

POLICY AND BUDGET SPEECH: MEC SIPHOSEZWE MASANGO.  
DEPARTMENT OF HUMAN SETTLEMENTS.  
PROVINCIAL LEGISLATURE  
27 MAY 2011

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Honourable Speaker and Deputy Speaker  
Honourable Premier, Mr DD Mabuza  
Honourable Members of the Executive Council  
Honourable Members of the Provincial Legislature  
Distinguished Guests  
Friends and citizens of the Province

On the 18<sup>th</sup> May 2011, scores of eligible voters exercised their democratic right by voting in this year's Local Government Elections.

With one voice, the majority again, gave the ruling African National Congress (ANC) a mandate to continue administering local government.

The certified election results reaffirmed the ANC as the most trusted party. The overall National picture is **63.65 %** and **78.90 %** in the Province.

This is a clear indication that communities still have a well placed confidence in the ANC because they believe in the correctness of its vision, its principles, values and its plan to correct the wrongs of the past.

To all those who voted in favour of the ruling party in last week's Local Government Elections, we say thank you. Without a doubt, it was a wise and well exercised democratic right to afford the African National Congress another chance to improve communities within the local sphere of government.

The Freedom Charter (1955) proclaims 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 Freedom Charter realised that poverty often dwells in hidden corners close to the palaces of the rich, but that in general, a separate territory has been assigned to it.

The worst houses in the parts of the towns, almost irregularly built, form part of the general dwellings of the working class. The streets are generally unpaved, rough, and dirty, without sewer or gutters where the poorest of the poor and the worst paid workers live.

In his State of the Province Address on the 25<sup>th</sup> February 2011, Honourable Premier DD Mabuza indicated that, ***“The ruling party’s manifesto commits to eradicate abject poverty, unemployment and inequalities”***

Taking a lead from the remarks by the Premier, it is imperative that all our energy and efforts are dedicated towards the creation of sustainable jobs as a focal point for the year. This will result in the spotlight being placed on job creation through various forms of economic activities, including infrastructure, which is a core mandate of the Department of Human Settlements.

This financial year, we will work towards the creation of employment opportunities in the form of decent sustainable jobs and work opportunities through the appointment of contractors, developers, and other available avenues and mechanisms in the system.

As Premier Mabuza stated in his State of the Province Address, as a country and the Province in particular, ***“We have made a decisive shift from providing housing to building integrated human settlements”***.

Let me point it out that the mandate for the Department of Human Settlements is not about a change of name from Housing to the new one, but all about the creation of integrated and sustainable human settlements.

The new way of doing business, the redefined mandate and alignment, requires the department to create integrated and sustainable human settlements in order to support the creation of better livelihoods.

The new vision defines sustainable human settlements as well managed entities, where economic growth and social development are in balance, within the carrying capacity of the natural systems on which they depend for existence resulting ultimately in sustainable development, wealth creation, poverty alleviation and equity.

Part of the delivery of the much needed services will require the facilitation, support and the provision of social and infrastructure services, that include the servicing of sites, upgrading of informal settlements and provision of related services to households.

It will also be about transforming cities and towns into cohesive, sustainable and caring communities with easy access to work and social amenities, including sports and recreational facilities.

In doing all of this, we are aptly guided and informed by the enduring vision of the Freedom Charter, 1955, to which I have earlier on referred.

Writing in his seminal work - *The Conditions of the Working Class*, (1844) - Friedrich Engels noted that, ***“In reality it is the working class that keeps the great towns functioning. That it is by the sweat and strength of the workers that the rich can live in luxury. At the end of the day, the workers go home to unhygienic water and air, deteriorating houses and cramped neighbourhoods.”***

Clearly, Friedrich Engels’s observation is enduringly amazing because he made it over 160 years ago, but it still applies to the conditions where the working class is living today in the world in general, and South Africa in particular.

To fully realise the Freedom Charter’s ideals, the Department will now no longer just build houses, but play a larger role to co-ordinate, facilitate and support the provision of all essential services that constitute and contribute towards sustainable human settlements to better the conditions of the working class and the poorest of the poor, who stand to benefit the most from this new mandate of the Department.

