



BUDGET VOTES 2021

TAKING PARLIAMENT TO THE PEOPLE



**Public Works, Infrastructure
and Human Settlements**
(Speech for the Department of
Human Settlements)
(VOTE 13)

Hon. M.A Kolozi

DATE: TUESDAY, 30 MARCH 2021

VENUE: KOPPIES, KOPPIES TOWN HALL

TIME: 10AM

**THEME: "GROWING THE FREE STATE TOGETHER
DURING THE PERIOD OF COVID-19"**



human settlements

Department of
Human Settlements
FREE STATE PROVINCE

BUDGET VOTE SPEECH FOR THE 2021-2022 FINANCIAL YEAR

VOTE 13: HUMAN SETTLEMENTS

PRESENTED BY MEC MOTSHIDISE KOLOI

**MEMBER OF THE EXECUTIVE COUNCIL FOR PUBLIC WORKS,
INFRASTRUCTURE AND HUMAN SETTLEMENTS**

30 MARCH 2021

KOPPIES - TOWNHALL

Madame Speaker

Honourable Premier

Fellow Members of the Executive Council

Members of the Legislature

Marena le Dikgosi

Executive Mayors, Mayors, Honourable Speakers, Chief Whips and
Councillors

Director General of the Province

Heads of Departments

Veterans and Stalwarts of our Liberation Struggle

Stakeholders in the Human Settlements Value Chain

Ladies and Gentlemen

Citizens of the Free State

Madame Speaker, owning a house is a right. It is a right that is ascertained by Chapter 2 of the Constitution as founded on the 1955 Freedom Charter. This right has been made a reality by the government of the African National Congress. This month, the Human Rights Month, reiterates the right of a nation, among other rights, to live in decent homes, in integrated, sustainable human settlements. It also reminds us that humanity cannot survive without a home and calls upon us to ensure that this goal of housing a nation sustainably, is attained.

The essence of the mandate of which we are responsible, i.e. development of human settlements is at the core of humanity.

This was expressed in Minister Lindiwe Sisulu's message at the Human Settlements Indaba early March 2020: "Housing is a foundation upon which all rights rest! Without stable shelter, everything else falls apart!"

This reality became even clearer now as we face COVID-19. A home well equipped with requisite services is indeed at the core of human development and survival. This ought to be our ultimate, shared vision.

Our department is about survival of the humankind. Everyone deserves a good home, a good home as defined in Outcome 8: Sustainable human settlements and improved quality of household life. This is not just any home; it is a home in a spatially integrated settlement.

Having laid this foundation to get us all focused on this single goal; let me go on to reiterating the overall importance of integrated approach in the work of government, as so strongly emphasised in our plans all of which

flow from the National Development Plan – itself a document of government integrated goals and plans. This approach calls for the critical need of alignment of the businesses of government for effective and integrated planning, optimisation of resources to derive much value throughout various value chains, and critically calls for unity of purpose.

This period of the 6th administration, is in dire need of this aligned approach as we seek to collectively achieve government key priorities and objectives with the most dwindling resources in an overstretched economy.

Madame Premier, the year under review, the 2020-2021 financial year, proved to be a challenging year beyond our wildest thought. This is a year in which we experienced what it means to do things differently, and to adapt our plans to what is innately critical – **survival of the human species**. This is the year in which a new vocabulary had to be learned, and a new way of thinking and living had to be imposed on us; and with no choice, we had to adapt to a new normal life.

COVID-19 ruthlessly hit our shores in March 2020, and we had no option but to listen and act accordingly. Like the resolute nation that we are, we did not bow helplessly as it ravaged through our villages, towns and townships. Instead, we stood resolute and steadfastly worked in unison to save as many lives as we could. Our economy, as with all economies worldwide, was much affected by this pandemic. Our people were left devastated and helpless, but hopeful for a better end, an unseen and unknown enemy had occupied a fair share of our life as we knew it, and brought us to a total halt witnessed through the lockdown.

On this note Madame Speaker, let me highlight challenges that affected our work in this period. We had barely reached the end of the last term of the 2019/2020 financial year; had not even firmly started working in the new calendar year, 2020, when we had to stop in our tracks without warning. We had not even started the new financial year when we had to shift focus and attend to the demands of COVID-19. This Madame Speaker rammed into our targets and incapacitated us throughout the Human Settlements value chain. We also had to redirect attention and resources to acquire protective equipment for employees who had to work in the front line, and also contribute to provision of protective items to various communities.

