



MINISTRY

**HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

SPEECH

BY

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**MINISTER OF HUMAN SETTLEMENTS OF THE REPUBLIC OF
SOUTH AFRICA**

**ON THE OCCASION OF DEVAC INFRASTRUCTURE SUMMIT HELD
AT MARRIOTT HOTEL**

15 MAY 2025

MELROSE ARCH, JOHANNESBURG

Programme Director

Premier of Gauteng Province, Hon. Panyaza Lesufi

MEC of Gauteng Human Settlements, Hon. Tasneem Motara

Executive Mayor- City of Johannesburg, Cllr Dada Morero

CEO of the DEVAC Advisory Board, Tshepo Kgobe

Members of the Advisory Boards

Delegates from various Infrastructure Sectors

Ladies and Gentlemen

Good day,

Thank you for affording me the opportunity to address this important infrastructure summit.

I am particularly delighted to be a part of this important gathering which connects leading stakeholders in addressing challenges of infrastructure delivery.

As the Human Settlements sector, we will continue to showcase our dedication, enthusiasm, and readiness to partner with various stakeholders from the private sector and other industries.

Together, we aim to support the South African government in accelerating infrastructure development to address apartheid spatial injustices and unlock economic growth for the benefit of South Africa's most vulnerable citizens.

Notably, this summit takes place few days before the Minister of Finance delivers the country's Budget of 2025 following its withdrawal from the National Assembly.

It is our contention that infrastructure development and maintenance will feature prominently in the new Budget as one of the priority areas of focus in this financial year, we are looking forward to a progressive and people-centred Budget to be presented next week.

It can only be a developmental budget if a larger share is dedicated towards the urgency of developing and maintaining our infrastructure.

A province like Gauteng is not only crying out for new infrastructure delivery but equally, the province is in a desperate need for increased infrastructure development budgetary resources.

This is not something that can be left to the provincial government and our metros alone, the national government must be a leading investor in the province's infrastructure development program.

A well-developed Gauteng is an oasis for national growth and development.

Our economy has not been performing well and, in this regard, an improved infrastructure is crucial and key for economic development. This will obviously help to facilitate trade and put the economy on an upward trajectory and ultimately create the necessary and much needed jobs.

The recently released data by Statistic South Africa, paints a very painful picture about unemployment, it underscores that more people are unemployed in the country, with the official unemployment rate increased by 1% from 31,9% in the fourth quarter of last year, to 32.9% in the first quarter of 2025. This is an alarming state of affairs which calls for an urgent collective action to address the perennial crisis of unemployment, especially youth unemployment.

Last week President Cyril Ramaphosa launched the second phase of Operation Vulindlela and the issue of spatial equity is central in the operation, and as the Department we will play a crucial role in delivering infrastructure in the human settlements value chain to undermine the apartheid spatial planning through the creation integrated and sustainable human settlements closer to economic centres.

Programme Director,

Before I deep-dive on the subject matter of the day, allow me to provide this forum with an overview of the approaches that government has historically introduced to ensure that there is sustainable provision of services to South African citizens through accelerated infrastructure development.

Since 1994, government managed to develop various planning instruments such as but not limited to the National Development Plan (**NDP**) vision 2030; Integrated Urban Development Framework (**IUDF**); Integrated Development Plan (**IDP**) and recently the District Development Model (**DDM**). All these instruments are the key drivers of infrastructure development across the three spheres of government, particularly local governments as they are the sphere that is closer to our vulnerable communities.

As a result of these instruments, allow me to highlight that to date government through various administrations, was able to impact the lives of south African citizens through infrastructure development that has been implemented through Human Settlements Programmes such as the Fully Subsidised Houses (commonly known as “RDPs”); the provision of serviced stands for qualifying beneficiaries in informal settlements, and affordable housing for the missing middle, to mention a few.

Programme Director,

The reason why I earlier mentioned the planning instruments, is that project planners that are appointed by government departments as consultants or Professional Resource Teams (**PRTs**) seem to be lacking an understanding of these instruments and the legislative prescripts that government is supposed to comply with whilst achieving the strategic objectives that are associated with infrastructure development. The latter

then results in project master plans that do not necessarily address the critical service delivery needs of our communities.

Hence, government recently introduced the District Development Model (DDM) as strategy to enhance the existing project planning approaches that are utilised by municipalities to develop these plans.

As a point of emphasis, I am still of the view that the level of collaboration that is required from the private sectors must be founded and aligned to government statutes that govern infrastructure development, to optimise their intended objectives and to help government in identifying specific clauses within the same instruments that are currently hindering the acceleration of infrastructure development.

Programme Director,

In terms of the overview of demographic data in South Africa, results from the Census 2022 revealed that our country had a total population of 62 million that translated to 18 million households, at the time of this survey. It was further reported that **88.5%** of these households were found to be living in formal dwellings, whilst **3.1%** live in traditional dwellings and 8.1% in Informal dwellings. These statistics demonstrate the amount of technical and administrative effort that has been put by the Human Settlements sector over the years in ensuring that there is adequate and decent housing for all vulnerable citizens of South Africa. With regards to the physical infrastructure relating to the provision of municipal basic services, the following progress was reported:

- Households with access to **piped water** (including communal taps): 16.2 million (91.3%).
- Households with access to **flushing toilets**: 12.6 million (70.8%).

