



**MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY
MINISTER OF HUMAN SETTLEMENTS HON. MMAMOLOKO KUBAYI, MP
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA, CAPE TOWN
HUMAN SETTLEMENTS VOTE 33
10 MAY 2022**

House Chairperson

Chairperson for the Portfolio Committee on Human Settlements Hon. Semanya and
Members of the Portfolio Committee

Deputy Minister of Human Settlements, Pam Tshwete

MECs of Human Settlements who have joined virtually

Chairpersons and Members of Boards and Councils of Human Settlements Entities

Director-General of Human Settlements, Mr Tshangana and DDGS

CEOs of Entities

Honourable members

Our government derives its approach to Human Settlements from the injunction contained in the Freedom Charter that says: "There Shall Be Houses, Security and Comfort!". In truth, the demand for sustainable human settlements in our country has been on the increase and our pace of delivery has been slower than the rate of increase. As I stand

here before you today to deliver this budget vote, those who have been waiting for a housing opportunity for what seems forever are hopeful that the plans we are going to announce today are going to respond to their needs. They are also eager to hear how we intend to implement our plans.

It is within this context that we have adopted a continuous improvement approach to our work. Accordingly, we have effected changes within the human settlements delivery system that are aimed at ensuring that we continuously improve the efficiency, quality and speed of delivery of our products. The process of stabilising the human settlements entities is at an advanced stage with all Boards being appointed. Majority of the entities have completed the processes of the appointments of the executives and we will be announcing these appointments in the coming weeks.

To deal with the blockages and the slow pace of delivery, we have established a national Human Settlements WarRoom, with Mr Dan Gorbachev Mashitisho, the former Director General of the Department of Cooperative Governance and Traditional Affairs, as the convener. In this work, he will be supported by a team of highly specialised individuals who will bring a broad range of much needed skills to the sector. These individuals include:

- Mr Abongile Dyariwe, project and construction management specialist with a Masters Degree in Built Environment
- Ms Patience Ntombifikile Ndlovu, a specialist in Urban planning with a Masters in Urban & Regional Planning
- Dr Mmaphaka Ephraim Tau, Governance, Strategic Leadership and Development Expert who until recently was the Head of the National Disaster Management Centre
- Mr Kwena Maphoto, infrastructure development specialist who is a professional technologist in civil engineering

Among other things the War Room team will be expected to do the following:

- Coordinate efforts, monitor and fast track the implementation of diverse projects across provinces.

- Coordinate support of various entities and consolidate reporting to the War Room.
- Provide project tracking tools on all projects to monitor and to report to the War Room.
- Identify strategic partners that could assist to unblock challenges in project implementation.
- Create an enabling environment for cooperative governance in line with Intergovernmental Relations Act.

In addition, to the technical capacity that will be brought to both the department and entities, we have made some policy changes that are aimed at ensuring we expand the speed and quantity of delivery. These include the following:

- In the current financial year, the revised bands for the Finance Linked Individual Subsidy Programme now called Help-Me-Buy-A-Home will come into effect.
- As of the 01st of April, the applicable subsidy quantum has been revised from what existed in 2018, by 20.9 percent to ensure that they remain consistent with the ability of the Department, through its implementing agents, to continue and improve delivery.
- As from the 1st of April, the revision of the income bands from households earning an income between R1 500 to R15 000 to R1 850 to R22 000 gross monthly income to qualify for social housing came into effect.

It is almost a month after the coastal parts of KwaZulu-Natal experienced extremely heavy rainfall, causing severe damage in the eThekweni Metro and the Districts of King Cetshwayo, iLembe, Ugu and Umgungundlovu. More than 15 thousand houses were damaged, these were split between fully damaged houses and partially destroyed houses.

These seasonal floods that are strongly linked to the carbon emission induced climate change, have also damaged houses in the Eastern Cape province most of which were mud houses whose weak structures could not withstand the heavy floods. The areas affected include Alfred Nzo, OR Tambo and Joe Gqabi district municipalities. The North West and Western Cape provinces were also affected by floods and fire respectively.

Let me take this opportunity to thank Team Human Settlements in the manner they worked to respond to these disasters, a special tribute to the team that worked in KZN. I have received an updated report that so far the KZN team has complied with the required real time audit prescriptions and I have urged the team not to drop the ball, as this will build confidence in our communities that we are spending their resources correctly and we are accountable.

