



MINISTRY

HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

**KEYNOTE ADDRESS BY THE
MINISTER OF HUMAN SETTLEMENTS, THEMBI SIMELANE, MP, AT THE
DISTINCTION DIALOGUE**

**STRENGTHENING MUNICIPAL INFRASTRUCTURE AND UNLOCKING
INVESTMENT**

BUILDING BLOCKS OF DEMOCRACY

**THE HUMAN SETTLEMENT JOURNEY TOWARDS INCLUSIVE INTEGRATED
LIVING**

13 OCTOBER 2026

UNISA SBL, MIDRAND

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Representatives of local government, SALGA, and our human settlements
entities,

Distinguished academics, development partners and built environment
professionals,

Ladies and gentlemen,

Good evening.

Thank you to the University of South Africa for convening this dialogue and bringing public leadership, scholarship, and investment into the same conversation.

The question before us is how to strengthen municipal infrastructure and unlock the investment required to build communities that work. For the Department of Human Settlements, the answer begins with the people who will live in those communities.

A family's experience of government is shaped by whether water flows from the tap, whether sanitation is safe, whether the journey to work is affordable and whether their home offers security. These everyday conditions give practical meaning to dignity and inclusion.

That is why the theme of building blocks of democracy speaks so directly to our mandate. Where people live, and the opportunities available to them there, determine how fully they can participate in our society.

Over the past three decades, democratic South Africa has expanded access to housing and basic services. Those gains matter. They represent families finding stability, children growing up in safer homes and households gaining an asset they can pass on to the next generation.

Yet the journey towards inclusive, integrated living remains unfinished. Too many people still live far from employment, in settlements with inadequate services, or in homes whose ownership has not been formally transferred to them. We must recognise these gaps honestly and organise our response around closing them.

Programme Director,

For us, municipal performance is therefore inseparable from human settlements performance. A housing project without adequate bulk infrastructure is a promise waiting to fail. And a completed home in a neighbourhood without reliable services leaves an important part of our responsibility unmet.

Our task is to ensure that land, housing, and infrastructure are planned and delivered together.

When a housing development is approved before water and sanitation capacity has been secured, the consequences are predictable. Construction stalls, costs rise, and families wait longer. When housing is built far from jobs and public transport, the household carries the cost of that decision every working day.

The location of development deserves as much attention as the number of homes we build. Affordable housing on well-located land can reduce the cost of living and open access to employment. Development on the urban periphery can deepen the very exclusion we are trying to overcome.

For the Human Settlements sector, this means bringing provincial housing plans, municipal integrated development plans, spatial development frameworks and infrastructure budgets into a common programme of delivery. We need agreement on which areas will be developed, which networks must be expanded and when each investment will take place.

That coordination must happen before construction begins. A project should have a credible route from land acquisition and planning approvals through to infrastructure connections, occupation, and the appropriate tenure arrangements. The institution responsible for operating and maintaining each asset must be identified from the outset.

In our Budget Vote in May, we set a target of completing 25,186 serviced sites during the 2026/27 financial year. This priority illustrates the relationship between land readiness, infrastructure, and housing delivery. A site becomes useful to a household when the services needed to live there are in place and can be sustained.

Serviced land also creates room for different forms of housing delivery, including opportunities for qualifying households to build incrementally. Its value depends on sound planning, suitable location and functioning municipal systems.

Our national and provincial institutions must work with municipalities to resolve constraints early. We must accelerate public land release for affordable and social housing, including serviced sites in a well located areas.

We need to move away from fragmented planning and ensure that our human settlements are integrated and situated closer to economic opportunities, transportation facilities, and social amenities. This paradigm shift will reduce the cost of living for citizens and lessen the need to travel long distances to work. Evidence shows that when employees spend less time commuting, they can be more productive and have more time to spend with their families.

Inclusive living requires us to recognise the different circumstances in which people seek a home.

For families in informal settlements, upgrading can improve living conditions while preserving access to livelihoods and established community networks. Where land is suitable and risks can be managed, upgrading in place should be pursued through careful planning and meaningful participation. Where relocation is necessary, its implications for people's lives must inform the response.