- Households that use **electricity from main supply** for **cooking**: 11.5 million (63%).
- Households that use **electricity from main supply** for **lighting**: 16.8 million (94.7%).
- Households provided with **weekly refuse collection**: 11.8 million (66.3%).

As a result of these existing services, we as the human settlements were able to construct 5 million brick and mortar housing opportunities to date.

Programme Director,

Allow me to further indicate to this summit that as the human settlements sector we remain committed to exploring new construction methodologies, products and systems such as Innovative Building Technologies (**IBTs**) that are certified by one of government's entities called Agreement SA. The partnerships established to date between our sector and academia has enabled us to establish the Eric Molobi Housing Innovation Hub in Soshanguve, thereby demonstrating our level of agility as a sector.

One of the critical strategic matters that we are currently working on, is to open the market to more suppliers of these technologies through procurement models such as the Public-Private Partnerships (**PPPs**). This approach will enable us to attract industry experts that can produce housing typologies of high and durable quality, without compromising the cultural perspectives and preferences of our beneficiaries.

Programme Director,

To deep-dive into the existing interventions that are provided by the human settlements sector, allow me to indicate that there are four (4) grants amounting to **R34 billion**, that we allocate annually for upgrading of infrastructure in provinces, metropolitan municipalities and by human settlements entities such as HDA, NHBRC, NHFC, SHRA, PPRA, and CSOS). These grants are as follows:

- Human Settlements Development Grant (**HSDG**): is allocated to provinces only and utilised to construct top structures, serviced sites and bulk infrastructure such as reservoirs, wastewater treatment plants, electricity substations and access roads.
- Informal Settlements Upgrading Partnership Grant (**ISUPG**)-**Provinces**: is allocated to provinces for upgrading informal settlements that are located on developable land by providing Interim Services, Social Economic Amenities, Re-blocking congested settlements, Specialised Studies (EIAs and Traffic Impact Assessments) Engineering Designs, Township Establishment, permanent bulk infrastructure and municipal reticulation. In addition, this grant is also utilised to relocate informal settlements that are on disaster prone areas, prior to installing permanent infrastructure.
- Urban Settlements Development Grant (**USDG**): is allocated to metropolitan municipalities only and is utilised as a supplementary

funding to eradicate your normal service delivery backlog such as roads, stormwater, streetlights, and recreation facilities.

- Consolidated Capital Grant (**CCG**): is allocated to entities such as SHRA for the construction of multi-storey buildings for social housing and affordable rental housing stock.

Programme Director,

As a result of these funding sources and key deliverable that I have outlined, the human settlements sector was able to gazette 50 catalytic projects that are to yield 696 280 housing opportunities of mixed typologies such as RDP Walk-Ups; Free Standing BNGs; Social Housing Units; Affordable Rental Stock, Community Residential Units (CRUs) and Serviced Sites. Typical examples of these projects include projects like Lufhereng in City of Johannesburg; Vista Park in Mangaung; Greater Cornubia in Ethekewini; Matlosana N12 in North West and the N2 Gateway in City of Cape Town.

Therefore, with these projects the human settlements sector aims to accelerate the implementation of the spatial transformation of cities that is aligned to the Spatial Land Use Management Act 16 of 2013, whilst considering that there are limited land parcels that are located closer to work opportunities.

Programme Director and Colleagues,

Allow me to also highlight that for the Human Settlements Sector to achieve its housing delivery mandate, there is a need for all relevant

stakeholders to integrate their infrastructure plans leveraging the Intergovernmental Relations (IGR). This implies that the key role players such as Randwater, Erwat, ESKOM, and SANRAL need to encourage their core business units to participate in intra and inter departmental stakeholder engagement sessions such as this one, to obtain in-depth insights of challenges within local governments and the type of immediate and medium-long term interventions required to accelerate infrastructure development in a sustainable manner.

Programme Director,

As I conclude, I would like to remind all stakeholders present, that we are in a Government of National Unity that has resolved to focus on three strategic priorities for the next five years. These are:

- 1) To drive inclusive growth and job creation.
- 2) To reduce poverty and tackle the high cost of living.
- 3) To build a capable, ethical, and developmental state.

In addition, I would like to indicate that the Department is advancing legislative amendments to:

- Ensure fair access to home loans and eliminate discriminatory lending patterns.
- Prevent illegal land invasions and fast-track formal township development.
- Develop the Human Settlements Bill to reinforce a spatially just housing delivery system.

Lastly, to improve efficiency across the sector, our department is currently expediting the process of developing the Digital Human Settlements

Management System (**DHSMS**), as part of the broader digital transformation strategy of government, thereby addressing issues of inefficient beneficiary management and unreliable project data.

Thank you once again for affording me the opportunity to participate in this summit and I am confident that this will be an insightful 2-days that will help us to: Advance Infrastructure Development and Accelerate Projects that drive Africa's Economic Growth and Prosperity.

I wish the summit well in its deliberations and we shall wait in anticipation for its outcomes.

I thank you.

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I thank you.

