

POLICY & BUDGET SPEECH 2018



human settlements
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA



Honourable Speaker and Deputy Speaker
Honourable Premier, Ms R Mtsweni
Honourable Members of the Executive Council
Honourable Members of the Provincial Legislature
Chief Whip of the ANC, Hon. Skhosana
Chairperson of the Provincial House of Traditional Leaders
PEO of SALGA Mpumalanga
Director General, Mr M Mohlasedi
Heads of Departments
Business and Public Sector Representatives
Distinguished Guests
Members of the Media
Community members from Mpumalanga and other Provinces

Introduction

Hon. Speaker, I cannot underestimate the opportunity to stand here today and present the human settlements budget vote.

This presentation is aimed at outlining plans and strategies to improve the lives of ordinary citizens of the province.

The province and the country have just buried one of its citizens who played a huge role in the country's political landscape.

Mr Sam Nzima from Lillydale in Bushbuckridge made a dent at how we as a people relate to the infamous June 1976 students protests.

Scores took to the streets protesting against oppressive education system perpetrated by the then government at schools, especially at black townships.

They risked their lives and braved all sorts of draconian intimidation, and unjust conduct to challenge Afrikaans as a medium of teaching at schools.

The former journalist, Mr Nzima was at the heart of those protests and became famous for capturing what has since become the June 16 picture.

Mr Nzima went beyond at just being a cameraman but became an active participant in documenting those horrific scenes.

The provincial government, political formations, arts fraternity, and all stakeholders, amongst others we are highly indebted to him and family for his immense contribution towards our political scenery.

Though to some Mr Nzima was viewed as just a newsman, to us as the ANC he has made an indelible mark on how we recollect the June 1976 scenes.

His contribution and contribution towards the struggle will not be downplayed.

This year we are celebrating former President Nelson Mandela and Ms Albertina Sisulu.

2018 has been declared the year of Nelson Mandela. The late Mandela was the first democratically elected president of South Africa. It was on the 27th April 1994 when he was inaugurated as president of the republic.

What these struggle stalwarts fought for were equal opportunities, end to poverty, discrimination, inequality to mention just a few.

And this is exactly what the people of Mpumalanga mandated the African National Congress (ANC) to do. As a Department, we remain central at ensuring that these ills are being addressed.

Hon. Speaker, I will not be oblivious of the fact that all of us sitting here in this august house comprehend where the Department of Human Settlements derives its mandate from.

Broadened Mandate

The Department's broadened mandate entails the development of human settlements in an integrated and sustainable manner.

In keeping with the broadened approach, emphasis is on the creation of integrated settlements, delivery of low-cost houses, mixed housing typologies, and other required social and economic amenities such as community halls, health and education facilities.

The Human Settlements sector is concerned with 'ensuring access to adequate housing'. This mandate is derived from Chapter 2, the Bill of Rights, Chapters 3 and 6 of the Constitution Of The Republic Of South Africa, 1996 (Act No. 108 of 1996).

Centrality to Strategic Development

Hon. Speaker, as part of the government's approach to improving performance, Human Settlements Departments and other development partners further draw their mandate from Outcome 8 of the National Development Plan (NDP) which necessitates the creation of "Sustainable Integrated Human Settlements and improved quality of household lives.

Policy directives as contained in the Integrated Urban Development Framework [IUDF], 2016 form the basis of the department's contemporary approach to development.

Hon. Speaker this seeks to address the challenges brought about by the inherited racially-based planning and uncoordinated approach to place-making which led to the proliferation of marginalized and disconnected settlements.

The IUDF effectively responds to the Post-2015 Sustainable Development Goals [SDGs], precisely Goal 11 which maintains any approach to development ought to make 'human settlements inclusive, safe, resilient and sustainable'.

The policy directives contained in the IUDF builds on various Chapters on the National Development Plan in particular Chapter 8 dealing with the need to 'transforming human settlements and national space economy'.

The province recently joined other role players within the sector to attend the World Urban Forum at Kuala Lumpur in Malaysia.

Hon Speaker and members, the UN HABITAT APPROACH states that "...governments must strengthen their policy frameworks, establish long term vision for the sector and position housing issues at the centre of their national and [municipal] development strategies".

