

Policy &
BUDGET VOTE

2024/2025



Honourable Speaker Ms. Lindi Masina

Honourable Deputy Speaker, Mr Sam Masango

Honourable Premier, Mr Mandla Ndlovu

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Honourable members of other political parties in the Provincial Legislature

Chief Whip of the African National Congress, Honourable, Eva Makhabane

Chairperson of the Provincial House of Khoisan and Traditional Leaders, and President of Contral-
esa,

Kgosi Mokoena

INgwenyama Zekhethu

Executive Mayors

SALGA Leadership

Acting Director General, Mr Peter Nyoni

Acting Head of Human Settlements, Ms. Hazel Zitha

Heads of Departments and CEO's of Entities

Representatives from the ANC and other political parties

Business and Public Sector Representatives

Distinguished Guests

Members of the Media

Family and Friends

Ladies and Gentlemen

People of Mpumalanga

Good Morning.

INTRODUCTION

Let me take this opportunity and welcome this momentous opportunity to stand before this august house and present the 2024/25 Budget Statement for the Department of Human Settlements, (Vote 13).

The year 2024 marks an unparalleled epoch in both our democratic dispensation and political landscape.

This as the country had just concluded a successful national and provincial election in May.

Espoused by the Constitution of the Republic, eligible members of the community exercised their democratic right to elect a party and ultimately a government they prefer to improve their livelihoods.

As the political cliché goes – numbers do not lie. The liberation movement – African National Congress (ANC) - garnered just above 40% at the national polls and over 50% in Mpumalanga.

Much as there was no outright victor at the national level, well in Mpumalanga – the people of this province still showed poise in the ruling ANC – despite the somewhat decline in percentages.

Despite much talk and fanfare, the over 50 % of the provincial populace still chose the ANC – thus extending its mandate to continue improving their socio-economic living conditions.

Allow me to anchor my presentation around the courage of overcoming hardships or adversity.

Let me borrow from well-known American civil rights activist, Malcolm X – when he said - **“There is no better than adversity. Every defeat, every heartbreak, every loss contains its own seed, its own lesson on how to improve your performance the next time”**

Madam Speaker, this is exactly how I envisage approaching delivery during this current financial year and throughout the five-year term.

If I may reflect on his NOT so nice background - born Malcom Little – he spent time in foster care as a child after his father was murdered and mother hospitalised.

As a young man, he spent nearly a decade in prison and upon his release; he grew to become one of the most influential leaders in American Civil Rights Movement.

Malcolm X was a proponent of black pride, black Nationalism and pan-Africanism. Like most South Africans, especially the black child – X’s story is something we have either experienced, lived or witnessed in our daily lives.

CONTEXT

According to recent statistics, the Mpumalanga Province population has grown with a significant percentage to just over five million (5, 134, 324 million).

The province has a mix of urban and rural areas, with some being more developed than others.

In a presentation on Mpumalanga’s Socio Economic Review Outlook (SERO) made recently at our recent Executive Council Lekgotla with a focus on economy, the projected provincial population growth by 2030 is around 6.1 million and almost 11 million in 2060.

Madam Speaker, this goes without saying that it has serious repercussions for the province from an infrastructure point of view, basic service delivery as well as economic and job creation opportunities.

Furthermore, the 2016 Community Survey recorded high population growth in urban municipalities and lower growth in most of the rural areas.

In contrast, the 2022 Census recorded low population growth in urban areas and relatively high growth in most of the more rural municipal areas. Just to make a practical illustration, according to Mpumalanga household services performance:

- ❖ The number of people in informal dwellings decreased from 14.0% in 1996 to 5.8% in 2022;
- ❖ Households with access to piped water moved from 82.2% in 1996 to 86.9% in 2022 which is a significant increase and lastly;
- ❖ Households with access to proper sanitation increased from 90.1% in 1996 to a substantial upsurge of 98.3% in 2022.

These are some of the significant strides made by this caring government in changing the living conditions of communities out there.

Distinguished Guests, adversities or not – we will not relent in our quest to do more.

MANDATE

The Constitution of South Africa, 1996 mandates the Department of Human Settlements to ensure the provision of adequate housing and integrated sustainable human settlements to all eligible persons.

Measured against its enhanced mandate - the department together with its stakeholders are tasked to guarantee the realisation of the facilitation of integrated sustainable human settlements.

Supplementary attention is employed in Section 26 of the Constitution that deepens the prominence of this portfolio in providing appropriate, unsparing superior housing and heightening of sustainable human settlements to deserving and eligible beneficiaries.

