



MINISTRY

HUMAN SETTLEMENTS

REPUBLIC OF SOUTH AFRICA

**MINISTER SIMELANE REMARKS DURING THE SONA DEBATE AT
CAPE TOWN CITY HALL, WESTERN CAPE
12 FEBRUARY 2025**

Speaker of the National Assembly, Honourable Thoko Didiza

Chairperson of the National Council of Provinces, Honourable Refilwe

Mtsweni-Tsipane

Your Excellency; President Cyril Ramaphosa

His Excellency; Deputy President Paul Mashatile

Honourable Premiers

Honourable Members

Fellow South Africans

Good day!

Thank you very much for the opportunity to partake in this important debate following the historic and ground-breaking State of the Nation Address (SONA) by the President of the Republic of South Africa, Cyril Ramaphosa.

The President's speech was indeed a progress report, detailing real achievements, challenges and the government's priorities for the year ahead. It was formulaic and succinct.

Your address articulated the vision of the 7th administration in the most inspiring fashion.

You undoubtedly spoke for all of us when you said that we would not be bullied.

Indeed, we will not capitulate in our struggle to correct the wrongs of our inherited past. We will not be bullied to take an off-ramp to the

revolutionary task of addressing our ugly past. This is the past that has dispossessed our people of their land and homes and rendered them pariahs in the country of their own birth.

The shameful irony of our inequality can no longer be admired without redress. In the recent Constitutional Court judgement in the Bronwell matter the apex court reaffirmed the rights of the residents who were facing evictions. Had the court not done so they would have been resettled at Wolwerivier about 30km out of the city centre. Both the pains and the struggles of Bronwell and Wolwerivier people, who for almost ten years now are still without houses and proper services.

Mr. President

The Freedom Charter tells us that the land is our collective heritage as the people of this country. The land does not belong to one social group to the total exclusion of the rest. The land is ours.

We will use this land, amongst other things, to build houses to provide security and comfort for our people.

This august House, through its law-making powers, has empowered the state to expropriate land and other properties to service public interest.

The housing and settlement needs of our people constitute that public interest.

It cannot be correct that the majority of our people are congested like sardines whilst huge pockets of land remain in disuse or underutilization.

Mr President,

In 2024 SONA, the Honourable President mandated us to provide subsidies for first time home buyers who were proceed out of the market. Through the Finance Linked Individual Subsidy Programme (FLISP) now known as the **First Home Finance** (FHF) Programme, we responded to this call.

The qualifying beneficiaries of this programme are citizens whose household income is from R3 501 up to R22 000 per month. This intervention seeks to ensure availability of affordable housing options across various income levels, thereby averting further spatial segregation.

The National Treasury encouraged by the uptake and the performance of the programme concurred with us to allocate additional resources to the programme. All targets were exceeded in the 2023/24 financial year, with 5 082 households being assisted through the First Home Finance.

The outlook for the financial year 2024/25 indicates that the targets will be met in the first 6 months of the current financial year with the entire budget utilised to support the qualifying beneficiaries to own a home for the 1st time in their lives. Going forward, the Department plans to disburse 140,000 gap market subsidies through First Home Finance (FHF) and other financial mechanisms, to enable middle-income households to access housing near economic centres. This programme fits in with the future of human settlement policy trajectory in that citizens are able to buy houses for the first time on their own aided by government.

In reaching new policy and collaborative frontiers, the department through the National Housing Finance Cooperation has partnered with some of the Traditional Authorities in some of the provinces with a number of projects under way in the following areas:

eThekweni (Inanda) - Inkosi Mqiki Ngcobo is allocating pieces of land to residents to build their homes with support from First Home Finance with 59 houses completed, 60 by end of financial year.

Ndwedwe Local Municipality (ILembe DM) - Inkosi Ngcobo from Umlamula Traditional Council, Ozwathini has allocated pieces of land for households to build their homes with FHF assistance, 59 Completed houses and 18 at enrolment stage. Activation was also conducted in the following areas, Umkhanyakude DM; Bulwer (Inkosi uDlamini Traditional Authority) and Umgungundlovu DM-- Mafuze area.

Mr President,

Through the NHFC, we are funding the development of new student accommodation projects and also fund the conversion of existing buildings which developers want to repurpose for student accommodation. We play this important role to make a positive contribution toward addressing the student accommodation backlog faced by the country.

We are aware of the student accommodation crisis besetting the Western Cape, thusly, the NHFC has funded two (2) 100% black-owned developers in the student accommodation market. The first project is in Belhar, and it has received a funding facility of R40 million rand to

construct 136 beds and the second project in Parrow for a building that started out as an affordable housing development programme which received a R170 million facility but has since been converted into a student accommodation with 927 beds.

The 7th Administration mandated us to accelerate the rate of delivery to our citizens and to enhance our delivery mechanisms. At the heart of our approach is the lived experience of the citizen in need of the housing opportunities. It calls upon us to simplify our processes, work steadfastly and relentlessly to ensure the realisation of these needs across all of our housing opportunities offerings.

We will focus on provision of **Title Deeds** to our citizens by simplifying and streamlining the issuance of Title Deeds and introducing a special dispensation through which municipalities could ask the Department of Cooperative Governance to exempt specific cases from the provisions of SPLUMA in respect to the undeclared townships as the intended protections these clauses sought to extend are moot in situations where people are also ready settled in excess of 10 years. This step will assist in the acceleration of land tenure security and enable homeowners to

leverage property assets for wealth creation, restoring dignity, the Department plans to issue 80,000 title deeds in the five years.

We will also meet the targets the President spoke about regarding provision of **Serviced Stands** by earmarking a portion of funds available in the Human Settlements Grants across all Provinces and Metros in the coming financial year.