In order to measure deliverables, National and Provincial Governments have set out clear targets and priorities for the current administration.

The Department of Human Settlements' priorities are informed by **Outcome 8**, which will amongst others; enable the Department to deliver on the following issues:

- Accreditation of qualifying municipalities,
- Conduct land audits to address issues of eradication of informal settlements,
- Facilitate and promote inner city rejuvenation through the acquisition of sustain able buildings and convert them into community residential units,
- Support rural development through the People's Housing Process PHP
- Identify suitable land for rental stock,
- Facilitate the development of a provincial bulk water plan, and
- Plan a key role in the facilitation and support of the technical implementation of **Outcome 9**,
- Facilitate the servicing of sites.

Honourable Speaker, these deliverables will undoubtedly propel the Department and our communities to new heights.

Honourable Members, let me commend the work done by previous political incumbents of the Department, starting from the then MECs, Craig Padayachee, Mabhuza Gininda, DD Mabuza, Jabu Mahlangu, Candith Mashego-Dlamini and Madala Masuku, respectively. Your efforts in improving people's lives have had a real lasting impact on our needy communities.

I salute you all for your astute leadership, I promise to walk on your footsteps.

The Department in conjunction with municipalities and other stakeholders, continues to create human settlements in various areas of the Province.

The construction of low-cost and affordable houses, rental stock, and conversion of hostels, social and recreational facilities, continue to be delivered with great determination, within the new broadened mandate.

### **Stakeholder's Engagement**

Since taking leadership of the department, there have been a number of interactions with stakeholders within the built industry. Engagements with contractors, housing institutions, municipalities, private sector, and sector departments amongst others, have provided a sense of the work that still needs to be done in ensuring and achieving quality human settlements delivery.

It is pleasing to note that despite the complex nature of the industry, all the parties are showing a great sense of commitment in assisting and supporting government to realise the delivery of integrated and sustainable human settlements to communities.

### **Corporate Services**

To fully realize the delivery of the new mandate, the Provincial Executive Council approved the department's new organogram (structure) to strengthen management and capacitate regional offices. This will ensure dedicated capacity and focus in the important mandate.

More emphasis and resources will be placed at the three regions respectively– where actual delivery is happening on the ground.

It is my pleasure to report that the regions have been strengthened and over 80% or so of the department's personnel is now based at regions where people have direct access to services. Vacant funded posts will be filled on a case by case basis.

## **2010/11 FINANCIAL YEAR PERFORMANCE**

During the last financial year, the Department focused on realising the vision of integrated human settlements in the Province. Key to our commitment for the previous year was the creation of the examples of multi-year Integrated Human Settlements. These included the Breaking New Ground Projects at Thaba Chweu, Emalahleni (Klarinet) and Dipaleseng Municipalities.

When looking at the actual delivery, I must indicate that the pace, with which these projects were implemented, was not as good as we had expected. The projects at Thaba Chweu and Dipaleseng had to be reconceptualised and re-planned.

The Department can, however, report that substantial progress has been recorded at the Klarinet Project in Emalahleni Municipality.

During the past financial year, a total of **9 860** of the planned **10 955 units**, including hostels were delivered. This substantial achievement was a contribution of some of the following instruments:

- Informal Settlements Upgrading – 4022
- People's Housing Process – 2 158
- Emergency Housing Assistance – 67
- Individual Subsidies Programme – 425
- Farm Worker Assistance – 89
- Rural Interventions – 1 464

These figures reflect on some of the delivery achievements recorded by the Department through the various programmes of the previous financial year.

In addition, the Department has rectified 51 units built between 1994 – 2002 and resolved 127 landlord disputes cases.

As part of comprehensive service delivery – as determined by the redefined mandate - we have also intervened by spending about **R 17 million** to assist municipalities with the procurement of **28** water truck tankers to support water distribution.

We understand that this may not be necessarily enough to address the water challenges in all the municipalities, but this will, however, assist to a large extent in alleviating the operational burden municipalities are currently experiencing with the rental of water tanker services. This intervention will put money back into operational budgets through savings enabling municipalities to address challenges in other areas.

