

**BUDGET VOTE SPEECH FOR THE 2020-2021 FINANCIAL YEAR  
VOTE 13: HUMAN SETTLEMENTS**

**PRESENTED BY MEC MOTSHIDISE KOLOI**

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

**28 JULY 2020**

**FOURTH RAADSAAL, BLOEMFONTEIN**

Madame Speaker

Honourable Premier

Fellow Members of the Executive Council

Members of the Legislature

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

Director General of the Province

Heads of Department

Veterans and Stalwarts of our Liberation Struggle

Stakeholders in the Human Settlements Value Chain

Ladies and Gentlemen

Baahi ba rona ba Foreisetata, dumelang.

Madame Speaker, this budget vote speech is premised on the essence of the mandate of which we are responsible; development of human settlements which is at the core of humanity. This is expressed in Minister Sisulu's message: "Housing is a foundation upon which all rights rest! Without stable shelter, everything else falls apart!" This reality got 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.

Tabled in the 6<sup>th</sup> Administration of our democratic dispensation, the budget vote is hinged on the context of the broader umbrella theme and key priorities for government in this era; the decade of unity and renewal: Towards a social compact for cohesion and nation building.

Honourable Premier, the Budget Vote Speech takes into account the context of the work and challenges of the 6<sup>th</sup> Administration and address the theme: **Let's Grow South Africa Together**. This is a theme that will underline all of our work and messages to achieve this goal – growing South Africa together through unity and social cohesion. We will strive to align our work with the overall objective of the government as committed through the Medium Term Strategic Framework and expressed in the State of the Nation Address (SONA), and elaborated further in the State of the Province Address (SOPA).

Madame Speaker, it is only a few days after the International Mandela Day, which is held in honour and remembrance of nstate Mandela, South Africa's first democratically elected president. Unity and social cohesion were some of the struggle stalwart, Rolihlahla Mandela's quest for South Africa. In his honour, this budget is tabled to reiterate our position in working towards social cohesion and unity as we seek to improve the quality of household life, and the lives of communities overall towards a better South Africa and a better world.

Honourable Premier, the essence of Mandela Day – take action, inspire change, and make every day a Mandela Day – could not be more relevant this year as communities across the world are affected by the spread of

the COVID-19 global pandemic, which has hit every economy, demanding a new social and economic approach in the world.

More and more voices are calling for unity and social cohesion as a way of rebuilding the world, its economies, and for stability and sustainability. This Madame Speaker, are values that will carry this generation into a better future- working together to create a new normal, a caring world.

Madame Speaker, earlier I referred to the element of COVID-19 that is currently ravaging our society. From this crisis, we learnt to look at our work differently, with emphasis on comprehensive approach, integration and optimisation of resources of government to achieve more.

Honourable Premier, we will integrate better planning to our overall work, and in planning our human settlements to ensure that henceforth we prioritise key environmental issues so that we are better positioned to protect our communities in their homes. This will be our compliance to a reformed spatial planning that supports social cohesion and economic development. We have seen how this spatial consideration has contributed positively to some of our towns such as in Sasolburg where our Nic Ferreira houses are built within walking distance of the CBD; and here in Mangaung we see the positive impact of our houses in Hillsideview, whose residents only travel less than 10km to town.

In the previous financial year, we committed to a number of priorities as per our Annual Performance Plan. Among these were informal settlements upgrading and land acquisition, provision of housing units through our various programmes, title deeds distribution and security of tenure as part of our role to the country's goal for land ownership. We also committed to contribution towards the country's goal for youth and women

empowerment, empowerment of previously marginalised individuals and job creation through the Human Settlements value chain.

In the past year, our then pursued priorities, were not without challenges. Key among these was the ever dwindling budget against growing cost. Our late resumption of construction and a number of labour disputes as well as contractors whose agreements had to be terminated due to non-performance. These had a major impact on our progress and rate of completion of our housing units.