Ever since the dawn of democracy, the country has advanced endless programmes, strategies, and regulations to guarantee captivated and ground breaking development.

Remaining true to the course, the Department is directed by the country's cutting-edge guide – National Development Plan (NDP) and other vital documents, namely, the Strategic and Annual Performance Plans.

Furthermore, the regional engrossed approach – District Development Model (DDM) – remains the guiding manuscript. This approach supported government to harness and duct its resources towards realising concrete outputs on developments.

REFLECTION ON THE 2023/24 PERFORMANCE

At the beginning of the 2023/24 financial year, the Department set out clear and attainable targets to meet the MTSF outputs.

Through the voyage of the concluding administration (2019 – 2024), government was unrelenting in its efforts to develop plans implement projects that were aimed at improving communities.

Through the District Development Model (DDM), resources and strategies were synchronised to ensure seamless realisation of outputs.

This operational model presented an opportunity for cooperative governance, which is intended at fashioning an adept, ethical and dependable Developmental State.

It is government's model operating in unity while concentrating on the municipal district and metropolitan spaces as the impact zones of shared planning, budgeting and implementation.

During the year that was, the Department was seized with high-level priorities as outlined during the State of the Province Address (SOPA), Minister's Budget Vote and other key policy directive documents.

To this end, an overall **7 719** housing opportunities were created through various programmes, which comprised of serviced sites and government subsidized houses.

On the eradication of mud and inhabitable houses, eighty-one (**81**) mud houses were constructed in remote villages of Bushbuckridge, Albert Luthuli and Mkhondo Local Municipalities.

To guarantee security of tenure and property ownership, MinMEC launched the Title Deeds Friday Campaign. Since that start of the financial year, a lot has been achieved and more ground covered sequel to the launch of the drive.

As a province, we managed to issue **2 393** title deeds to rightful government subsidised housing beneficiaries.

Whilst efforts were made to address disputes within the sector, the Mpumalanga Rental Housing Tribunal Board (Rental Tribunal) remained relentless in resolving disputes arising from rental contracts.

In the 2023/24 financial year, the Rental Tribunal recorded the resolution of over **712** rental disputes. Further, the National Department of Human Settlements facilitated the unveiling of the Community Scheme Ombud Service (CSOS) Mbombela Office.

Madam Speaker, let me also concede that the year had its fair share of challenges.

The global financial crisis and post Covid-19 pandemic continued to negate government's service delivery programmes.

During the National Treasury's budget review process earlier in the year, the consolidated budget deficit was projected to narrow from 4.9 percent of GDP in 2023/24 to 3.3 per cent by the end of 2024 medium-term expenditure framework period.

This outlook did not spare the department by any stretch of imagination. Invariably, this reality affected the department to rollout all its infrastructure projects, especially water, and filling of vacant positions.

Having to endure financial disproportions, which came with budget cuts, strained personnel, and dealing with contractor capacity challenges, amongst others, the institution remained resolute in realising its set objectives.

As we consolidated the five-year government Medium Term Strategic Framework (MTSF) period, the department had managed to produce a cumulative **46 932** housing opportunities to beneficiaries and stakeholders.

Despite these and other adversities – what stands out was our tenacity to rise and remain steadfast in our resolve.

If I may be allowed to borrow some words of wisdom from former State President, Nelson Mandela – ***“Do not judge me by my success. Judge me by how many times I fell down and got back up again”.***

STRATEGIC FOCUS FOR 2024/25 AND BEYOND

Madam Speaker, as earlier stated, the year 2024 marks a phenomenal period in our lives as a country. We have just concluded free and fair elections – despite some few disgruntlements in some parts of the country.

The year also marks the end of the last financial five-year term (MTSF 2019 -2024) and at the same time, it heralds the start of the first year of the 7th administration.

In her Budget Vote presentation last month, Minister Mammoloko Kubayi stated that, “As we reflected on our work in this sector for the past thirty years, we looked back at the unprecedented path which we have traversed, and we can say without fear of contradiction that significant strides have been made in housing the nation”.

At a provincial level, huge focus was given to massive infrastructure investment including housing communities.

At the appointment of Members of the Executive Council last month, the Hon. Premier Mr Mandla Ndlovu gave me the responsibility of presiding over the newly reconfigured Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA).