Other notable achievements were the purchase of a number of pieces of land at, Umjindi, Msukaligwa, Donkerhoek Farm at Emakhazeni Local Municipalities. Another achievement was the approval of **13** housing chapters, support for municipalities with accreditation and the enrolment of **50** projects with the National Home Builders Registration Council (NHBRC).

Since the advent of decentralisation, we have seen a significant improvement in the technical and structural quality of the projects we are delivering. Meticulous care has continuously been given to ensure proper Quality Control and Monitoring, Engineering Services, Inspections, and Project Management.

Members of the House, it is a well known fact that the Department now champions the promotion of social cohesion, integration and the delivery of varied services, to create an enabling environment for various income groups to co-exist sustainably.

To put this noble dream into practice, the Department has delivered three (3) Social and Economic facilities in a form of Child Care Centres and Community Halls at the Bushbuckridge, Nkomazi and Mkhondo Municipalities respectively.

Honourable Speaker, let me inform the House that when Minister Tokyo Sexwale effected a decision by a forum of MEC's and the Minister (MINMEC) to move funds from non-spending provinces, Mpumalanga was not affected.

To this end, I am pleased to announce that the Department managed to spend its full allocated budget of **R1 230 268 (over 1 billion)** in the last financial year.

### **Special Programmes (Partnership)**

Through social partnerships, the Department held a successful service delivery campaign, when it partnered with African Musicians Against HIV/Aids (AMAHA) at Umjindi, Mkhondo and Thembisile Hani Municipalities.

Thirteen (13) low cost houses have been built and four (04) bonded houses paid off by AMAHA for beneficiaries who had financial challenges in settling their houses. The campaign delivered a total of 17 houses in the province.

They have heeded the call of President Zuma and Premier Mabuza for a philanthropic social responsibility by the private sector.

Just last week, the Department together with AMAHA handed over houses to four families at Thembisile Hani Municipality. The families of Gogo Jane Mnisi, Kekana and Masombuka are here with us today – seated at the gallery there. This is the first time in their lives that they own proper houses. *Ngibawa nisikime indlu yeSibetha- Mthetho inithokozise.*

The battle is not over, as more still needs to be done. This can only be achieved once deserving families from Sikhwahlane, Ntunda, eMaphepheni, Glenmore, Senotlelo, Verena, Shatale and Hluvhukani receive proper shelter with all the necessary amenities and services such as water, sanitation, electricity, roads, education and quality health services.

## **OUTLOOK FOR THE 2011/12 FINANCIAL YEAR**

As indicated by Honourable Premier DD Mabuza in his State of the Province Address, “Integrated human settlements embody our national vision of promoting non-racialism and prosperous communities”.

This is exactly what the Department intends to meticulously translate into real action. This paradigm shift will see the delivery of services in an integrated and sustainable manner, where socio-economic, recreational, health and educational facilities and other required amenities will be delivered.

The question therefore arises. What is the rationale behind the shift from just housing delivery to integrated services? It is simple. Our mandate expects us to address the imbalances of past developments which were mainly around racial lines.

With the new approach, we remain resolute that all developments should advance economic growth, community empowerment, social cohesion, peace and security in society as envisioned by the Freedom Charter in 1955.

## PEOPLE'S HOUSING PROCESS AND RURAL DEVELOPMENT

One of the key priorities of government this financial year is rural development. As a Department, we are expected to make and provide significant inputs and support respectively towards the realisation of this objective.

The Department will be playing a critical role in the Comprehensive Rural Development Programme (**CRDP**). A total of **5300** PHP housing units will be spread throughout all the poverty stricken municipalities in the Province.

PHP is a programme where beneficiaries are contributing towards the construction of their houses through savings made and formal or organised structures like co-operatives. Each unit has an average of 50 square metres or more depending on the contribution by beneficiaries.

As the PHP will be linked to CRDP, it will ensure that local people are employed and various co-operatives are established. A substantial amount of **R305** million has been set aside in the current financial year, which is almost 35 percent of our budget to ensure that the CRDP concept is realised.