These challenges, undeniably had, and still have, a sizeable impact on our progress and rate of providing homes. As a result, the department completed 2 645 housing units across all programmes against our target of 4 785 units. The remainder of the target is work in progress at different levels of construction. We are in the process of empowering our contractors through various development programmes in order to achieve the level of proficiency befitting our service delivery requirements

It needs to be born in mind that some of our projects are multiyear projects. This means that we have staggered achievements which in some instances is not visible such as underground infrastructure installed in preparation for construction of housing units.

We can assure you Madame Speaker that these challenges are continuously met with determination to turn the tide, and continue to build homes for our communities. Se have, through our homes, changed the landscape of many of our towns and our townships, to one our communities are proud of. Over the years, we have made our people

proud owners of their homes and gave them security of tenure, a certainty of ownership/.

Madame Premier one of the key highlights of our achievements is the Hillsideview project which was launched by the Honourable President, Mr Cyril Ramaphosa and Minister Lindiwe Sisulu together with Premier Sisi Ntombela in October 2019. This project was selected as one of the projects exhibited at the Tenth World Urban Forum (WUF10) conference in Dubai early this year. This is the forum of the United Nations' Habitat to address one of the most pressing issues facing the world today such as rapid urbanization and its impact on communities, cities, economies, climate change and policies addressing the challenges of sustainable urbanization. This project made our President proud of our human settlements development work which sought to address other sustainability issues such as water conservation and energy optimization .

The department overachieved its goals on the provision of key services such as connection of 6 371 new sites to basic water and sanitation services where we had planned to connect 5 617. The overall achievement of our department is in our ability to provide one of, if not the most critical assets, a home and a foundation to building a nation.

## **FOCUSING ON THE 2020-2021 FINANCIAL YEAR**

Our key priorities for this financial year have been determined nationally as:

- Transforming the economy and creating jobs through Human Settlements value chain
- Stepping up the fight against corruption
- Building a better Africa and a better world. Through human settlements value chain, we will contribute poverty eradication, job creation, overall development and empowerment of communities to creating peaceful communities and society.

These priorities will be translated into our key focus areas for the year, and term of administration These are;

- Spatial transformation through multi-programme integration in 94 national Priority Development Areas and rezoning of acquired land for human settlements development.
- Adequate housing and improved quality living environments
- Security of tenure, through faster title deeds distribution and eradicating the related backlog.

Various aspects of our programmes will address these priorities and targets. Outlined below are such key programmes for the year and into the Medium Term Strategic Framework (MTFS).

## **PRIORITY HOUSING DEVELOPMENT AREAS (PHDAs)**

This programme contributes to directly addressing spatial transformation through multi-programme integration. In my Budget Vote address of 2019, I announced that National Department of Human Settlement, declared 5 Priority Housing Development Areas (PHDA), in the Free State in Sasolburg North; Harrismith SEZ; Mangaung N8 Corridor; Bakenpark, Panorama, Dihlabeng NU. These PHDAs will advance Human Settlements spatial transformation and consolidation through ensuring that delivery of housing is used to restructure and revitalize towns and cities. 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.

Madame Speaker, the emphasis with these PHDAs is placed on synchronizing the following national housing programmes:

- Integrated Residential Development Programme (IRDP)
- Social Housing Programme in Restructuring Zones
- Informal Settlements upgrading Programme (ISUP)
- Finance Linked Individual Subsidy Programme (FLISP)
- Special Presidential Package Programme on Revitalization of Distressed Mining Communities

Madame Speaker, aligned to the Priority Housing Development Areas are the Restructuring Zones. The criterion for Restructuring Zones is based on the policy requirements and review of all identified municipalities'

Spatial Development Framework. These criteria take into account the zone's ability to achieve:

- Social Restructuring which means, creating opportunities for a greater mix of different income and racial groups, and social development.
- Economic Restructuring which is creating employment opportunities and bringing the poor to areas where there is relatively high concentration of employment opportunities, and,
- Spatial Restructuring which means ensuring that such an area is structured to promote equitable development and access to urban opportunities, equally undoing the spatial imprints of the apartheid as one of the key concerns in this regard.