The move – as Honourable Premier Ndlovu puts it, “In addressing the silo effect of building human settlements without bulk infrastructure, we have decided to merge the two departments, namely Human Settlements and Co-operative Governance and Traditional Affairs into one of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA)”

Now that a political decision has been made, ours is to move with speed to ensure that the practical exercise happens at an administrative level.

Hon. Members, let me indicate that I have already met with the employees, management of both institutions, labour formations and will continue to engage other stakeholders to ensure a smooth transition from the two institutions of DHS and CoGTA to CoGHSTA with minimal challenges.

The rollout of this process will be steered by a capable task team comprising of key players from the two institutions and will follow a clear road map to see the merger to its finality.

Therefore, 2024 will continue to play out as a unique year considering that it is the last time that we make a presentation of the Department of Human Settlements as an independent vote.

Before I am carried away about the union, let me focus on what is to be delivered by this department during the 2024/25 financial year.

Key Priorities

In consolidating on the achievements recorded during the 6th administration, we are not going to divert from the following national priorities as recently pronounced by Minister Kubayi:

- Upgrading of informal settlements.
- Eradication of mud houses;
- Increased delivery of affordable housing through First Home Finance;
- Increased delivery of rental stock through social housing;
- Acquisition of well-located land for human settlements development;
- Implement several catalytic human settlement development projects in areas identified for spatial transformation and in deprived areas; and
- Title deeds programme to ensure security of tenure for many South Africans who never owned a property before.

Integrated Development

Madam Speaker and Members, I am very passionate and a proponent of sound planning.

The move from the silo effect of building human settlements without the requisite bulk infrastructure through the merger of the two Departments into CoGHSTA.

This will also nurture a positive collaboration between municipalities and other sector departments such as Water and Sanitation; Electricity and Energy, which will lead to sound coordination of planning, budgeting, and implementation as championed in the District Development Model.

Madam Speaker, in the coming 18 months, CoGHSTA will ensure investments are directed to Area Based Planning (i.e. Priority Development Areas), and ensure transformation in land use planning within Traditional Authority Areas through working closely with municipalities and Traditional Councils.

This will be done while developing Social, Economic and Bulk Infrastructure Plans for each District (Long Term Infrastructure Plans for human settlements with clear pipelines).

Currently, the Department of Human Settlements is implementing 16 mega human settlements projects, with a combined yield of 54 884 sites, which will ensure quick delivery of serviced sites. This will form the basis of the Rapid Land Release for self-built and delivery of subsidised housing units for vulnerable groups across the Province

These mega projects include:

- Rondebosch Proper; Kwa-Zamokuhle Extension 9; Ermelo Extension 45;
- Grootvlei Extension 5; Secunda Extension 76; Leslie Extension 8;
- Silobela Extension 5; Amsterdam Ext 5; Ka-Mhlushwa A Extension 3;
- Komatipoort Extension 18; Mashishing Extensions 8,9, and 10; and
- Thebelihle Extension 7; Msholozzi; and Vukuzakhe B.

All these projects are taking place in Steve Tshwete, Msukaligwa, Govan Mbeki, Dipaliseng, Nkomazi, Bushbuckridge, Mkhondo, Chief Albert Luthuli, eMalahleni, and City of Mbombela Municipalities, respectively.

Upon completion, these developments will comprise of the much-needed socio-economic amenities such as schools, health facilities, business sites and recreational facilities, amongst others.

In our quest to further the gains of the 6th Administration, CoGHSTA will collaborate more with all Spheres of Government; Traditional Councils; and the Private Sector towards the delivery of, amongst others, the following Catalytic Projects and Smart Cities over the Medium Term Development Plan period, thus responding to the prevailing socio-economic challenges through job creation:

- | | |
|--------------------------------------|---------------------------------|
| 1. Nkosi City | – City of Mbombela Municipality |
| 2. Acorn City | – Bushbuckridge Municipality |
| 3. Hospital View | – Bushbuckridge Municipality |
| 4. SEZ Smart City | – Nkomazi Municipality |
| 5. Secunda West | – Govan Mbeki Municipality |
| 6. Ermelo Ext 55 | – Msukaligwa Municipality |
| 7. Siyathuthuka Regional Node / City | – eMakhazeni Municipality |
| 8. Thubelihle Ext 7 | – eMalahleni Municipality |
| 9. Siyanqoba | – eMalahleni Municipality |
| 10. Rondebosch | – Steve Tswete Municipality |
| 11. Verena Smart City | – Dr JS Moroka Municipality |

Engineering Services and Quality Assurance

The anticipated amalgamation of the two department into one entity will ensure that integrated delivery of bulk infrastructure is realised through the various funding mechanism at our disposal.