The Department aims to deliver 200,000 **housing units** for households earning less than R3,500 per month, prioritizing well-located land near economic opportunities and social amenities. In this way, we will also be responding to the needs of the most vulnerable amongst our citizenry.

A target of 13,000 **social rental housing units** will be delivered in urban restructuring zones, thus promoting densification and affordable rental options within economic hubs. This intervention is also aligned with the future thinking of the department. In this way, government is aiding those that can afford rentals to aid them to rent affordably in any area of their choice.

The Department is working together with the Department of Military Veterans (DMV) in the provision of adequate housing to Military Veterans. The Programme is based on the 2012 Memorandum of Understanding (MoU) signed between the two Ministries to provide decent housing for Military Veterans.

In the past five years, between 2019 - 2024 a total of one thousand and eleven (1 011) Military Veterans have been housed Nationally. During this financial year, provinces such as EC, FS, KZN, LP, WC and Mpumalanga have managed to house 118 bona fide Military Veterans.

To accelerate implementation of the programme, cabinet has approved that the department should also consider building 40 square meters units for the surviving spouses and dependents of deceased bona fide Military Veteran build 40 square meters units for beneficiaries who qualify but are not yet verified by the DMV.

Through the Housing Development Agency (HDA), the Department is emphasizing the acquisition of **inner-city buildings**, (largely those that are abandoned, disused, under-utilised or hijacked) as brownfields for the conversion into mixed-income rental housing mainly within Johannesburg, Cape Town, Kimberley, Mangaung, and eThekweni as the initial phase and in so doing, thus supporting urban regeneration and inclusivity.

We will leverage the Expropriation Act as recently signed by the Honourable President, notwithstanding the noise from certain forces, the HDA has been directed to **acquire both State- and Privately-owned land** in well located areas suitable for human settlements.

To date, the Department of Public Works and Infrastructure has released in excess of 2717 hectares of state-owned land required for human settlements development. The released land parcels are currently at various development planning and implementation stages.

The Department has further identified and requested through the Housing Development agency (HDA) in conjunction with the respective Provinces and municipalities release of 7637 and 8981 hectares respectively of state land held nationally by the Departments of Public Works and Infrastructure and Rural Development & Land Reform. The availability of suitable land is a catalyst for acceleration of housing development and upgrading of informal settlements.

We remain committed to addressing the persistent challenge of **informal settlements**. The Department plans to provide upgrading support to a total of 4,075 informal settlements, which are at various levels and phases of upgrading into becoming formalized and declared townships. The priorities for this work are provision of basic & temporary services, re-blocking, *in-situ* upgrading, near-site relocations and bulk infrastructure as a catalyst for provision of top structures.

Madam Speaker,

In the next financial year, the Department, inspired by the new **White Paper on Human Settlements** approved by Cabinet, will reposition itself to be responsive to the new tenets of the White Paper.

Accordingly, we will pursue legislative programme to strengthen the legal edifice of the sector to enable accelerated delivery of services. This work includes the finalisation of **review of the Prevention of Illegal Eviction (PIE) Act** undertaken by the Department informed by the insights and dictates of the Constitutional Court in the case of **Commando and others vs the City of Cape Town**.

The Highest Court in our land again was instructive in that we have a responsibility to halt the march of gentrification in which the poor are shifted to the margins of our cities. The interventions I have highlighted above seek to integrate communities and to ensure that the poor have access to housing opportunities in well located areas and close to work as well as other social amenities.

Honourable Speaker,

In our resolve to push back the frontiers of apartheid spatial planning, there are major aspects that will shift the needle in the next five years and our strategic focus is on supporting implementation. We do so having analyzed the spending patterns and delivery performance of all the provinces for the financial years 2023 /24 and 2024 /25 (*which is current*). This analysis requires us as the national department to support the provinces that do not perform and where we have to cut their budget to reallocate them to performing provinces.

In **2023 - 24** financial year the **Human Settlements Development Grant (HSDG)** total allocation for Provinces on the Human Settlements Development Grant was R13.7 billion and the expenditure amounted to 97%. Certain Provinces were able to spend 100% of their total allocated funds are follows; EC (R1.4 billion, NW (R1,2 billion) and LP (R1.2 billion). The total allocation of the WC was reduced by R250 million from R1.7 billion to R1.5 billion due to non-performance.

The picture for the current financial year 2024/25 based on 2nd quarter analysis of the performance of provinces highlighted the that some Provinces were sitting below the normative 50% expenditure threshold of the **HSDG** as follows WC (41%), GP (42%) and FS (46%), whereas other

Provinces were above 50% as follows LP (71%), MP (65%), KZN (59%) and NW (57%).

As at 30 September 2024, with reference to the **Informal Settlements Upgrading Programme (ISUPG)**, Provinces that were below the 40% mark were WC (20%) and GP (30%) and the following Provinces were above 50% expenditures as follows LP (64%), MP (53%) and KZN (51%).

The total allocation of the **ISUPG** was R4.2 billion and the expenditure amounted to 86%. KZN, NC and MP spent 100% of their annual allocations and EC and FS spent 99% and 98% respectively. The lowest province with 60.3% spending was WC province and the unspent funds that had to be surrendered back to the National Revenue fund were R222 million.

We will continue our efforts to support the non-performing provinces as this is a pre-requisite for us to deliver effectively on this concurrent Constitutional functional.

There is no time to waste, South Africans want us to fundamentally change their lives for the better. Ours is a solemn commitment to the clarion call to ensure 'housing, safety and comfort'.

We are buoyant to carry that task with precision.

We dedicate this debate to Joe Slovo as we commemorate 30 years of his untimely passing.

I thank you.