In the Free State Madame Speaker, a total of five (5) preliminary Restructuring Zones have since been identified after thorough research conducted, based on their unique potential. The following area were identified:

- Mangaung Metropolitan Municipality
- Matjhabeng Local Municipality
- Maluti-a-Phofung Local Municipality
- Dihlabeng Local Municipality
- Metsimaholo Local Municipality

Restructuring Zones Applications for 3 of the listed municipalities have been submitted to the National Department of Human Settlements and we await the Minister's approval. The other two, Dihlabeng and Maluti-a-Phofung's submissions for applications are pending.



## **CATALYTIC PROJECTS FOR OPTIMISED RESTRUCTURING OUTCOMES**

Madame Speaker, catalytic projects are government's instrument to restructure settlements patterns and make positive changes towards sustainability and integration. Madame Speaker, we will continue with government programme of implementing our 5 approved Catalytic Projects which will collectively These are are:

- Mangaung Metro which includes
  - Caleb Motshabi; (
  - Estoire/Airport Node and
  - Vista Park 2 & 3.
- Dihlabeng Municipality's Baken Park 6 & 7, and
- Metsimaholo Municipality's Sasolburg Properties

## **UPGRADING INFORMAL SETTLEMENTS PROGRAMME**

Madame Speaker, COVID-19 experience has shown us that our attention needs to be much more focused on planning and upgrading informal settlements. In the previous MTSF period, the Free State recorded a total of 143 informal settlements which have all been assessed and categorised. Re-settlement plans for those that cannot be developed in-situ, were subsequently developed. By the end of 2019, we had upgraded 25 informal settlements up to Phase 3 which include provision of municipal engineering services. A further 20 informal settlements are at different phases of development.

In this new MTSF period, we have recorded new informal settlements thus bringing the total number of informal settlements in the province to 161. With the introduction of a new Informal Settlement Upgrading Grant (ISUG), we have included these settlements in the provincial business plan for both the current financial year, 2020/21 and for the outer years throughout the MTSF.

In the current financial year, we will provide support to Matjhabeng, in Welkom and Masilonyana, in Theunissen with land acquisition for human settlements development purposes and further develop these portions of land so that these municipalities are able to curb further eruption of informal settlements. These portions of land will be developed into serviced sites for communities here.

Madame Speaker, we have also acquired 214 hectares of land in Mangaung, which is the remainder of the Farm Elite No 2630.

This property is suitable for mixed typology residential developments which cover fully subsidized housing units, affordable rental units and Finance Linked Individual Subsidy Programme (FLISP) housing units, as well as social and commercial amenities.

Madame Speaker, the Department of Human Settlements has been instrumental in supporting municipalities with township establishment and we remain committed to this responsibility. We have also commenced with township establishment projects in the following local municipalities:

Mantsopa, Setsoto, Mohokare, Kopanong, Nala and Masilonyana. In addition, we have identified, Dihlabeng, Tswelopele, Nketoana and Maluti-a-Phofung to support them in the current financial year.

These Madame Speaker should enhance our contribution of sites and houses in this MTSF add to the human settlements target of providing adequate housing and improved quality living environments

## **ACCREDITATION AND ASSIGNMENT OF MUNICIPALITIES TOWARDS HUMAN SETTLEMENTS DEVELOPMENT**

It is envisaged that in the 2020/2021 financial year external assessment for Moqhaka Local Municipality will be concluded for its readiness to perform Level 1 accredited functions.

Madame Speaker, over and the above the pre-accreditation support to listed municipalities, we provided IT equipment for Maluti-a-Phofung and Moqhaka local municipalities. In addition, financial support was provided for recruitment of staff for human settlements related matters such as beneficiary data capturing as part of support towards accreditation. In the current year, Matjhabeng Local Municipality will be supported with development of their Housing Sector Plan and the Spatial Development Framework.