The roll-out of the CRDP will see the participation of the locals with respect to their skills and part-time employment. This means that bricks, sand, carpenters, bricklayers, welders and other required services have to be rendered by locals themselves.

Apart from the PHP delivery, the Department also plans to deliver **470** and **300** housing units under the Farm Worker Assistance and Rural Settlements Programmes, respectively.

The Department of Economic Development, Environment and Tourism (DEDET) is busy facilitating the establishment of co-operatives so as to empower the locals to ply their trade for the required service during the construction process. Our Department will then buy building materials from these co-operatives.

The Department of Education is doing an audit of the available skills in all the areas and train the people through programmes provided by the Mpumalanga Regional Training Trust (MRTT). The bricklayers, carpenters and plumbers trained by MRTT will build our PHP houses.

In April this year, the Provincial Government launched the CRDP concept at the Dr JS Moroka Municipality where four donated houses were handed over to needy families.

The Shivuri family of 18 members was congested in one tiny shack. Some members of the family have joined us today. *Ngibawa umndeni wakwa Shivuri usikime iPalamende ibathokozise.*

We would also like to commend the donations made by the contractors, namely: Rospa Trading 49cc, Retsogile Construction, Deep Space Construction and Baletavha Business Enterprise for building houses for the Shivuri families. *Ngibawa aboSokontraka basikime, Arha ke siyathokoza, nako umnono phezu kwenu.*

Through ongoing engagements with municipalities, extensive delivery will take place as pieces of land will be acquired and developed for integrated human settlements. This will take place at Mbombela, Emakhaseni, Umjindi, Msukaligwa, Emalaheni, and Govan Mbeki Local Municipalities.

## **URBAN RENEWAL AND RENTAL STOCK MANAGEMENT**

The creation of an all inclusive settlement will require the provision of rental stock as well, particularly in and around the province's economic active municipal nodes. In partnership with Human Settlements Associations/Institutions, a total of **550** rental stock units will be delivered during this financial year.

Most people around Govan Mbeki, eMalaheni, Mbombela, and Steve Tshwete Municipalities only need decent rental stock units as opposed to a fully subsidized government house as these people find themselves in these areas for work purposes, while living in other areas.

To deal with issues of urban decay and fully realise the ideal of city rejuvenation, the Department also intends buying two properties for rental stock development. The existing structures will be refurbished and be utilised to deliver on quality community residential units.

Honourable Members, social cohesion and integration can only be realised when communities are provided with adequate social amenities. Six community halls and five child care centres have been planned to be delivered this financial year – which will afford communities space for all forms of social engagements and various extra-mural activities.

Whilst delivering on new projects, focus will also be given to **600** houses build before 1994 which have structural defects. Our delivery is not only about creating new settlements, but also dedicating resources to rectify projects that have structural challenges.

## **INCREMENTAL HOUSING**

According to the latest figures by Statistics South Africa, our Province has an estimated backlog of **240 000** people who are in need of houses. A survey conducted by the Department in 2009 indicates that an alarming **109 000** or so households live in informal settlements, which unfortunately excludes those who are backyard dwellers and overcrowded houses.

It is against this background that thorough consultations were done with municipalities to develop practical ways to upgrade informal settlements. That said, I would like to call on all municipalities to enact by-laws that will ban illegal land occupation or land invasion or land grab because it is against orderly housing of people with all necessary amenities.

As a result, municipalities are forced to constantly react to unplanned for demands for services. This becomes one of the causes of service delivery protests.

In the ANC's January 8 Statement, ANC President Jacob Zuma asserts that **“people receive new houses every year, rent them out and move back to informal settlements, causing government to chase moving targets. This irresponsible practice has to stop”**.

In the housing question, we have two parties confronting each other, being the tenant and the landlord or house owner. The former wishes to purchase from the latter the temporary use of the dwelling, he or she has money or credit to do so.

This is a practice that communities have to stop in order to assist government to make a tangible impact in the delivery of services – human settlements.

During this financial year, a total of **2 150** units will be delivered through the Informal Settlements Eradication Programme. As part of the Integrated Residential Development Programme, a massive **8 235** stands will be developed and **1 600** top structures delivered.