Our targets as we had set them for the year had to be affected as work stopped during Level 5 Lockdown and well into Level 3. This prevented us from completing our work and thus could not meet targets set for the 2020-2021 financial year. In essence, this meant that our goal to house our people as set in our targets could not be reached. We could not contribute as planned to the national key priorities either. All our targets were thus affected and we had to shift our focus to attend to the urgent matter at hand, the devastating effects of the COVID-19 pandemic.

The overall national challenges affecting human settlements became even more evident as a result of the impact of COVID-19. The country had a rise in unemployment, unfavourable economic conditions, a standard rise in urbanisation, increase in vulnerability led to more demand in our services against the backdrop of a decreasing budget.

Madame Speaker, one of the challenges that stood out in this era was aggravated by the fact that families stayed home, and they had to share smaller spaces. Under normal circumstances they could find ways of managing this scenario as they could go to work, visit friends and not all be at home at the same time for an extended period.

As jobs were lost, some of those who could afford to rent their own accommodation had to go back home and face a new challenge and reality of sharing a home.

This scenario reflects the national challenge as captured in our Human Settlements Breaking New Ground document:

“As a result of high rates of unemployment, housing and service provision has not kept pace with household formation, and a range of other factors have had negative impact on social coherence and crime, particularly contact crimes (comprising 40% of all crimes). This has a human settlement dimension in that many of these crimes typically take place in private, domestic spaces where public policing has limited impact. Moreover, informal settlements have been associated with high levels of crime.”

Also in this time there was a rise in demand for Rental Tribunal interventions as rental accommodation issues rose significantly due to unemployment. This challenge has placed on human settlements an increased need for our services.

Madame Premier our work employs many in our communities and provides livelihood. With COVID-19, work stopped abruptly towards the end of the financial year, and it meant that contractors stopped work which affected employment. The resumption of work was met with a number of challenges such as shortage of various building material as manufacturers had been closed. Demand of material to build rapidly increased throughout the country resulting in further delays for housing construction.

An added challenge in this era was a significant rise in material cost across the construction value chain. Most of our contractors had to wait for a long time to start work, and where some got material, it would be shortage of supply of material.

Re ile ra iphumana re shebane le monna wa mateneng!

Budget cuts in this period as the country sought to redirect finances towards the budget for fighting COVID-19, left us with a significant shortfall, thus affecting our targets.

Thus Madame Speaker, we fell short of building the targeted number of houses and within the constrained environment. Last year we reported that we are still busy with eight township establishment in in six Municipalities. We are pleased to announce that amidst the COVID 19 pandemic and lockdown restrictions, our work continued and have to date completed all the basic studies in all these projects.

To date, applications in respect of the township establishment processes have already been circulated for comments with various stakeholders in six settlements across four Municipalities. These settlements are:

- Marikana and Palamenteng in Mantsopa Local Municipality
- Clocolan Internal Settlements in Setsoto Local Municipality
- Baipeing and Slovo Park in Masilonyana Local Municipality
- Vergenoeg in Nala Local Municipality

In the coming year, we will be submitting these applications to the Municipal Planning Tribunals for approvals in a quest to ensure that our people enjoy the sustainable human settlements. We are hopeful that we would have completed at least 70% of the township establishment projects during the first half of the financial year 2021/22.

The department further plans to deliver 2 237 housing units of which 2 118 will be new individual housing units, 60 will be for the Finance Linked Individual Subsidy units and 59 for Community Residential Units

These challenges, undeniably had, and still have, a sizeable impact on our progress and rate of providing homes. As a result, the department to date has completed 1,729 housing units across all programmes against our target of 2,581 and 3,631 sites against a target of 3,778. We delivered 2389 title deeds.

In summary Madame Speaker, as a result of the time lost due to the effect of the COVID-19 pandemic, the department had to adjust the schedule for its projects into the new financial year. A significant portion of projects that were planned for the current financial year, 2020-2021 to provide houses were delayed. This will have an impact on the targets and work of the department in the 2021-2022 financial year.

We are now at a stage where we are rising from the devastating effects of COVID -19, we are regrouping and determined to make sure that we are ready for hard work in the coming financial year. This Madame Premier, means that we have aligned our targets to the Key Priorities of Government, the national Department of Human Settlements targets in line with national priorities as identified in the National Development Plan.