Water, sanitation, drainage, and safe access are central to this work. So are the land and tenure arrangements that allow improvements to proceed. An upgrading programme must connect these elements rather than treat each as a separate administrative exercise.

Programme Director,

Social housing offers another route to inclusion by expanding access to affordable rental accommodation in locations that support access to work and services. First Home Finance helps qualifying households take a step towards ownership. These programmes need municipalities that can provide infrastructure, process development applications and support appropriately located development.

Rental accommodation also demands attention to the relationship between landlords and tenants. Access to a home must be accompanied by an understanding of rights and responsibilities. In a university setting, the conditions in which students live are particularly relevant to their ability to study and succeed.

For beneficiaries of subsidised housing, a title deed completes an essential part of the ownership journey. It gives formal recognition to their ownership and a stronger basis for passing that asset to their family.

Through Title Deeds Fridays, we have brought attention and urgency to this work. In the MTDP reporting period up to 30 June 2026, provinces collectively registered 40,560 title deeds, representing approximately 51 per cent of the five-year target of 80,000. Each registration strengthens the legal foundation of a family's ownership.

But issuing title deeds depends on work across the delivery chain, including township establishment, surveying, beneficiary verification and registration. Municipalities, provinces, and the relevant institutions must address those dependencies together.

Ownership also connects directly to tonight's infrastructure discussion. The value and usefulness of a family's home are affected by the condition of the neighbourhood around it. Secure tenure and reliable services must reinforce one another.

These outcomes depend on municipalities with the people and systems needed to deliver them.

Engineers must be able to assess network capacity and oversee construction. Planners must be able to guide development and process applications. Financial managers must connect investment decisions to affordable, funded budgets. Project managers must identify delays and act before they become prolonged failures.

Vacancies in critical posts, unstable leadership and weak procurement can undermine delivery even where funding is available. Support to municipalities must therefore address the specific constraints preventing projects from progressing. Technical assistance should build lasting capability within the institution.

National and provincial government also have responsibilities. We must make our requirements coherent, coordinate support and intervene promptly where delivery is at risk. Municipal capability cannot be strengthened through competing instructions from different parts of government.

Accountability must extend beyond expenditure. We should ask whether infrastructure is functioning, whether households are connected and whether completed developments are occupied. For human settlements, an allocation spent is only part of the account we owe the public.

Maintenance is equally important. A new network creates an obligation that continues long after the construction contract ends. Its operating costs, maintenance requirements and eventual renewal must be reflected in municipal planning and budgets.

When maintenance is deferred, households pay through service interruptions, damaged property, and additional expenses. Businesses lose operating time. The municipality then faces repairs that are more costly than the maintenance it postponed.

Professional management, transparent procurement and consequences for poor performance protect the public investment already made. They also help establish the confidence needed for further investment.

South Africa is faced with a huge infrastructure financing shortfall, which is estimated at approximately R4 trillion. Infrastructure, especially bulk, is critical to the delivery of sustainable human settlements.

Public grants remain essential to human settlements development, especially where households cannot afford to meet their housing needs without assistance and municipalities have limited revenue.

The Human Settlements Development Grant, Urban Settlements Development Grant and Informal Settlements Upgrading Partnership Grant support different parts of the housing and infrastructure response. Their effectiveness depends on how well they are coordinated with other public investments and municipal responsibilities.

We must use available resources more effectively while developing credible opportunities for additional finance. A funding proposal must explain the infrastructure required, the households it will serve and the arrangements for construction and operation. It must also establish what the municipality and its residents can sustainably afford.

Programme Director,

The National Treasury's Metro Trading Services Reform provides an important opportunity to strengthen the operational and financial performance of water, sanitation, electricity and refuse removal services. Its emphasis on accountable management, reinvestment of service revenues and incentives linked to performance addresses constraints that directly affect human settlements.

For our sector, the practical task is to ensure that improvements in municipal service systems support housing development and informal settlement upgrading. Stronger trading services should make it possible to sustain existing communities and accommodate growth.