To this end, the department will be delivering a combined target of **4 599** sites, which incorporates upgrading of informal settlements and new integrated human settlements throughout the province.

Key areas of focus are eradicating informal settlements in eMalahleni area and Kinross in the Govan Mbeki Local Municipality.

In as far as new settlements are concerned, the department has begun servicing new sites at Silobela Extension 5 in Chief Albert Luthuli and Thubelihle in eMalahleni Local Municipality.

We will continue assisting municipalities with supplementing bulk link infrastructure by embarking on the sewer infrastructure that links the new Ermelo Extension 45 with the waste-water treatment works in Msukaligwa Local Municipality. The department has allocated R25m towards this project.

Housing Delivery

Madam Speaker, the provision of affordable low-cost housing in well accessible areas with access to basic services remains a top priority of this government.

Much as there were challenges of slow contractor performances and other constraints peculiar with the construction of low-cost houses in mainly rural areas, the department is constantly attending to these challenges.

Declining funding and increasing building cost over the years has resulted to the decline in the state's ability to provide government subsidised housing in a sustainable manner.

At some point, the Province dropped from the provision of low-cost houses from over 9 000 houses in 2015/16 to 2 342 houses in 2024/25 financial year.

The situation implores that alternative solutions of addressing the housing backlog should be explored such as encouraging private sector participation, enhancing the provision of service sites for those who are able to build and prioritizing subsidized houses for the vulnerable group i.e., the elderly, child-head households and people living with disabilities.

On the eradication of mud and inhabitable houses, the programme has planned to continue this year with a target of eradicating 261 mud and unsafe houses.

Madam Speaker, this programme seeks to give our people decent and safe housing whilst preserving their cultural heritage.

In tackling a possible health hazard, the National Department of Human Settlements is supporting provinces to remove asbestos roofed houses.

Based on preliminary survey data, 20 056 asbestos roofed houses have been identified throughout the province.

To this end, a team of specialist contractors has been appointed to commence the first phase of removal, disposal and replacement of 701 asbestos roofs in Nkomazi, Bushbuckridge, Chief Albert Luthuli, Dr JS Moroka and Dipaleseng Local Municipalities. This shall comprise of the total eradication of asbestos roofed houses in these areas.

Assets, Rental and Property Management

Whilst in our quest to deliver decent houses, this portfolio is mandated to rollout socio-economic facilities such as community halls and day care centres.

Beyond that, there are special intervention programmes such as the construction of houses for military veterans, middle-income earners and taking care of the rental market that remain our responsibility.

In an effort to assist any deserving military veterans in South Africa, statutory and non-statutory, the focus is to ensure that all approved beneficiaries to the Province are given priority.

Madam Speaker, in the quest to redeem the plight of people living in squalor conditions, the Community Residential Units (CRUs) programme provides for the upgrading, conversion or complete re-development of existing state owned rental stock, including hostels and existing occupied inner city or township buildings.

To this end, 220 CRUs will be constructed and complete five social economic facilities, which are being delivered at various municipalities in the province.

In a true spirit of integration, social housing focuses on a rental or co-operative housing option for the low to medium income households at a level scale and built form that requires institutionalised management.

To ensure security of tenure and the protection of the rights, ownership of immovable property against unfair practices, 4934 title deeds will be registered and issued to rightful beneficiaries.

With the improved planning in the new department (CoGHSTA), this output will get more attention and expediency as all the planning apparatus such as SPLUMA will be within reach.

BUDGET OUTLOOK

Madam Speaker and Hon. Members, Minister Kubayi continued to state that, “We recognise that we are operating in a changing environment socially, politically, climatically and technologically. Due to huge labour redundancy in the rural areas, multitudes will continue to flock into cities seeking economic opportunities and a better life”.

These realities will undoubtedly have a huge bearing on our resources and influence our plans to service communities.

Now that we are well into the year, it is appropriate to reflect on the outlook of the South African construction industry – for the rest of 2024 and beyond.

According to a South Africa Construction Market Report Overview projects, the industry will achieve an average annual growth rate (AAGR) of more than 3% between 2024 and 2027.

The South Africa Construction Industry report on Q1 of 2023 put the compound annual growth rate (CAGR) at 5.8% between 2023 and 2027.