Let me outline this Budget Vote alongside these priorities and illustrate how we will use our funds to focus on our targets and support these priorities. Our context Madame Speaker is premised in the context of the State of the Nation Address which flows from the African National Congress, the ruling party's, January 8 Statement. In his State of the Nation Address, Honourable President Cyril Ramaphosa listed priorities for this financial year and within broader priorities of the Medium Term Strategic Framework and he said: “

- First, we must defeat the coronavirus pandemic.
- Second, we must accelerate our economic recovery.
- Third, we must implement economic reforms to create sustainable jobs and drive inclusive growth.
- And finally, we must fight corruption and strengthen the State.”

Within these key priorities are the broader Apex priorities set in 2019 for the MTSF to 2024 are:

- Transforming the economy and creating jobs
- Stepping up fight against corruption
- Advancing health and education
- Fighting drug abuse, gangsterism and GBV
- Building a capable state
- Fostering greater social cohesion
- Building a better Africa and a better World

Madame Speaker our work is guided by the goals of the National Development Plan. Chapter 8 of the plan, Transforming Human Settlements, outlines human settlements goals, objectives and indicators as interlinked to the work of other government departments. It is here that our targets for a transformed human settlements development, are determined towards ensuring that we meet national priorities through human settlements, and derive maximum benefit from the value chain thereof.

For, Madame Speaker, through human settlements development we can and do contribute towards other sustainability elements such as economic development, job creation, skills development, improved health through healthy environments, spatial redress to address spatial planning of the apartheid era that had and still does have detrimental effect on our people; social cohesion and overall creation of a better life. It is our belief that at the core of a better life, a prosperous humanity, lies human settlements

that are better planned to address integrated development and sustainability.

Madame Speaker the National Development Plan's goal for human settlements is to ensure spatial transformation while also transforming the whole value chain towards sustainability and optimal creation of housing opportunities while simultaneously contributing towards the key priorities of government as listed above.

How will the Department of Human Settlements in the Free State contribute towards these key priorities as it works to achieve Outcome 8 outputs, as well as the goals and targets of the National Development Plan?

In order to implement housing and human settlements transformation to achieve social and spatial justice in identified priority development areas, the department will implement its programmes as budgeted. Our budget will be used in the following programmes to address these priorities. Here we outline our key projects and programmes for the year and the intended impact that these are planned to make through the said targets. I would like to remind the house that the budget has been significantly reduced due to various reasons. We will, to the best of our ability, optimise our resources to meet set targets.

The national Human Settlements Development Grant of **R 786 254 million** and the Upgrading of Informal Settlements Partnership Grant of **R228 001 million** will be used to complete the following work:

DEVELOPMENT OF SITES

Land acquisition and development of sites is key in ensuring security of tenor and in the coming financial year 2021/22, we plan to develop, 8 892sites. This in essence means that we will be installing water and sewer reticulation networks in order to service sites.

POLICY SHIFT: INCREASED FOCUS ON SITES OVER HOUSING UNITS

It is crucial to note Madame Speaker, that due to policy shift dictated to by our observation of what the needs on the ground indicate, we will focus more on ensuring that more sites are available to give our people opportunities to build houses for themselves. We have been told repeatedly through our National Housing Needs Register and in our other interaction with communities, that most people are asking for sites. Let me hasten to assure our people that this does not mean that we will stop building houses for those in need however it means we will prioritise vulnerable groups.

HOUSING UNITS

The number of our housing units for construction has been greatly reduced as a result of policy shift indicated above, as well as due to a reduced budget. We have, for 2021/2022 financial year, committed to completing 2 237 housing units across the province at a cost of R334 824 146. In alignment with policy and the current economic climate, we are compelled to prioritise vulnerable groups that include, the elderly, people

living with disability, child headed households and people in direst situations.

TITLE DEEDS FOR SECURITY OF TENURE AND LAND OWNERSHIP

Title deeds are proof of land ownership, and security of tenure as it were. We are about houses, security and comfort and must thus, live to the promise of the Freedom Charter.

Let me reiterate the fact that we are addressing both the backlog and new title deeds simultaneously. Our aim is to provide title deeds instantly as sites are completed, and work steadfastly and methodically to issue title deeds in the backlog. A number of reasons contributed to this backlog and I can assure this house that my department is working with municipalities to address these.

New or current title deeds will be managed at a budget of R3 021 700 for acquisition of 2 126 title deeds. The backlog of 2 591 title deeds has been allocated R21 736 040 for dispute resolutions and litigations to ensure that we slowly eradicate this amount of backlog title deeds and almost 5 000 families will have proof of ownership of their homes. Madame Premier, accordingly, we work with the Office of Speaker in various municipalities to ensure that these title deeds reach their owners and plead with communities to visit their local municipal offices.

