



human settlements
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Editorial Comment



Mr Freddy Ngobe
Head of Communications

In a recent industry survey main contractors have seen an increase in profitability, but this was mainly due to less keen tendering competition and not necessarily caused by an increase in demand.

The delivery of key infrastructure project by all partners in the sector – with special emphasis to integrated human settlements by the department – played a paramount role in changing the face of the industry. Key projects were announced by Premier Refilwe Mtshweni during her recent State of the Province Address (SOPA) and other huge projects were recorded at various locations within the province.

The residential market appeared to have registered normal growth in building activity and profitability; however the non-residential market looked increasingly weak – this can mainly be attributed to the ‘unstable’ and volatile economy. To a certain extent, such developments affected our uptake of Finance Linked Individual Subsidy Programme (FLISP) products by middle-income earners. In some instances, they are either over indebted or just cannot afford any available houses in the market.

On an optimistic side though, the construction industry is set to emerge from recession in 2019 but growth will remain tepid at 2.4%, says Fitch Solutions. The sluggish growth in SA spells more troubles for struggling construction and building companies in the country, the research firm said in a report. This is likely to delay the turnaround of cash-strapped construction firms such as Aveng, Basil Read and Group Five, whose fortunes largely depend on the recovery of the construction industry.

The local industry will drag down the performance of the construction industry in Southern Africa compared to other sub-Saharan Africa regions, Fitch said. In its 2019 sub-Saharan Africa construction growth outlook, Fitch says it expects the construction industry in the region to grow by 6.8% year on year, “which will continue over the medium term as investment flows

into the region in order to meet pressing infrastructure needs”. Ethiopia will remain the region’s top performer, Zambia is likely to contract 2.3% in 2019 as the government faces a fiscal crisis and Namibia is forecast to slow down as major projects come to an end. That said, as the government has just concluded its current five year term (2014 – 19 MTSF), the Department consolidated on all the term’s commitments and will forge ahead to develop a turn-around strategy which will detail plans to improve performance on lacklustre programmes such as the issuing of title deeds and FLISP.

On another encouraging development, the province was visited by Human Settlements Deputy Minister Zou Kota-Fredericks when she graced the handing over of houses to needy beneficiaries at Shiyalongubo, Loiuville and Pienaar in the City of Mbombela and Nkomazi Local Municipalities. Her visit as invited by the South African Women in Construction (SAWIC) was part of the Construction Week Celebrations (25 – 29 March) which ended with the organisation’s Gala Dinner.

That’s it for now – ‘till we meet in the new financial year.

Enjoy.

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HUMAN SETTLEMENTS MASTER PLAN GETS THE NOD AT SOPA

The Department’s implementation of the Human Settlements Master Plan received plausible gratitude at the recent State of the Province Address (SOPA) held at the Provincial Legislature late February 2019. Presenting her maiden SOPA Speech, Premier Refilwe Mtshweni commended the success with which the province, through its Human Settlements’ new service delivery trajectory has brought about to change the lives of the needy for the better.

In relation to the delivery of houses in the province, the Premier affirmed that together with her team of cabinet members, have since realized that providing a house was only but a small important part of the solution. It does not address holistically, the issues of building communities

hence the implementation of the Human Settlements Master Plan which provides for an integrated human settlements development.

“To this end, we have delivered 66 792 housing opportunities in this Medium Term Strategy Framework (MTSF) period consisting of 28 141 serviced sites; 38 004 Individual Housing Units; 224 Social Housing Units; 321 Communal Residential Units (CRUs) and 102 Finance Linked Individual Subsidy Programme (FLISP) Units,” confirmed Mtshweni adding that as a way of restoring people’s dignity as well as ensuring security of tenure, 29 053 Title Deeds have been issued to beneficiaries.

She called for collaboration with all local municipalities to work together and expedite

the delivery of the 14 integrated human settlements which are currently underway as well as the additional 33 which is at a planning stage and confirmed another 16 as being upgraded. To this effect R214 million has been set aside in this financial year to address Sewer Spillages and other infrastructural challenges in the Province. “We are currently attending to the problem of Sewer spillages in Embalenhle and Leandra in Govan Mbeki Local Municipality, Wesselton Extension 32, 33 & 34 in Msukaligwa Local Municipality and Standerton Extension 8 in Lekwa Local Municipality,” concluded Premier Mtshweni who congratulated the Department for being declared The Best Provincial Department in Human Settlements Service Delivery in the Country in 2018 at an event held in the Eastern Cape.