## **CONSUMER AWARENESS PROGRAMMES**

Madame Speaker, awareness, education and information about our human settlements value chain is important for our people to have homes and security of tenure. To this end, the department conducts a consumer awareness and information sessions on various programmes of our value chain. The target for the 2019/2020 financial year was to provide consumer education to 7000 households. Due to the partnerships with municipalities, Eskom, Registrar of Deeds, the National Home Builders Registration Council amongst others we were able to reach 10287 households. The normal face-to-face sessions were hampered by the COVID 19 pandemic; however, the department plans to reach communities through the distribution of consumer awareness pamphlets integrated with departmental COVID 19 programmes during the time.

## **SECURITY OF TENURE: TITLE DEEDS PROGRAMME**

Madame Speaker the third key target area for the human settlements sector is to ensure **security of tenure**, through faster title deeds distribution and eradicating the related backlog. Title deeds are evidence of security of tenure. The Department has been part of the national title deed restoration programme and 5 209 registrations took place in the 2019/20 financial year. Madam Speaker Free State's contribution to this National Programme will be intensified in this financial year as we seek to ensure security of tenure in line with the national goal for land ownership.

In order to achieve this, registration of **8238** title deeds in the 2020/2021 financial year is budgeted for under two Business Plans which are the **Title Deeds Restoration Grant (TDRG)** and the **Human Settlement Development Grant (HSDG)**.

Madame Speaker under the **TDRG** an amount of **R 11.720 000 million** (Elven million seven hundred and twenty thousand rand) is budgeted for.

Our commitment in this 2020/21 financial year is to eradicate the title deeds backlog by registering, 2908 title deeds at a cost of R 5 089 000.00 million (five million and eighty nine thousand Rand). The planned registration of title deeds in the 4 District Municipalities and one Metropolitan Municipality are as follows:

District - Region	Target Title Deeds Backlog to be registered:	Deeds Budget
THABO MOFUTSANYANA	755	R1 321 250.00
XHARIEP	326	R570 500.00
FEZILE DABI	434	R759 500.00
MANGAUNG	632	R1 106 000.00
LEJWELEPUTSWA	761	R1 331 750.00
<b>Total</b>	<b>2908</b>	<b>R5 089 000.00</b>

Madam Speaker in order to achieve accelerated title deed registration under the **TRDG** an amount of R 6 631 000 million (Six million six hundred and thirty one thousand rand) is set aside to address the following challenges:

- Opening of township/erf registers
- Solving of family and other disputes
- Conducting beneficiary verifications
- Addressing litigation matters amongst beneficiaries
- Advert for missing beneficiaries and contested properties
- Continued process of resolving disputes
- Physical Verifications and Beneficiary Audits
- Undertake Rectification transfers

Madam Speaker, under the **HSDG** the Department budgeted an amount of **R6 704 300.00** ( Six million seven hundred and four thousand three hundred rand) to accelerate the registration of current title deeds. The planned registration of title deeds in the 4 District Municipalities and one Metropolitan Municipality are as follows:

District - Region	Units	Budget
FEZILE DABI	637	R816 200.00

FREE STATE	370	R685 300.00
LEJWELEPUTSWA	433	R476 300.00
MANGAUNG	1069	R1 380 300.00
THABO MOFUTSANYANA	2485	R2 996 400.00
XHARIEP	336	R349 800.00
<b>Grand Total</b>	<b>5330</b>	<b>R6 704 300.00</b>

With that, Madame Speaker, there shall be houses, security and comfort for our people.

## **RENTAL HOUSING TRIBUNAL**

The Rental Housing Tribunal is established in terms of section 14 of the Rental Housing Act. The Free State Rental Housing Tribunal has been in operation for 2 years to date. The Tribunal currently operates from O.R Tambo House, in Bloemfontein but as per the act stipulations, more offices will be established in various part of the province.

The Tribunal has to date resolved 154 cases which include informal and formal mediation cases, and ruling by the tribunal. The performance of the Tribunal office like many others was affected in the first quarter of the new financial year. Even though this is the case, the Tribunal has effectively received, investigated, and mediated several disputes throughout the Lockdown period especially with challenges which have been experienced since the pandemic.