It is worth noting Madame Speaker that the Title Deed Restoration Grant ceases at the end of this current financial year, and the title deeds backlog

will now be incorporated into the Human Settlements Development Grant Business Plan.

DEVELOPMENT OF MINING TOWN

As part of our intervention in ensuring the adequacy of bulk infrastructure, we have allocated R30 million towards bulk infrastructure development in Welkom. The programme for the Development of Mining Towns is one of the Presidential initiatives to resuscitate the economy here and create sustainable jobs while providing much needed homes and decent human settlements and infrastructure for improved services.

LAND ACQUISITION

The plight of our people for land ownership has been this government's priority as part of redressing the effects of the 1913 Land Act that dispossessed our people of the land from which they lived sustainably. It is upon land ownership that our response to poverty eradication, job creation and home ownership lies. To give impetus to the rapid land release programme, we have allocated R60 million to acquire land 1001.7486 hectares of land to see the release of thousands of serviced sites to our communities

PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS (PHSHDAs)

Madame Speaker last year we spoke about Priority Human Settlements and Housing Development Area as one of the consolidated ways of human settlements development introduced by the ANC government.

This programme contributes to directly addressing spatial transformation, integration and sustainability through multi-programme integration.

The declared PSHDAS in the Free State are in various areas such as in Mangaung Metropolitan Municipality, Maluti-a-Phofung Local Municipality, Moqhaka Local Municipality, and Metsimaholo Local Municipality as detailed below.

MUNICIPALITY	SPECIFIC PRIORITY HUMAN SETTLEMENTS AND HOUSING DEVELOPMENT AREAS
Mangaung Metropolitan Municipality	Botshabelo Development Node
	Thaba Nchu Development Node
	Mangaung South West
	Mangaung Airport Node
Maluti-a-Phofung Local Municipality	Phuthaditjhaba Development Area
	Harrismith/Tshiame SEZ
Moqhaka Local Municipality	Kroonstad Town
Metsimaholo Local Municipality	Sasolburg North
Matjhabeng Local Municipality	Welkom and Matjhabeng Rural
Dihlabeng Local Municipality	Bethlehem Development Node

Madame Speaker let me reiterate that these Priority Human Settlements and Housing Development Areas will advance Human Settlements spatial transformation and consolidation and ensure that provision of human settlements is used to restructure and revitalize towns and cities in an integrated manner to achieve sustainability. They will also strengthen the livelihood prospects of households and overcome apartheid spatial patterns by fostering integrated urban forms.

In a nutshell, these will be planned to improve the functioning of these towns and enhance livelihoods in an integrated manner. In this financial year Madam Speaker, we will be working towards ensuring that we develop comprehensive implementation programmes for each of the declared PSHDA (PHDAs)

Madame Speaker, the emphasis with these PSHDAs is placed on synchronizing various government projects and programmes with the intention of also attracting private sector investment.

ALLOCATION PER DISTRICT

Madame Speaker, the implementation of a “One Plan” “One Budget” has been our priority. In advancing the District Development Model, the Department places emphasis on inter-governmental project planning, budgeting and implementation coordination to ensure alignment of resources. For the coming financial year, Madame Speaker, in summary, our work and requisite budget will be distributed as follows across the province as specified per district. The budget also includes detailed planning work across the province and bulk services for Mining Town of Matjhabeng as allocated per region below:

DISTRICT	SITES	UNITS	TITLE DEEDS - New	TITLE DEEDS - BACKLOG	BUDGET
Thabo Mofutsanyana	1809	305	305	1202	R163 410 281
Fezile Dabi	1 649	475	475	754	R R158 255 649
Lejweleputswa	3 572	436	420	0	R296 049 892
Xhariep	2 352	282	336	0	R171 885 420
MANGAUNG METRO	0	459	424	1202	R 122 989 323

MUNICIPAL ACCREDITATION

In the 2020/2021 financial year the National Department of Human Settlements conducted an internal assessment in preparation for the external assessment on the state of readiness for the Moqhaka Local Municipality. We have intensified the capacity support to Moqhaka Local Municipality through the purchase of 12 desktops and 4 laptops to ensure that the Municipality is able to utilise the Housing Subsidy system and register beneficiaries the National Housing Needs Register. In addition, the department has allocated R1 million to the Municipality for three consecutive years commencing in the 2020/2021 financial year for the recruitment of qualified practitioners in the Human settlements sector. We are now vigorously gearing towards the external assessment that is planned for the 2021/2022 financial year.