In a nutshell, Mpumalanga Province, is responding to the call by UN HABITAT III'S NEW URBAN AGENDA – with a strong focus on the integrated/sustainable human settlement approach to development in ensuring accountability by all its development partners and administrative components in the human settlement development value chain.

As fully supported by the WUF, contemporary policy frameworks provide for a shift in thinking from a mere provision of government-assisted housing to the poor households to delivery instruments that are premised on the creation of sustainable human settlements.

As such, within the context of human settlements sector, the right to access to adequate housing should be construed as the right to the following:

- Security of tenure;
- Availability of services, materials, community based facilities and infrastructure; Affordability; Habitability; Accessibility; Location; and
- Cultural Adequacy.

Performance during 2017/18

Distinguished guests, the 2017/18 financial year's performance were dictated by key manuscripts - Strategic and Annual Performance Plans.

During the course of the year, the Department has been hard at work in its quest to satisfy what the Constitution enjoins it to do – which is the provision of shelter (houses) and facilitation of integrated sustainable human settlements as advocated by the broadened mandate.

Let me embrace all stakeholders within the sector for their support and inputs as we collectively weathered the storm to ensure quality services are delivered.

It is pleasing to report that the department has during the 2017/18 financial year; the department achieved **8 734** housing units, **4 230** serviced sites, **5 030** issued title deeds and **111** disaster houses, amongst other notable deliverables.

This feat managed to yield approximately 50 000 (fifty thousand) housing opportunities over the MTSF period (Medium Term Strategic Framework) including the upgrading of informal settlements programme, people's housing programme, and military veterans.

By these achievements, the department made a dent in dealing with the triple social challenges of poverty, unemployment and inequality.

Hon. Speaker, despite the few tests, substantial grounds were covered by planning for new and further developing existing integrated human settlements.

Credible delivery was recorded at various projects ranging from the upgrading of informal settlements such as eMalahleni, support to municipalities through bulk water infrastructure, mainly at Dr Pixley Ka Isaka Seme and Bushbuckridge and of course continued to develop rural areas.

To this end, the department was well commended by the National Portfolio Committee on its efforts to deal with bulk infrastructure challenges at strategic localities.

During this period, our contractors made the department proud by ensuring that we surpass our set targets. The level of progress and quality they have made goes to show why we were rated one of the top provinces in the country.

This was further displayed at the annual Govan Mbeki Awards (GMA) where the province secured five accolades for being the best in the Non-Subsidy Market, Rental Tribunal, Accredited Municipality Level 2, Community Residential Unit (CRU) and Financial Linked Individual Subsidy Programme (FLISP) contractors.

Once again, these achievements demonstrated that the Province of the Rising Sun always works harder to deliver quality services.

Furthermore, the province played host to the launch of the Human Settlements Ombudsman Office.

The Ombudsman will work with all stakeholders to ensure the smooth implementation of

projects and mediating on challenges between the department and stakeholders such as beneficiaries and contractors, amongst others.

My appreciation goes to all role players for their enormous efforts towards the grasp of integrated sustainable human settlements.

Finance

Honourable Members, with the ever growing housing backlog in the province, the Department cannot afford to surrender funds back to the provincial revenue fund.

During the financial year 2017/18, the Department spent its entire budget of **R1, 84 billion**.

This expenditure yielded more than 12 000 housing opportunities – thus ensuring the betterment of the lives of our people.

Hon. Speaker, the total budget allocation for 2018/19 has shown a decrease of **3.6%** when compared to the adjusted budget of the previous financial year from **R1.840 billion** to **R1.774 billion**.

The **R1.774 billion** is made up of the Human Settlements Development Grant of **R1.278 billion (72%)**; Title Deeds Restoration Grant of **R51.7 million (3%)** as well as equitable share and own revenue fund of **R441million (25%)**, *(the R441 million includes R165 million meant for municipal support primarily for water and sanitation intervention projects)*.

Having observed these realities, financial prudence and high work ethics are key recipes to produce better performance in the delivery of services to our people.

With the good work that was reported for the previous financial year, it is refreshing to commit that the Department will strive to do more for less.

Plans for 2018/19

Hon. Speaker, our people hold dear to the services that the Department renders and wait patiently to receive those services.