Development finance institutions and private investors can contribute finance and expertise where projects are appropriately prepared. Partnerships need clear responsibilities, a fair allocation of risk and transparent terms. They must be assessed against the public outcomes they are intended to deliver.

Different municipalities will need different financing arrangements. A metro with a substantial revenue base may be able to mobilise borrowing that is unsuitable for a small rural municipality. Public funding and institutional support remain vital where commercial finance cannot meet developmental needs.

Affordability must be considered from the beginning. Financing an asset is of limited benefit if its operating model places essential services beyond the reach of the people it is meant to serve. Protecting access for poor households is part of a sustainable model.

We should also consider how infrastructure investments can enable affordable housing and local economic activity together. Where a network is expanded, the planning process should examine what it makes possible for surrounding communities. Well-coordinated investment can support housing, small businesses, and public facilities within the same area.

The scale of South Africa's housing demand and infrastructure needs requires us to move beyond traditional approaches to financing. The reality is that the state alone cannot afford the investment required. The solution lies private sector partnerships and blended finance.

When structured effectively, blended finance can multiply the impact of limited public resources. Government funding must increasingly be used as a catalyst to unlock additional investment from commercial banks, development finance institutions, pension funds, institutional investors, and the private sector. There is a false perception that infrastructure is primarily the responsibility of government and that somehow it is not commercially viable. In fact, the investment in infrastructure is becoming an attractive asset class, which provides long term sustainable returns to investors.

Programme Director,

I would like to place five priorities before this dialogue.

First, we need a shared programme of housing and infrastructure investment in each area of development. Municipalities and provinces should identify the projects that can proceed, the constraints that must be resolved and the institution responsible for each action. Bulk infrastructure and housing schedules must be aligned.

Second, we need better project preparation. A credible pipeline should distinguish projects ready for implementation from those still requiring land resolution, approvals, or engineering design. Funding decisions should be informed by that readiness, with targeted support to address the gaps.

Third, we must protect the infrastructure already serving our communities. Maintenance and renewal should be visible in budgets, supported by accurate information on assets and monitored through service performance. Expanding a network while allowing the existing system to deteriorate undermines the investment in both.

Fourth, we need financing partnerships that expand access and remain affordable. Government, development finance institutions and investors should work from clear project requirements and realistic operating models. Communities with weaker revenue bases must remain part of our investment priorities.

Fifth, communities must have a meaningful role in shaping development and monitoring its delivery. Residents understand the conditions in which services are used and the disruptions that technical reports may miss. Their participation is especially important in informal settlement upgrading and decisions involving relocation.

These priorities give the panel a practical basis for discussion. Which housing developments are constrained by infrastructure, and what would resolve those constraints? How can municipal service reform support upgrading and affordable housing? What preparation is needed to bring suitable projects to development partners?

The University of South Africa can help answer these questions through applied research, leadership development and sustained engagement with practitioners. We need research that tests financing approaches against municipal realities, helps improve delivery and examines whether investment is reducing spatial exclusion.

The value of this platform will grow if the conversation continues around specific implementation problems. Our institutions should be able to draw on its findings when making decisions about land, infrastructure and housing.

Programme Director,

In closing, it is important to indicate that the Human Settlements journey is measured in the lives of the people in terms of impact and improved quality of life. A secure home matters. So does the water supply that sustains it, the transport connection that makes work accessible and the neighbourhood in which a child grows up.

Our responsibility is to bring those conditions together. That requires capable municipalities, coordinated public investment and partners who understand the developmental purpose of the work.

As the Department of Human Settlements, we have a direct interest in every part of that effort. The success of our programmes depends on municipal infrastructure, and our plans must help guide where that infrastructure is provided.

Let us leave this dialogue with clearer decisions on the projects that need attention, the support municipalities require and the partnerships that can advance delivery. The households waiting for a serviced site, a completed home or a title deed need our institutions to work together with purpose.

That is how the building blocks of democracy become part of daily life: through secure homes, functioning services and communities in which people have a fair opportunity to thrive.

I thank you.