



**MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

**SPEECH BY MINISTER THEMBI SIMELANE, MP, DURING THE NATIONAL
COUNCIL OF PROVINCES POLICY DEBATE ON BUDGET VOTE 33: HUMAN
SETTLEMENTS
09 JULY 2025**

Chairperson of the National Council of Provinces

Deputy Chairperson of the National Council of Provinces

Honourable Chairperson, Albert Seabi and Members of the Portfolio Committee on
Human Settlements

Deputy Minister of Human Settlements, Hon Tandi Mahambehlala

Honourable Members

Fellow Cabinet Members

Members of the Provincial Executive Committees

Director-General of the Department of Human Settlements, Dr Alec Moemi and
Deputy-Directors General

Chairpersons and Members of Boards and Councils of the Entities of Human
Settlements

Chief Executive Officers of the Entities of Human Settlements

Fellow South Africans and Ladies and Gentlemen

Good afternoon,

It is both an honour and a solemn responsibility to table the 2025/2026 Budget Vote for the Department of Human Settlements before this esteemed House. I do so with a deep sense of duty, knowing that behind every line item is the aspiration of a family, the dignity of a household, and the hope of a community.

House Chairperson,

We table this Budget Vote under the theme: **“Leveraging technologies for resilient, sustainable human settlements”**. This theme is not aspirational; it is operational. We are taking advantage of the latest technologies to improve our systems.

The past five years or the 2019-2024 Medium Term Strategic Framework (MTSF) have challenged us. We drew some lessons. Amid rapid urbanisation, climate change and disasters we have never experienced, persistent inequality, and constrained resources, the need for responsive, people-centred housing delivery and effective use of technology has never been greater.

We understand that the challenges ahead, especially under fiscal constraints, demand innovation, intergovernmental alignment, and public-private partnerships.

Honourable Members,

For the financial year 2025/2026, the Department of Human Settlements is allocated just over R34 billion. About R30.8 billion of this allocation is grants to Provinces and Metros, constituting 90.7% of our total current budget allocation.

This allocation will be distributed as follows:

- Over 14 billion for the Human Settlements Development Grant (HSDG) to provinces
- R9 billion for Urban Settlements Development Grant (USDG) to the country's metros. Over R7 billion for Informal Settlements Upgrading Partnership Grant, both Provinces and Municipalities.
- R1.6 billion will be transferred to entities.

This budget is not merely a figure. It is a commitment to every citizen waiting for a home, to every community seeking stability, and to every province and municipality striving to improve its delivery outcomes.

As we begin to lay the foundation of the recently approved 2024-2029 MTDP, we have committed to deliver the following during the 2025/2026 financial year:

- 41,944 housing units
- 32,250 fully serviced sites with water, sewer, electricity, and roads
- 4282 units through the First Home Finance programme
- 3000 social housing units, and
- Eradicate 8,047 mud houses

These outputs stem directly from our five-year MTDP 2024-2029, which includes the delivery of over 700,000 housing opportunities through various housing programmes.

Honourable Members,

Our commitment to encourage the delivery of affordable housing through First Home Finance and social housing has seen the National Housing Finance Corporation (NHFC) and the Social Housing Regulatory Authority (SHRA) allocated just over R800 million of the R1.6 billion transferred to other entities of the Department.

Although this allocation is modest given the demand, it will enable the delivery of 4,282 First Home Finance units and 3,000 social housing units within the 2025/2026 financial year.

Yesterday we had a meeting with the Minister of Public Works and Infrastructure, Minister Dean Macpherson to discuss about the land and properties which are under the Department of Public Works and Infrastructure (DPWI) that can be utilised by the Department for social housing or repurposed for Temporary Emergency Accommodation (TEA), especially during disasters. Moreover, DPWI land parcels can

be a catalyst for First Home Finance, thus enabling the missing middle to build their first homes.

Honourable Members,

The upgrading of our informal settlements is a national imperative. The recent disasters, which continue to drain our resources, are a testament that we should do something impactful in these informal settlements.

We have undertaken various initiatives to upgrade informal settlements as part of our broader goal to improve living conditions and promote inclusive urban development. Key among these efforts is the Upgrading of Informal Settlements Programme (UISP), which aims to provide secure tenure, access to basic services such as water, sanitation, and electricity, and eventually formal housing.

Therefore, upgrading of 4075 informal settlements over the MTDP remains a central pillar of our strategy to address urban poverty and housing inequality. Accordingly, we have allocated over R7 billion between April 2025 and March 2026 for this programme.

We cannot succeed in isolation. Collaboration with all spheres of government leveraging the intergovernmental relations, NGOs, and communities to implement in-situ upgrades that minimise displacement and maintain community cohesion is essential. I call upon Provinces and Metros to utilise the over R7 billion through Upgrading of Informal Settlements Programme Grant (ISUPG) strictly to improve the living conditions in informal settlements.

House Chairperson,

We express our sincere appreciation to traditional leaders, including Inkosi Mqoqi Ngcobo of eMaqadini and Inkosi Bhekamanganga Shoji of Emangangeni in KwaZulu-Natal and namanye amakhosi in other provinces who continue to play a vital role in accelerating housing delivery in our country. Amakhosi are the custodians of communal land. Their involvement helps ensure that land is made available legally and appropriately.

Amakhosi have responded to our call to avail land parcels for human settlements development. Inkosi Ngcobo and other traditional leaders have made communal land accessible for disaster response and housing initiatives at Inanda, eThekweni and other areas.