It is true that what comes after our daily bread is indeed shelter under which to shield our families from natural elements. It is without doubt that we contribute immensely to the dignity and the wellbeing of our people.

It is important to mention that **2018/19** financial year is the final year of the current medium-term strategic framework.

The Department can proudly report on the following key priorities; **54 855 housing opportunities** have been achieved through various instruments of the department including, the upgrading of informal settlements programmes, people's housing programme, and military veterans amongst others since the inception of the current medium-term strategic framework [MTSF] period.

During this last financial year of the medium-term strategic framework, the Department will increase efficiency to achieve more with the appropriated budget.

This shall be done through cost curtailment measures; strengthening of project inspections; and to ensure that completed projects are closed-off in the Housing Subsidy System.

There is a deficit of **28 717** housing opportunities in this current medium-term strategic framework as per the national priorities. This deficit brought about by constraints in the National Fiscus will be addressed throughout the next medium term strategic framework,

taking advantage of the foundations being laid in the current medium-term strategic framework [MTSF] period in a form of new **integrated human settlements, townships finalization and in-situ upgrading processes to be initiated.**

During the **2018/19** financial year the department will realise **10 986** housing opportunities. But of course, the delivery of human settlements depends to a large extent on the availability of bulk infrastructure.

Keeping with its quest to provide mega projects and realise sustainable development, the department will continue to augment municipal bulk infrastructure capacity in critical areas where there is a dire need for human settlements development especially in the upgrading of informal settlements programmes.

Our work and commitment in the 2018/2019 financial year and beyond is premised on increasing the pace of delivery of integrated human settlements against all odds in order to ensure that our people are dignified through access to adequate housing.

Priorities for 2018/19

Hon. Speaker, in the 2018/2019 financial year, the department will focus on the following areas in line with the MTSF Priorities

- Accelerate the implementation of the Integrated Human Settlements Projects;
- Establish new Integrated Human Settlements in Key Nodal Areas;
- Finalization of incomplete townships to ensure provision of secure land tenure rights options;
- Up-scaling of Informal Settlements Upgrading Programme in the fast growing towns;
- Implementation of Rental Housing Programme and Social Amenities;
- Accelerate the issuing of Title Deeds for qualifying beneficiaries who benefited under the government subsidy scheme;
- Provision of Engineering Services and Quality Assurance in all bulk infrastructure; installation of municipal engineering services and construction of government subsidized units;
- Support the implementation of the Social Enterprise Development Programme;
- Identification and provision of government subsidized housing through the implementation of Individual Subsidy Programme; and
- Facilitate the provision of affordable housing targeting the gap market

Whilst focusing on the finalization of township establishment processes, in order to increase the total yield of servicing of sites annually, construct top structures and issue title deeds timeously, mining towns are allocated a total of **2 717** units and those are; eMalahleni, Steve Tshwete and Thaba Chweu.

Furthermore, a staggering **21 115** title deeds broken down as **6 115** from 2018/19 projects and 15 000 from Pre and Post 1994 projects will be delivered.

Put in figures, a total of **8 266** houses units and **2 720** sites will be delivered in the 2018/19 financial year

Hon. Speaker, it must be stressed though that the delivery of Human Settlements depends to a large extent on the availability of bulk infrastructure.

Social Enterprise Development Model

The Executive Council approved the Social Enterprise Model in December 2016. The model is aimed at maximising the involvement of communities by empowering them and to create employment.

As directed by the Executive Council, 2018/2019 will see the Social Enterprise Development Programme being implemented throughout the Province as opposed to just the seven 7 pilot local municipalities, as was the case in the previous financial year.

Within the Human Settlement Sector, the application of the Social Enterprise Development Programme Principles will ensure continuation of improved provision housing opportunities and associated infrastructure in all 18 municipalities.

This developmental intervention will also empower local SMMEs and Co-operatives through government funded projects.

Community Cooperatives and SMMEs would have to produce construction materials such as bricks, paving, and window and door frames.

As this government, it is our resolve that the Social Enterprise Development Programme will bring about much needed jobs and assist in their economic well-being.

Planning of New Integrated Human Settlements

In line with the NDP and the Human Settlements Master Plan, the department of human settlements is making serious strides in the creation of integrated, sustainable and vibrant human settlements in well located and suitable locations through the Province.