DELIVERING RENTAL ACCOMODATION THROUGH SOCIAL HOUSING

Middle-income earners working far from home who are not in a position to buy property may need safe and affordable rental. Social housing is one programme that provides access to affordable accommodation for the mentioned criteria. The programme provides communities with necessary dignity, a healthy environment and support economic development. It facilitates the provision of secure rental tenure for middle-income persons.

In partnership with social housing institutions, the department constructed social housing units throughout the province to accommodate beneficiaries who do not qualify for low cost houses nor unable to buy property. Klarinet – an Integrated Development Project at eMalahleni Local Municipality boasts social housing amenities under construction that are envisaged to provide accommodation for rental when complete.

Five hundred units have been completed thus far and will afford middle-income earners long-term rental options, which will be administered in line with Social Housing Programmes and Guidelines.

The project is a multiyear development that will unfold over a period of five financial years at a total cost of R45 millions. The development has so far completed Phase 1, which consists of 104 social housing units. The project implemented in partnership with the eMalahleni Housing Company one of the social housing institution, accredited by Social Housing Regulatory Authority (SHRA).

The regulatory authority was established by the National Department of Human Settlements as prescribed by the social housing Act (No 16 of 2008). Its mandate is to “capacitate, invest in and regulate social housing sector. The primary intention of the Social Housing Act is to deliver affordable rental housing for low to moderate-income groups and achieve spatial, economic and social integration of the urban environments in South Africa.



CONVENIENCE: Community Residential Units provide secure rental tenure for lower income persons.

MEETING TARGETS DESPITE TOUGH FISCAL PERIOD

Contractors delivering services for the Department of Human Settlements have been lauded for their sterling work which helped the Department to reach and surpass its set target of 8000 units by registering a total of 10 000 housing units. Following a successful period in recent years, Head of Human Settlements, Mr Kebone Masange met with all contractors during the quarter at the City of Mbombela to laud them for their sterling progress. Masange, however, advised of the probable tough times ahead following the Department’s reduced budget for the financial year.

During the 2018/19 financial year, the Department saw its budget reduced with the amount of R200 million. Addressing the contractors, he confirmed that despite the budget cut, the Department managed to continue doing better which gained the province plausible recognition at the recent National Govan Mbeki Awards held at the East London Convention Centre, Eastern Cape where Mpumalanga was declared the best in human settlements delivery. It became the overall and best winner for the night, scooping three awards.

“It is with great gratitude to notice the progress we have made as a Department in the Province. However, that doesn’t mean we should sit on our laurels and relax. There is quite a number of work that is still left to be done as is the escalating demand in housing for proper human settlements,” said Masange who added that this year the Department will see slight drop of units and sites owing to the anticipated budget reduction for the 2019/20 fiscal period.

“We are unfortunate as a province that at the time when we are performing well we have a challenge of a restricted budget. We had hope that since there were other struggling provinces who were failing to meet their targets their grants were going to be shifted to us unfortunately that has not yet happened. We are aware that some of our contractors have not yet been paid and this is owing to the challenges we have had as a Province emanated from amongst others, the disaster that rocked the province earlier last year,” clarified Masange.

The Department has been working around the clock to ensure that all contractors

who have not yet been paid get their monies but this is as soon as the National Department finalises the payments to the Provincial Treasury. Masange however stated that in a case where a contractor had payment issues with his suppliers, they are therefore advised to seek a confirmation letter from the Department which will stipulate as proof that the affected contractor has not yet received payment from the Department.



CONTROL: Accounting Officer, Mr Kebone Masange (right) with Chief Director for Rental, Assets & Property Management, Ms Hazel Zitha at the meeting.

MORE OPPORTUNITIES FOR PEOPLE WITH DISABILITIES

Self-employment enables people to earn a living and contributes to the wider economy and people's improved livelihoods. In order to encourage people with disabilities to venture into small business ownership, the National Department of Public Works and Mpumalanga Department of Human Settlements hosted an entrepreneur's day to recommend self-employment as a practical option. More knowledge on how to start business, access to start-up capital and more information on how to register companies was offered on the day.

Mr Thembani Mackaukau from the National Department of Public Works introduced the Expanded Public Works Programme: Vukuphile Emerging Learnership Programme to people with disabilities in the Ehlanzeni Region. "This is an Emerging Contractor Development programme aimed at building capacity amongst emerging contractors. The learner's contractors receive training that enables them to bid and execute labour intensive projects. It develops them into skilled contractors with administrative, technical, contractual, managerial and entrepreneurial skills," pronounced Mackaukau. In the spirit of encouraging future innovation, the Mpumalanga Department of Human Settlements

offered more information on programmes, which will assist them in becoming entrepreneurs. In his presentation, Department's Social Enterprise Development Model Coordinator, Mr Lucky Khonjelwayo described the Model as a programme created to change the economic situation of people with disability and the youth. "The Social Enterprise Development Model adopted by the government, encourages communities to form Cooperatives and Small Medium Micro Enterprise (SMME). The cooperatives and SMMEs will have to produce construction material and supply to construction companies who have human settlements projects," he said.

