!!!!!!

This year will also see the department servicing **2 839** sites and deliver **1 472** top structures to the value of **R 48.9 million** and **R 68.4 million** through the Integrated Residential Development Programme (IRDP) – Phase I and II respectively.

An amount of **R 42.4 million** has been set aside to address **606** units which were affected by the January 2013 floods at our various municipalities through the Emergency Housing Assistance Programme.

Social Housing and Rental Interventions

During this financial year, we will continue to make strides in addressing concerns of urban decay, huge housing demand at economic active centres and tackle inner city rejuvenation.

Honourable Speaker, the department alone cannot address the huge demand for houses in the province – hence – an obligation to explore other housing typologies to cater for some beneficiaries who have different needs – other than just low cost houses.

Reports suggest that the annual increase for houses is around 5 000 units; therefore an immense necessity to augment the rate in which we deliver houses is essential – resources permitting.

In responding to the influx of people to cities and rental related challenges, the department has set aside an amount of **R 60.2 million** to provide **104** rental stock units, for Klarinet-eMalahleni and **475** Community Residential Units (CRU) for the following municipalities in support of projects implemented by the Housing Associations:

eMalahleni – KwaGuqa	135 Units
Emakhazeni Phase 2	214 Units
Govern Mbeki – Mzinoni	94 Units, and
Lekwa – Sakhile	32 Units

Honourable Members, this programme is another form of dealing with the mush-rooming of informal settlements, promotes social cohesion, and provides decent and affordable accommodation, particularly at the province's economic active towns.

Rural Interventions

Addressing social housing and rental needs is not only a route we are exploring in affording people decent accommodation, but rural programmes also play an essential component in our delivery mode. Our endeavour to build where people live will still continue vigorously.

Much as we are now about integrated sustainable human settlements, we have to be mindful that the rural community of Dluhluma, Hluvukani, Tjakastad, Perdekop, Vezubuhle and Senotlelo, amongst others still need houses. We dare not forget that.

The provision of houses with the – *'In situ' approach* – that is building where people stay, especially in communal land will continue.

A total of **209** units will be delivered through Rural Interventions at **R 15. 9 million**; **78** units through the Farm Worker Assistance Programme and **131** units through the Rural Housing and Communal Land Rights programme.

Budget Allocation

Honourable Members, we are from a financial year where we had to overcome a myriad of challenges as an institution. Whether internal or external, they proved difficult and at times derailed our delivery mechanism.

But I am glad that the interventions and support by the Premier and the Provincial Administration are assisting us in the quest for settling communities with minimal tests.

Honourable Members, may I present the budget of **R1.350 billion** for the Department of Human Settlements (Vote 13) as outlined below:

Programme 1 :	Administration	R	99.0 Million
Programme 2 :	Housing Needs, Research and Planning	R	60.8 Million
Programme 3 :	Housing Development and Implementation	R	1. 186 Billion
Programme 3 :	Housing Assets Management	R	4.2 Million
TOTAL	R	1.350 Billion

Honourable Members, with this budget and plans I remain convinced that the department will come out of the doldrums and deliver on its mandate of establishing proper human settlements.

Govan Mbeki Awards 2013

The department has early this month acknowledged stakeholders who have made immense contribution within the human settlements space.

Through the Govan Mbeki Awards they were honoured for the gallant role they played in quality service delivery in the human settlements value chain.

The awards are named after Govan Mbeki for the role he played and vision he had on the preservation of human dignity and provision of human settlements for all.

To all the winners, congratulations are in order and befitting. May you all go out there and represent the province of the Pioneering Spirit at the national stage. Sinifisela Inhlanhla!!!!!!!

Transversal Issues (Economy, HIV/Aids, etc)

Distinguished Guests, the province is facing a challenge of HIV/Aids.

The pandemic is ravaging like wild fires – affecting households, stressing government resources, impacting economic growth, and derailing community development at large.

As a province, we must be aware that the devastating impact of the pandemic needs our collective efforts to address its impact.

Our intervention will be looking at consumer education through the contact we have with communities in dealing with this challenge.

As a department, we have ring-fenced **50** units to be built for child headed households that have been affected by the death of parents or guardian – mainly but not limited to the prevalence of HIV/Aids.

We will increase our efforts for consumer education and cooperation with the Provincial Aids Council.

Also increase our capacity on the Employee and Wellness Programme for internal employees.

Job Opportunities

Off the **R 1, 350 billion**, an amount of **R800 million** will go towards the purchase of building material.

With the delivery of over **14 500** housing units, the department will make a dent in the economy by creating at-least **1 200** temporary job opportunities.

The department will investigate a possibility of creating cooperatives for the bulk supply of material to our projects.

As a start, we will explore a possibility of establishing co-operatives in the regions to provide material for projects.

We have to assist the established cooperatives to link them with established business and joint ventures to transfer skills for sustainability.

Conclusion

I would like to thank the Honourable Premier, Mr D.D Mabuza, Members of the Executive Council for their guidance and support.

Let me also commend the oversight role played by the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs and support by the Budget and Finance Committee.

I also want to thank the Director General, Dr N Mkhize, and her staff in the Premier's Office.

The leadership shown by the HOD, Mr S.M Mtsweni, his management team and the entire staff is praiseworthy.

The support by the National Department of Human Settlements is commendable.

The support by the Provincial House of Traditional Leadership is priceless.

Also important is to appreciate the opportunity given to me by the African National Congress.

And finally, I would like to dedicate this speech to my family, more especially my mother.

Honourable Speaker, members and guests this is the plan that I think will usher us to a new delivery trail for this financial year and beyond.

In closing, let me end by the enduring words of world renowned religious scholar Dr Myles Munroe - "**Purpose is when you know and understand what you were born to accomplish, but vision is when you see it in your mind and begin to imagine it**"

As a department, we have begun imagining the vision of sustainable integrated human settlements.

“Building the future today - Together”

NGIYABONGA.....!!!!!!!