In the Maluti a Phofung Local Municipality, we have purchased 8 Laptops, 8 Desktops and 4 Printers as part of the Accreditation Support Programme to ensure that the Municipality has the systems to fast track data management on the Housing Subsidy system.

In the Matjhabeng Local Municipality we are in the process of developing the Municipal Master Infrastructure Plan, Spatial Development Framework (SDF) and the Human Settlements Sector Plan HSP)

In Dihlabeng Local Municipality we are in the process of concluding the Spatial Development Framework (SDF) and about to commence with the Human Settlements Sector Plan (HSP)

In 2021-22 financial year, a total of R1. 5 million has been set aside for accreditation support.

EMPOWERMENT PROGRAMME

A nation like ours, where youth unemployment is high at 42% calls for an undivided attention and clear plans for youth empowerment as called for by Honourable President Ramaphosa.

Equally, empowerment of women and of people with disabilities is at the apex of government focus hence the 30% budget allocation announced by the President and reaffirmed in various fora of government. We are committed to ensuring that our projects, and the entire value chain of our work, are designed to meet this need.

This being Human Rights Month, let me sum up the importance of women empowerment with a quote by Hillary Clinton, former US First Lady, when she delivered a speech at the United Nations Fourth World Conference on Women: “Women’s Rights Are Human Rights.”

In South Africa we often declare that when you empower a woman you empower a nation. Here we recall the role played by women struggle icons such as Charlotte Maxeke whom we celebrate this year. Ba ile ba tshwara thipa ka bohaleng ho lwela ditshwanelo tsa batho. We salute these heroes.

Madame Speaker empowerment programmes meant for previously disadvantaged communities is at the heart of government priorities. Programmes for empowerment of women and youth, form an inherent part of the ANC government. The Department of Human Settlements has contributed to this programme through steady advancement of contractors in these categories. We plan to do better with our more advanced programme such as the Contractor Development Programme for youth and women to ensure that we make significant contribution that is long term and sustainable.

GOOD GOVERNANCE

Madame Speaker, let me conclude by addressing issues relating to good governance in the department. We are proud to announce that we have achieved an unqualified audit opinion for the 2019/2020 financial year. This Madame Speaker indicates that we are on the mend, we are resolute on working better and optimally use our resources to serve our people well. We have also worked with the Auditor General to address issues of concern and improved accordingly as is necessary.

Moreover,, we are working with Law Enforcement on matters that needs this attention to make sure that the department's work is on par with regulations. We will continue to rise to do better.

Madame Speaker the work of the Department of Human Settlements will remain at the core of human development. We will continue to work towards a society that grows decent human settlements. We will, in adherence to the national theme this year, follow up on our commitments and aspire to making our future work better. We will ensure that our also contribution is seen growing the Free State; that it contributes to the growth of South Africa, as we work together to build a better Africa and a better world.

Let me thank my party, the ruling African National Congress for their guidance and support and for entrusting me with this huge responsibility. My gratitude goes to my family for always being on my side as I work relentlessly for the nation. I will also like to thank the Department of Human Settlements for their commitment to the course and ensuring that this work is done.

I therefore Madame Speaker, present the 2021-2022 Budget of the Department of Human Settlements herewith appended.

ANNEXURE B: VOTE 13 - HUMAN SETTLEMENTS		
VOTE 13		2021-2022
Department of Human Settlements	R' 000	
Programme	Amount	Percentage of Budget
Administration	141,468	11.27%
Housing needs, Research and Planning	19,518	1.55%
Housing Development	1,093,163	87.06%
Housing Asset Management, Property Management	1,471	0.12%
Total	1,255,620	100.00%
Economic Classification	Amount	Percentage of Budget
Compensation of employees	191,973	15.29%
Goods and services	55,107	4.39%
Interest and rent on land	-	0.00%
Transfers and subsidies to:	1,001,198	79.74%
Payments for capital assets	7,342	0.58%
Total	1,255,620	100.00%
Transfers and Subsidies	Amount	Percentage of Budget
Capital Transfer and Subsidies	1,016,407	77.57%
Earmarked Funds (Demolition and building of 2 room houses)	-	0.00%
Human Settlements Development Grant	786,254	77.36%
Title Deeds Restoration Grant	-	0.00%
Informal Settlements Upgrading Partnership Grant for Provinces	228,001	
Military Veterans Top Up Funding	-	0.00%
Expanded Public Works Programme	2,152	0.21%

End