Many of the entrepreneurs with disabilities complained about being discriminated against and side-lined when tender bulletins are being published. These bulletins do not cater for those who are visually impaired since a large number of them are not printed in braille or broadcasted electronically. "If the government wants to empower those with disabilities economically, it must reconsider the youth cut off age. Many of us gain our independence at the age of 25, given that many households hide people with disability from the community until at a later stage.



ATTENTIVE: Some of the people living with disabilities present at the gathering.

When we start to see the light we have already reached the cut off age of 35 years" requested Ms. Ruth Dlamini.

The entrepreneur's awareness day tackled issues of economic support such as grants, tax credits and registration of companies. Companies and Intellectual Property Commission (CIPC) offered more assistance on new company registration, collaboration with banks, annual returns for companies and channels to file annual returns.

RESTORING BENEFICIARIES' HUMAN RIGHTS

The 21st March 1960 is a tragic date, reminiscent of an era when the country experienced one of the most tragic events where 69 people died and 180 injured. The mass that stood united in protest against the *pass* law was mowed down by a brutal Police force of the time. Today, Human Rights Day is commemorated yearly on the date in memory of those heroes and heroines who fought against the apartheid government and their biased laws.

The Department recognizes the event as momentous and therefore honours the heroes' courageous and selfless deeds. It has in that regard, fulfilled the right to basic shelter by providing

secure housing to the less privileged as well as issuing out title deeds to home-owners throughout the past two decades. During the month of March, the Department issued title deeds celebrate Human Rights Day. A total of 529 title deeds were handed over to beneficiaries within Victor Khanye, eMalahleni and Steve Tshwete Local Municipalities. The majority of these beneficiaries consisted of elderly people as it is generally known that people with selfish intentions often try to trick them into selling their well-deserved houses.

A title deed is a document that proves legal ownership of property in terms of the Deeds Act 47 of 1937. It is a very

important document as it is necessary if the owner of the property wishes to sell their property or even register a property, or in the case of wishing to transfer the property (house). Having a title deed also provides greater protection against a claim for adverse possession of land by an unauthorised occupier.

The Department commits to continue serving its role by improving and expanding their overall service delivery and continues to urge Government-subsidised home owners to remember their responsibility of familiarising themselves with the document and its purpose and most importantly keeping their title deeds safely.

TACKLING SILOBELA HOUSING CHALLENGES

Another role of the Department is to provide services such as houses, service sites, social and rental stock, amongst others. These include interventions to improve living conditions of households in informal settlements. The economically disadvantaged are also accommodated in this regard. The programme assists municipalities with provision of security of tenure, basic municipal services, social economic amenities and empowerment of residents.

The ever-increasing population of Silobela a township within the Chief Albert Luthuli Local Municipality benefitted housing units within the township through the Informal Settlements Upgrading Programme. A total number of 200 housing units were constructed at Silobela Extension 2, 3 and 4 with serviced sites, access to water, sewer and road networks. Beneficiaries, were identified through the municipality and the Housing Subsidy System (HSS) for verification and approval, are already occupying their newly built housing units in a formalised settlement. In order to address the Municipal housing challenge the units were constructed under an approved total budget of R25 080 800 and total expenditure



DEVELOPMENT: One of the 200 units constructed at Silobela Township, Carolina.

was at R 20 574 546.75. This is in line with the plans for the 2018/2019 financial year to up-scale informal settlements upgrading programme in the fast growing towns given that the township lie within the coal regions which supply Eskom.

It is also as part of the Department's development plans which were tabled during the 2018/2019 budget vote. "A total of 16 existing informal settlements

are being subjected to the informal settlements upgrading programme. This programme entails township formalisation and installation of municipal engineering services infrastructure. Again, upon completion, the Informal Settlements Upgrading being undertaken as part of the 2018/19 departmental targets will deliver 11 293 housing opportunities and other supporting urban land uses", MEC, Hon. N Mahlangu pronounced.

WOMEN DETERMINED TO EXCEL IN CONSTRUCTION INDUSTRY



LEADING: Human Settlements' Portfolio Committee Chairperson, Ms Nocawe Mafu addressing women contractors during a week long celebration organized by SAWIC.