Whilst concerted efforts are being made in **accelerating the implementation of the 14 integrated human settlements** in all three District Municipal Areas by ensuring access to basic services and provision of the much needed social amenities, **an additional 33 new integrated human settlements are being established** as part of the 2018/2019 planned targets.

Upon completion, all **47 INTEGRATED HUMAN SETTLEMENTS** being implemented and initiated within the MTSF period will **deliver a total of 149 898 housing opportunities plus other urban supporting infrastructure.**

Whereas the Department pledges its support and responds positively to policy directives aimed at the creation integrated human settlements, there are still continuous and remarkable efforts being made to ensure the **Up-scaling of Informal Settlement Upgrading** processes and **ensuring increased access to urban services for the urban poor.**

In this regard, 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 2018/2019 departmental targets **will deliver a total of 11 293 housing opportunities and other supporting urban land uses.**

Over and above accelerating the implementation of integrated human settlements and up-scaling informal settlements upgrading, **19 IN-COMPLETE TOWNSHIPS** have been identified for **PROCLAMATION** in the 2018/2019 financial year **so as to deliver a minimum of 5246 secure land tenure rights (i.e. TITLE DEEDS).**

Distinguished guests, it is for this reason that the Department in the current financial year plans to deliver an additional **2 720 serviced sites** and continue to accelerate the construction of Human Settlements Development Grant [HSDG] funded **Social Amenities** and promote the delivery of additional amenities by working together with all relevant Sector Departments and other Stakeholders.

In essence, the planned delivery of a **TOTAL OF 161 191 housing opportunities; secure tenure and associated urban and rural infrastructure** through the Integrated Human Settlements and In-Situ Upgrading Initiatives will beyond any reasonable doubt make a huge impact in addressing the housing backlog in the Province.

And more importantly, deliver the much desired spatial transformation aimed at bridging the gap of segregation that was inherited by the democratic South Africa.

Budget Presentation 2018/19

Hon. Speaker and distinguished guests, allow me to present the budget proposal of R1.774 billion for the Department of Human Settlements (Vote 13) for consideration by this August house as outlined:

PROGRAMME	2018/19
Administration	R150 million
Housing Needs, Research and Planning	R 221 million
Housing Development and Implementation	R1.334 billion
Housing Assets Management	R 69 million
TOTAL APPROPRIATION	R1.774 billion

Conclusion

Despite tangible strides having been recorded in the development of integrated human settlements, the country still faces a growing challenge in providing all citizens with access to suitable housing.

Our long-term aim is to enable all households to participate in the housing market in ways that meet their changing needs. Innovations in housing finance, subsidy mechanisms and institutional arrangements will be employed to find appropriate responses to changing circumstances in the sector.

As the Department for Human Settlements, we welcome the wisdom by the Hon Premier and guidance of the Executive Council of ensuring that we deliver integrated sustainable human settlements to the citizens.

Hon. Speaker, it will be a huge injustice and improper if I do not thank my immediate family and my office for their endless sustenance as I perform the mandate given to me by the ANC and the people of Mpumalanga.

I similarly thank the leadership, guidance and support by Honourable Premier Refilwe Mtsweni, and my colleagues in the Executive Council.

My frank appreciation duly goes to the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs for its guidance and oversight role.

To the Head of Human Settlements, Mr K Masange and administration team, thank you for welcoming me in this new portfolio. Your support is unwavering.

Finally Hon Speaker, let me take this occasion and acknowledge my predecessor, Hon. Member SK Mashilo for leading this department before my deployment.

With the capable team you know in the Department, we are building on the work that you have started and trust that we will take this department to superior altitudes.

Again, I am humbled by your attendance Hon. Members, the presence of the public in the gallery and the representatives of various media houses.

Hon. Speaker, may I therefore request this august house to approve the budget proposal of **R1.774 billion** for the Mpumalanga Department of Human Settlements (Vote 13) for the 2018/19 Financial Year.

As I present this budget proposal, I remain resolute and hopeful that the contributions by the late Sam Nzima and others are not in vain. Our may not be about capturing the moment – but creating moments for our citizens.

Long live the spirit of Bab' Nzima – Long live.

I thank you.



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