Working closely with municipal and provincial authorities, traditional leaders also help coordinate community engagement, address concerns, and ensure that developments succeed. Their presence and leadership can discourage wrongdoing, identify irregularities, and ensure that housing benefits reach the intended recipients. By fostering cooperation between communities and government, traditional leaders help to create an enabling environment for faster, more inclusive, and culturally sensitive housing development.

We must take this opportunity to also commend traditional leaders who have partnered with the NHFC to enable rural households in the gap market to build their first homes through First Home Finance.

Honourable Chairperson,

The budget allocated to us in the current financial year must be used to restore people's dignity. As a sector, we shall endeavour to ensure that by March 2026, every cent is spent towards impactful human settlements development.

To our provincial counterparts, the engine rooms of implementation, we must underscore that poor-performing provinces will face greater scrutiny, but high-performing ones will receive additional support through the stopping and reallocation of resources.

One of the most painful legacies we still carry is the lack of ownership among beneficiaries of fully subsidised government housing. A title deed is not just a paper. It is an instrument of dignity, economic empowerment, and security.

The major challenge to this project is the delayed and stalled processes of township establishment and proclamation. In this regard, we have resolved to seek concessions

in respect of certain provisions of the Spatial Planning and Land-Use Management Act (SPLUMA) and the National Environmental Management Act (NEMA) from the respective Ministries.

Accordingly, the increased delivery of 80,000 title deeds will be a critical focus area during the next five years, to ensure security of tenure and unlock household asset value. We will continue to prioritise our work as part of Operation Vulindlela to accelerate title deeds delivery, because coordination between various sector departments is central in unlocking some of the challenges that currently exist.

Honourable Chairperson,

We have pronounced and are resolute in our commitment that we will revive and complete all the blocked projects. We must complete what we have started and prioritise the completion of existing housing projects. That is what we have undertaken to do.

Stalled housing projects have had a significant negative impact on both communities and the broader economy. These stalled developments often leave thousands of people in limbo, waiting for access to adequate housing, which exacerbates overcrowding in informal settlements and worsens social inequalities.

The failure to complete housing projects also represents a waste of public funds, undermines trust in government institutions, and stalls local economic development that could arise from construction jobs and related services. Additionally, blocked projects can become sites of vandalism, crime, and decay, further eroding community well-being, and delaying much-needed urban renewal. Therefore, completing these projects is not an option but a must.

Honourable Members,

Blocked projects have also affected the provision of social housing units. To this end, we directed the Social Housing Regulatory Authority (SHRA) to aggressively scale up

the completion of social housing units by unlocking stalled projects, accelerating approvals, and enhancing project viability.

While we continue to honour our undertaking to ensure qualifying beneficiaries have access to rental stock or social housing units, we remain concerned about tenants who often default on their contractual obligations. This has led to several Social Housing Institutions (SHIs) experiencing financial difficulties. To avoid these situations, the SHRA will implement early intervention strategies to prevent SHI distress, monitor rent collection trends, and maintain financial oversight.

Moreover, accreditation processes will be overhauled to attract capable entrants proactively, supported by accelerator partnerships and training interventions. A panel of skilled, transformed service providers will be established to assist with governance, legal, and operational turnaround for struggling SHIs and projects.

Honourable Members, help us to communicate a clear message to our communities that social housing is strictly for rental and not rent-to-buy. Tenants must pay their rents and for services.

Honourable Members,

We are in the process of reviewing the Housing Subsidy System (HSS), a system we developed a few years ago. The current system is not compatible with the latest technologies and lacks the critical component of citizen engagement.

Working with the State Information Technology Agency (SITA), we have started developing the National Digital Human Settlements Management System (NDHS MS), which will modernise the way we manage human settlements data and improve coordination across departments. This will address current inefficiencies by providing a centralised platform for better resource management and service delivery.

Furthermore, it will improve efficiency, transparency, and accountability in the management of construction projects, ensuring the timely completion of projects and accurate allocation of resources. This integrated software solution aims to streamline

and automate various processes related to managing human settlements. It will help government housing authorities, urban planners, and city administrators to efficiently manage housing, land, infrastructure development, housing beneficiary lists and related aspects of human settlements.

Most importantly, the NDHS MS enable citizens to apply online for a housing product and be informed about the outcome of their applications.

The Housing Development Agency (HDA), an entity of the department, has also developed and piloted the Beneficiary Experience Tracking Application (BETA), a digital platform to monitor beneficiary experience of those who have received a housing subsidy from the state. This allows us to understand the impact of state subsidies through a spatial transformation framework of analysis.

Honourable Chairperson,

In closing, we have examined the multifaceted challenges and opportunities within our housing landscape today. We have discussed the urgent need for affordable housing, the importance of sustainable development, and the necessity of inclusive communities. I believe we can all agree that access to safe, secure, and affordable housing is a fundamental human right. Each project we delay, each budget we underspend, is a dignity deferred. But every title deed we issue, every house we hand over to Gogo Dlamini in KwaMashu and every serviced site we give to someone within the gap market, is hope restored.

I therefore commit myself, my team, and the Human Settlements family to do everything in our power, to continue to restore the dignity of our people through integrated human settlements. This we will do as we take ownership of “our” clause in the 1955 Freedom Charter of ensuring there are Houses, Security and Comfort.

We present to you a people-centred budget!

Ke ya leboga!