Madam Speaker, despite this picture, however, growth is slow and construction businesses (big and small) continue to face some unique challenges.

BUDGET PRESENTATION

Madam Speaker, the financial pressures we all find ourselves in cannot be over emphasised. **WE MUST DO MORE WITH LITTLE.**

In her Budget Vote Presentation last month, Minister Kubayi stated that, “The Country’s economic performance and the difficult fiscal environment led to our budget cuts which will come to R14 billion in the next three years. This means we have to do more with less and find partners to help us deliver on our mandate”.

Having highlighted the financial challenges and dwindling budgets especially in government, the overall appropriated budget for the Mpumalanga Department of Human Settlements has decreased from R1, 648 billion in 2023/24 financial year, to R1, 484 billion in 2024/25 financial year.

Madam Speaker, the 2024/25 budget is broken down into the following programmes:

PROGRAMME	PROGRAMME DESCRIPTION	AMOUNT (R'000)
PROGRAMME: 1	ADMINISTRATION	197 064
PROGRAMME: 2	HOUSING NEEDS, RESEARCH & PLANNING	83 385
PROGRAMME: 3	HOUSING DEVELOPMENT	1 183 168
PROGRAMME: 4	HOUSING ASSET MANAGEMENT	20 146
		1 483 763

Hon. Members, Ladies and Gentlemen, allow me to highlight that the allocated budget of R1, 484 billion is made out of the following grant allocations:

- Human Settlements Development Grant **R 910 077 000**
- Informal Settlements Upgrading Partnership Grant **R 216 666 000**
- Equitable Share (Operational budget) **R 357 020 000**

During the current financial year (2024/25), the department was not allocated any earmarked funds and the Extended Public Works Programme (EPWP) grant.

CONCLUSION

Madam Speaker, in the last few days the department spoke to communities about their needs and expectations for this current financial year. Their concerns were carried through the media and the institution's social media platforms ahead of today's presentation.

Having given a comprehensive narrative on how far we have come as an institution over the years and reflected on several challenges and accolades, allow me to present a summarised version of our plans.

Much as we acknowledge the needs and social challenges that continue to bedevil communities out there – we remain committed in ensuring that we deliver on our mandate. In practical terms, that delivery translates to the following outputs:

1. Provide adequate and decent shelter through the construction of 2 342 government subsidised houses;
2. Ensure the rapid release of land by servicing of 4 599 sites with water, sanitation and access roads;
3. Provide subsidies for middle-income earners through the recently rebranded First Home Finance by issuing 50 subsidies and 10 for Project Linked programmes;
4. Continue to construct 220 Community Residential Units (CRU); and
5. Restore sense of dignity and property ownership by issuing 4 934 title deeds to rightful and deserving beneficiaries.

Acknowledgements

Madam Speaker, let me appreciate the people of this Province for their continued belief in the African National Congress (ANC) to lead, govern them and ultimately improve their lives.

Their trust in Africa's oldest liberation movement and its policies cannot be undermined.

My acknowledgement goes to my party (ANC) and its alliance partners, for giving me yet another opportunity to lead this important portfolio.

I thank the Premier, Ms Mandla Ndlovu, for having confidence in me to lead this portfolio, his leadership, and my colleagues at the Executive Council, my office and my family for their continued support.

Let me also welcome the establishment of new Legislature Committees and the appointment of our Portfolio Chairperson, Hon. Daniel Nkosi.

We believe in his capabilities and the members to administer sound supervision and oversight role on the Human Settlements, Co-operative Governance and Traditional Affairs.

Finally, my gratefulness goes to the Accounting Officer, Ms Hazel Zitha, the management, and the entire Department's staff complement (employees), for their resolve to guarantee the provision of housing and other related services to communities.

As we look to close the chapter on the Department of Human Settlements and usher in a new era, let me borrow from American writer and civil rights activist, Maya Angelou – "You may encounter many defeats, but you must not be defeated. In fact, it may be necessary to encounter the defeats so you can know who you are, what you can rise from how you can still come out of it".

Yes, we may have faced defeats and encountered challenges in our journey to deliver integrated sustainable human settlements, but our tenacity was tested on how we overcame them.

Madam Speaker, May I therefore request this august house to approve the budget proposal of **R1, 484 billion** for the Mpumalanga Department of Human Settlements (Vote 13), for the 2024/25 Financial Year.

Ngiyathokoza!

Ngiyabonga!

Ke a leboga!

Baie dankie!

Thank you!

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