In order to reach out to the public especially with heightened need for the Rental Housing Tribunal function during the Lockdown period, the work of the Tribunal was marketed and published for awareness and information through the department's Corporate Communication. Interviews were conducted by representatives of the Tribunal in various radio stations including Ofm, Motswedding FM, Motheo FM following broad news coverage about challenges encountered in the rental market.

The Tribunal continues to receive queries through the website, social media pages and directly from the public through email and calls. We were inundated with calls from tenants and landlords particularly in this lockdown period.

## **THE NATIONAL HOUSING NEEDS REGISTER (NHNR)**

Thus far, a total number of needs registered in the province since inception of NHNR is 200 930. Of these 85 440 needs were registered in the past financial year of 19/20, and 5 851 thus far in the current financial year. We will be limited to the number of needs that we can register in this financial year due to COVID-19 effect. We have targeted registering a minum of 50 000 needs as a result.

Since November 2019, as per the minister's resolution, only the data on the National Housing Needs Register will be used for allocation of houses and projects.

## **SOCIAL HOUSING AND COMMUNITY RESIDENTIAL UNITS**

Social Housing and Community Residential Units are rental options subsidised by government for low income market. These are multiyear projects whose progress, and plans are reported progressively, in phases.

The first phase of Hillside View Social Housing Project in Bloemfontein has yielded 397 completed units out of 402. The developer is currently completing the remainder of the scope.

At the Dark and Silver City Community Residential Units (CRUs), 408 units against a target of 812 have been completed, while the G-Hostel in Welkom has yielded 285 units out of a total of 780. Both projects are set to be completed in March 2021.

## **UPGRADING INFORMAL SETTLEMENTS PROGRAMME**

Through Informal Settlements Upgrading Programme, we will connect 2 578 households to basic services. This includes the target for the Integrated Residential Development Programme.

## **FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME**

This program Madame Speaker received much attention in the Minister's Budget Vote Speech a few days ago. Here the Minister reiterated the government's quest to increase home ownership in the gap market. In her speech she in summary indicated that the banks are keen in participating in this market.



“The Banking sector has expressed renewed energy and commitment to our FLISP programme. They have committed rethinking and re-imagining to the Finance Linked Individual Subsidy Program (FLISP) so that it can work better and achieve more than it has over the past. Secondly, and in respect to the Zenzeleni programme the Banks will develop a new regime of building bonds for low-income earners,” she said.

While we are proud of our overachievement on our target of 250 by 88 to a total of 288, we would like to do better in the current financial year.

The improved performance can be attributed to the fact that, the department embarked on an accelerated Consumer Education programme through roadshows in various districts and the metro. We also used various media such as distribution of pamphlets and posters by email to various government departments in the province, SAPS, the military, hospitals and schools; and made presentations where we were invited. We went on an awareness and education drive and appeared on Hlasela TV advertisement, Motheo FM, Lesedi FM and Ofm; and used noticeboards in government buildings to run poster campaigns on FLISP and other programmes. We continuously issued media releases and distributed brochures as we sought to sell home ownership.

At a higher level Madame Speaker, we facilitated the response to FLISP processes when we approved the FLISP Implementation Policy of the department in order to delegate the responsibility to the Head of Department in line with Section 12(1) of the Free State Provincial Housing

Act, No. 7 of 1999. This improved on the turnaround time of applications allowing us to process more applications.

It should however be noted that, there were several challenges encountered by the sector on implementation of FLISP. These initial challenges led to a very slow response on FLISP in the province.

## **LAND RESTITUTION PROGRAMME**

The department is implementing the programme in various towns across the province and this includes but not limited to the following towns:

- Mangaung: 18 Beneficiaries
- Nketoana: 9 Beneficiaries
- Tokologo: 60 Beneficiaries
- Moqhaka: 155 Beneficiaries
- Mantsopa: 60 Beneficiaries
- Phumelela: 94 Beneficiaries

The programme however, has its own challenges and this can be attributed to family disputes that need to be attended to by all affected stakeholders. Verification of often untraceable claimants as well as family trees, always poses a challenge when information is supposed to be updated on the system. In certain instances, problems reside with municipalities where there is lack of available serviced sites for

implementation of the programme. On this matter, the department constantly works with municipalities to resolve these issues.

