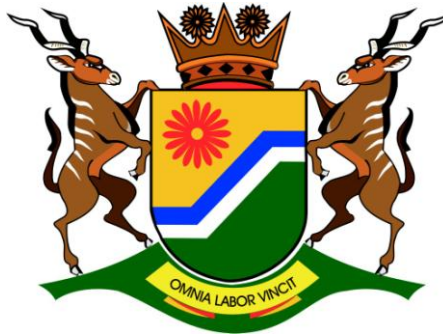


# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Human Settlements

Litiko  
Lekuhlaliswa Kwebantfu

Department van  
Menslike Nedersittings

Umnnyango  
Wokuhlaliswa Kwabantu

### Press Release 10 December 2014

#### DEPARTMENT IN SOUND FINANCIAL STATE *"Alleged under-spending misleading"*

The Mpumalanga Department of Human Settlements has dismissed as untrue and baseless reports that it had under-spent by R30 million during the second quarter of the 2014/15 Financial Year. This follows recent claims by the Democratic Alliance (DA) that over R30 million could not be utilised by the department in its quest to deliver integrated human settlements, housing opportunities and other required services to communities. The party alleges that the second quarter report presented to the Human Settlement's Portfolio committee recently, the department has failed to spend R30 325 000 million of its R1 380 507 000 billion budget allocation. It alleges that this meant that the department had merely spent 31% of its total budget thus far, 19% below the targeted budget expenditure for the midterm.

In setting the record straight, Department's Acting Head, Mr Sibusiso Matsebula has brushed off the claims by the party and indicated that the department is in a good state of finances. According to the budget allocation of R1.146 billion, the Department has so far spent R862 238 million since April to November 2014. ***"Our spending is at 75% which is above Treasury Threshold of 67% for the period between April and November 2014, reason enough that we have exceeded the standard norm as set out by the Public Finance Management Act (PFMA), hence well within on our delivery plans"***, charged Matsebula. This spending translates to a total of 5 683 of the 8 836 planned units delivered, 6 401 sites serviced, 72 community residential units and a child care centre and community hall completed.

The party further alleged that the Department is constantly under-spending and that perpetuates the ever growing housing backlog. According to the 2011 census (Stats SA), the housing backlog in the province stands at 197 000 – a situation which will need more resources to address. Matsdebula further indicated that much as the demand for accommodation is a huge task for government, the Department has partnered with the private sector to deliver various housing typologies, particularly at fastest growing towns of the province. ***"It is very disturbing that when as a Department we are well on our delivery mode, enjoying good relations with municipalities, and received an unqualified report from the Auditor General, a political party will present unfounded claims on our performance"***, emphasised Matsebula.

To ensure the delivery of quality projects, the Department has strengthened its monitoring component, employed more inspectors, and is contracting credible contractors. The Department has in the recent past experienced the delivery of poor quality houses built for unsuspecting beneficiaries by dishonest contractors. In mitigating this plague, MEC Violet Siwela is engaging on monthly forum meetings with all contractors to discuss issues of delivery. The Department further urges the public to assist in reporting errant contractors and employees during the course of delivery.

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