Those who are affected by such disasters require alternative shelter immediately and others want to repair the damage to their homes as soon as it is possible. To make this possible, we introduced a number of new directives applicable to provincial departments and municipalities so that we change the manner of intervention in disaster areas. These directives include a 24-hour turnaround period for the assessments of the disaster and fast-tracking of repairs through a voucher system. With regards to financing, provinces and metros are now allowed to utilize available funds from HSDG, USDG and ISUP to intervene in dealing with the damages.

Grants, provincial plans and budgets

For the financial year 2022/23, the Department's budget allocation amounts to R 33 billion, of which R 18.7 billion is allocated to provincial grants, R 11.7 billion for municipal grants and R 1.6 billion will be transferred to Human Settlements entities. We will make every effort to ensure that we deploy these resources as efficiently as we can so that we can get more for less.

In this regard, the Human Settlements Development Grant Framework for the 2022/23 financial year now provides for Provinces and Municipalities, to access up to a maximum of 30% of the HSDG to fund bulk and link infrastructure. This will unlock some of the blocked projects, increase opportunities for public/private partnerships and increase the provision of serviced stands for more people who can afford to build for themselves to do so. Most importantly, this will help us to improve expenditure.

Furthermore, in the financial year 2022/2 and working together with National Treasury, we will start implementing front-loading in two provinces, Northern Cape and Eastern

Cape, which will allow us to attend to blocked projects and significantly increase the scale of housing delivery in a short space of time.

On Informal Settlements

The baseline evaluation done by the Department confirmed that there are 2700 informal settlements in South Africa. A majority of the informal settlements are located in unsuitable land that is prone to housing emergencies. I have been engaging many communities in informal settlements, first priority is to discourage illegal occupation of land and request municipalities to ensure that we don't allow anymore illegal occupation of land. This illegal occupation of land denies us an opportunity to plan and implement human settlements program properly. Moreover, these are the areas which have been mainly affected by disasters and leads to losses of lives.

I will be issuing a Ministerial directive in accordance with section 29 of the HDA Act to authorize HDA to drive interventions on upgrading informal settlements and ensure faster turn-around time in provision of basic services, to give dignity and comply with human rights in our communities. It has been heart breaking to see the conditions of some of our communities such Siyakhana informal settlement here in Cape Town. Duncan Village in Buffalo City Municipality and Zandspruit in Johannesburg, amongst others. Hence we have to drastically improve this area of work.

Blocked projects

The Department has set aside a three-year period starting from 2022 – 2025 financial years to close off all the blocked projects in the country. The Department intends to undertake a scoping exercise that will include site verification and estimation of all cost implications for the unblocking of the projects and a diagnostic report will be completed by the end of the year.

Public/Private partnership and ERRP

Central to the implementation of the Economic Reconstruction and Recovery Plan, is the stimulation of aggressive infrastructure investments. This requires government to make

effort to crowd-in private sector investments, through mutually beneficial public private partnerships.

During 2021/22, the Department published a Request for Proposal (RFP) calling on private developers to partner with government in integrated Human Settlements project development. The Department received 95 proposals which come from individual companies, consortiums, developers, and communities that own parcels of land. It encouraging to learn that some of the land parcels were awarded through the land restitution programme which is part of the Land Reform Programme.

Pronouncements regarding the first phase will be made after the successful conclusion and signing of the PPP arrangements. It is anticipated that these will yield opportunities for the medium to low income earners.

In this financial year, the Department will implement its affordable housing programme in mining communities in partnership with mining companies. To strengthen our partnership with mining companies, we are currently developing a partnership framework between Government and mining companies, that will guide the joint design and implementation of partnership projects in identified municipalities.

A total ring-fenced budget of R548 million has been allocated to provinces in the 2022 DORA Framework, to support the implementation of bulk infrastructure projects in mining communities.

On social housing

The demand for social housing and student housing is overwhelming. Our Social Housing Programme has about R140bn worth of assets. In his fourth State of the Nation Address, His Excellency President Cyril Ramaphosa announced that R64bn of the R700bn from the Infrastructure Fund will be spent on social housing and student accommodation. SHRA partnered with the Infrastructure Fund to develop six new social housing projects from transformed delivery agents with an allocation R305 million over the next two years.