Radical economic transformation will remain a distant dream if society doesn't begin to take a conscious stand on the inclusion of women in strategic industries like the built sector. This was highlighted by Human Settlements' National Portfolio Committee Chairperson, Ms Nocawe Mafu, recently at a week-long celebration for the success of 15 women contractors who have their capacity been elevated from CIDB Grade One to CIDB Grade Four in the build sector. The celebrations took place at Sabie, Thaba Chweu Local Municipality where scores of

local business women gathered to share best practices.

The celebration has formed part of the South African Women in Construction (SAWIC) week (25 -29 March 2019) celebration where, partnered with the Department of Human Settlements, the organization handed over three fully furnished houses this week to identified needy households in the province. Mafu commended the Department for championing the idea of putting aside 30% of its budget to the empowerment of women in the sector. "We are grateful as women to have been given such an incredible

opportunity and recognition to ply our trade in such a male dominated field. "Today we are happy to realize that it was not all in vain as we celebrate the growth of some of our contractors who got their working grades elevated to absorb even more work," said Mafu who pleaded with other stakeholders to adhere to the same call for the empowerment of women in their work cycles.

One of the jubilant contractors, Ms Nomathamsanqa Juku explained that despite the many hurdles experienced working as a woman with limited resources, the only key thing is to stay on course and let the work do the talk. "Breaking into the system is a bit challenging and once that has

happened then it means as an emerging contractor one needs to know that you will be competing with the best and well established contractors and mostly male. Then it means one should up their game to stay relevant in the game," said Juku who further admitted that the challenges are daunting at the beginning until such time they have learnt how to complete their work on time.

Human Settlements Deputy Minister Zou Kota-Fredericks who handed over two houses to needy beneficiaries from Shiyalongubo Village and Loueville kicked off the celebration earlier in the week. Sequel to that, a 56 year-old woman from Pienaar had her fully furnished house handed over to her by the Department and SAWIC.

Organisation's Chairperson, Ms Nomhle Tshaba-Nyumba affirmed their position as an organisation that they strive to lobby private and public sectors to rally their support behind women in the construction value chain.

Tshaba-Nyumba said that they have managed to come up with winning proposals that challenged government to believe and include women in their developmental programmes. "Today we have women contractors who are thriving in their work and providing competitive service delivery for the betterment of our communities and country," she concluded. SAWIC affiliated women contractors built the houses as part of the Department's women empowerment programme.

REFLECTING ON THE PAST 5-YEARS' ACHIEVEMENTS

The South African Constitution (Act no 108 of 1996) mandates the Department of Human Settlements to provide adequate housing and integrated human settlements. Section 26 of the Constitution emphasizes the centrality of the department's role in coordinating the development of sustainable integrated human settlements. Thus, the department is well positioned to facilitate coordinated planning towards the realisation of progressive development. The 2014 - 19 Medium Term Strategic Framework (MTSF) marks the second epoch in which the department is consolidating the shift from housing to human settlements.

Despite experiencing massive budget cuts totalling 8% of its preliminary MTSF allocation, the department forged ahead to render much needed services. To this end, it delivered 66 792 housing opportunities in this

MTSF period, consisting of 28 141 serviced sites; 38 004 individual housing units; 224 social housing units; 321 Community Residential Units (CRU) and 102 Finance Linked Individual Subsidy Programme (FLISP) units. As a way of bestowing property ownership, restoring people's dignity as well as ensuring security of tenure, 29 053 title deeds have been issued to beneficiaries. Nineteen (19) incomplete townships have been proclaimed and will deliver 5 246 title deeds.

Working together with local municipalities, the department has initiated long term planning for Integrated Human Settlements Projects. Fourteen (14) Integrated Human Settlements are currently being implemented, 33 Integrated Human Settlements are currently at a planning stage and 16 Informal Settlements are being upgraded.

These projects are set to deliver more than 120 000 serviced sites in the short, medium to long term with the view to tackle the even growing housing needs and realising integrated sustainable settlements. This initiative will enable us to allocate serviced sites to qualifying beneficiaries to build their own homes or use building cooperatives.

In order for the plans stated above to come to fruition, local municipalities must prioritise the provision of the much needed bulk infrastructure in the identified project areas so as to unlock the development potential of the areas identified. The Department has in the past financial years been assigned bulk infrastructure projects which were funded by provincial equitable share. In this regard the Department would like to implore municipalities to prioritise bulk infrastructure which are earmarked for human settlements development.



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