Earlier on in my presentation, I indicated that the roll-out of the Breaking New Ground Projects (BNG) at two of the identified municipalities had challenges of implementation. That will soon be history.

Plans for the roll-out of these massive projects have been extended to include **two** municipalities, namely: Emakhazeni and Steve Tshwete.

## **IMPROVED ACCESS TO BASIC SERVICES**

Issues of service delivery, in particular water, have always ranked very high amongst community needs. We all know that water is life. In the Province, Municipalities are responsible for water and sanitation service provision to their respective communities.

As a Department and the Province, our focus on the ground, is key in two areas:

- To support municipalities to reach all communities and households with services.
- To ensure that all developments (Human Settlements) that we are involved in as a Department have the minimum services in place upon completion.

The Province is presently facilitating the development of a Provincial Bulk Water Infrastructure Plan as part of a number of interventions in this area, in order to ensure that our water resource in the Province is preserved for posterity.

An intervention plan has been developed by the Department in conjunction with the Departments of Water Affairs, Cooperative Governance and Traditional Affairs and Municipalities, to address immediate bulk water shortages and challenges in the Province providing support to municipalities with this critical service.

An amount of **R25 million** will be spent on the design of critical bulk infrastructure and **R75 million** in the provision and construction of critical bulk infrastructure, respectively in 13 municipalities.

These projects will serve as a springboard and foundation to address bulk water challenges across the Province.

## **PROJECT MANAGEMENT AND MONITORING**

Now that over 80% of the Department's personnel are based at the three regions, there is every reason that project management, quality and monitoring will be tremendously improved.

Plans are already in place that ensures improved project planning, inspections, enhanced quality control and engineering services. Honourable Members, good plans alone are not enough to ensure the delivery of structurally sound projects, monitoring and evaluation is equally critical.

## **2011/12 FINANCIAL YEAR BUDGET PROPOSAL**

Honourable Members, all the grand plans and strategies will require resources to be rolled-out. May I therefore present the budget of **R 1,194,824 000** for the Department of Human Settlements (Vote 13) as outlined below:

<b>PROGRAMME</b>	<b>ALLOCATED AMOUNTS 2011/12 R'000</b>
Administration	<b>58,946</b>
Housing Needs, Research and Planning	<b>132,285</b>
Housing Development and Implementation	<b>996,471</b>
Housing Assets	<b>7,122</b>
<b>TOTAL</b>	<b>R 1,194,824</b>

## CONCLUSION

As I conclude, let me assure the House that we will do everything in our power not to disappoint our heroes and heroines who gallantly fought for this freedom and democracy, inter alia, John Langalibalele Dube, Pixley ka Isaka Seme, Chief Albert Luthuli, OR Tambo, Nelson Rolihlahla Mandela, Dorothy Nyembe, Ruth First, Lillian Ngoyi, Yusuf Dadoo, Bram Fischer, Solomon “Kalushi” Mahlangu Ephraim Mogale, Phillip Radebe, Piet Mello and of course how can I forget the first Minister of Housing in a democratic South Africa, 1994, Cde. Joe Slovo.

In your names, we shall do it !! because the Freedom Charter enjoins us that, **“There shall be Houses, Security and Comfort.”**

I would like to personally commend the oversight role played by the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs. The committee’s sharpness kept the Department on its toes under the able chairpersonship of Hon. SPD Skhosana.

*Siyathokoza Bab’ uSkhosana neKomidi yakho.*

In addition, I would like also to thank the Budget and Finance Committee for guiding and supporting the Department.

Let me thank the HOD, Mr David Dube, for his managerial and administrative astuteness, our management team and the entire staff for your hard work in the delivery of set targets in the beginning of the year – and of course, the current year.

*Yibambeni njalo Maqabane !*

Last but definitely not least, I would like to thank the Hon. Premier, Mr DD Mabuza for his outstanding stewardship and advices to the Department. Of course that includes my colleagues in the Executive Council.

*Unwele olude, Maqabane !*

***Ngiyathokoza, inarha ayilale.***