Help me buy a home

In an effort to facilitate access to ownership among government employees by utilising Help Me Buy a Home Subsidy as an instrument, the NHFC has signed a memorandum of understanding (MoU) with Government Employees Housing Scheme (GEHS). The MoU will enable qualifying government employees to access FLISP subsidies. Currently, the total number of employees eligible to receive the monthly housing allowance almost a million

On land for human settlements

In accordance with the presidential pronouncement on the release of state-owned land for purposes of human settlements, the Department through the Housing Development Agency has already received from the Department of Public Works and Infrastructure, 36 land parcels measuring 2493 hectares and the remainder of the land to be transferred will be done in phases. The released land parcels will promptly be planned and developed to address inter alia, the rural housing programme including farm worker housing, affordable housing, land tenure upgrading as well as informal settlements upgrading.

On title deeds

We have not moved at the pace that was expected of us and given the ongoing title deeds backlog and associated challenges, so that the Department has partnered with the Banking Association of South Africa (BASA), to fast-track the delivery of title deeds to housing beneficiaries who are still without a title. This will be done by utilising the Youth Employment Services (YES) programme.

On economic growth, transformation, skills development and job creation

The NHFC, with the City of Cape Town, has appointed 130 SMME in construction that have already employed 8,000 people to repair rental accommodation in the City. The NHFC ensures that these SMMEs are paid within 14 days instead of the 30 days allowed by National Treasury. These builders are appointed to work in the communities where they live and they hire people from the same community, ensuring that the funds used for the repairs improve the lives of the community as a whole. The NHFC is finalising a contract with Nelson Mandela Bay to appoint SMMEs on a similar basis to construct BNG houses.

The HDA has developed and deployed a dashboard that tracks the implementation of transformation and empowerment in all HDA programmes. The dashboard tracks, how much is spent on businesses owned by women, owned by youth, owned by persons with disabilities as well as owned by military veterans as percentage of the annual total procurement spend.

The NHBRC has reviewed its Investment Strategy and has included as one of its investment portfolios in the NHBRC's Warranty Fund, a "Housing Development Investment Fund". The objective of the Housing Development Investment Fund is to invest in projects that facilitate access to affordable housing and finance thereof for the low-to-middle income South African households, most of whom do not qualify for subsidy houses and do not qualify for home loans ("the Gap Market").

This proposed solution is underpinned by the NHBRC's commitment in assisting with funding housing developments. To operationalise this fund, an initial allocation of 10% of the investment reserve has been set aside for this initiative which will be staggered to 15% of the total portfolio over a five (5) year period.

The Property Practitioners Regulatory Authority (PPRA) came to effect on the 1st February 2022 replacing the Estate Agency affairs Board (EAAB). The PPRA has got an expanded mandate that covers property practitioners in the value chain which requires extensive stakeholder management. The entity is expected to establish a Transformation Fund that will be used to empower historically disadvantaged property practitioners. This intervention will cover areas such as training and consumer awareness.

On partnership with communities and Do-it-yourself culture

The National Development Plan (NDP) emphasizes the need for Government to partner with communities in the delivery of services. The People's Housing Process (PHP) Programme talks directly to this notion. This is in line with Government's broad vision which emphasizes the need to "adopt a people-centred" service delivery approach". The aim of this approach is to create a more responsive and accountable communities that participate in the development of their own communities. We will be engaging provinces

such as Eastern Cape to fully explore this model, especially in the eradication of mud houses.

Admittedly, the Human Settlements sector has many challenges, but we believe that through the technical and policy mechanisms we have put in place, the sector will soon turn a corner and embark on more progressive trajectory. By bringing together government, private sector, communities and labour to be active participants we will achieve our goals sooner rather than later.

As the human settlements family, we echo the words of President Nelson Mandela in his address at the opening of Parliament in February 1995 when he said: “The foundation has been laid - the building is in progress. With a new generation of leaders and a people that rolls up its sleeves in partnerships for change, we can and shall build the country of our dreams!”

Honorable members

I hereby table Budget Vote No. 33 from the Department of Human Settlements together with priorities for financial 2022/23.

Thank you