## **YOUTH AND WOMEN DEVELOPMENT**

Following the country's quest to empower youth and women, the department allocated 30% of the Human Settlements Development Grant (HSDG) to women contractors and a further 10% of the same grant was spent on Youth contractor development. The actual achievement was 15% for women and 27% for youth contractors. In this financial year we have targeted that 30% of all HSDG grant work be done by women and youth contractors

## **EXPANDED PUBLIC WORKS PROGRAMME**

The allocation of R 2 ,166 million for implementation of the Expanded Public Works Programme (EPWP) in human settlements projects is intended to create 700 work opportunities. This is geared towards enabling our department to act in concert with other government departments and stakeholders to tackle the national and provincial scourge of unemployment.

Madame Speaker, the R849 981 000 Human Settlements Development Grant (HSDG) for 2020/2021 will be invested in various district municipalities and the metro as follows:

- Thabo Mofutsanyana: R 127 230 million
- Fezile Dabi: R 133 679 million

- Lejweleputswa: R 244 241 million
- Mangaung Metro: R 202 619 Million
- Xhariep: R 51 315 million
- Operations Capital R 90 894 million

Projects allocated in the following programmes: Accreditation of Municipalities, Planning and Services, housing construction, land acquisition, catalytic projects and Community Residential Units, will be implemented in all districts or regions and financed through the said Grant to realize the following number of sites, units and title deeds per district or region:

<b>DISTRICT</b>	<b>SITES</b>	<b>UNITS</b>	<b>TITLE DEEDS</b>
Thabo Mofutsanyana	<b>300</b>	<b>381</b>	<b>2 485</b>
Fezile Dabi	<b>817</b>	<b>480</b>	<b>637</b>
Lejweleputswa	<b>1 161</b>	<b>340</b>	<b>433</b>
Xhariep		<b>336</b>	<b>336</b>
Mangaung Metro	300	<b>574</b>	<b>1069</b>
Provincial (Cross -Cutting)		<b>470</b>	<b>370</b>

In conclusion Madame Speaker, we realise that this year took a different turn due to COVID-19. We will ascertain that our work henceforth is done meticulously taking into account the bad economic climate we are in, the lessons we continue to learn from the COVID-19 experience and overall, to maximise our gains from the Human Settlements value chain as we seek to make significant contribution to the province and the country's priorities.

I would like to thank my organisation, the ruling party, the African National Congress for their support and guidance. I would also like to thank my family for being my pillar of strength as I pursue fulfilment of national imperatives.

Last but not least, I would like to thank my Acting Head of Department and staff.

Madame Speaker, together we move the Free State and South Africa forward. We are determined to make change happen. We are prepared to stand and be counted in making this, a better Africa and a better world through sustainable human settlements.

The budget as appended Annexure B for Vote 13

<b>VOTE 13</b>		<b>2020-2021</b>
<b>Department of Human Settlements</b>	R' 000	
<b>Programme</b>	<b>Amount</b>	<b>Percentage of Budget</b>
ADMINISTRATION	135 473	11,96%
HOUSING NEEDS, RESEARCH AND PLANNING	19 855	1,75%
HOUSING DEVELOPMENT	976 034	86,17%
HOUSING ASSET MANAGEMENT, PROPERTY MANAGEMENT	1 262	0,11%
<b>TOTAL</b>	<b>1 132 624</b>	<b>100,00%</b>
<b>Economic Classification</b>	<b>Amount</b>	<b>Percentage of Budget</b>
Compensation of employees	195 941	17,30%
Goods and services	52 677	4,65%
Interest and rent on land	-	0,00%
Transfers and subsidies to:	877 019	77,43%
Payments for capital assets	6 987	0,62%
<b>Total</b>	<b>1 132 624</b>	<b>100,00%</b>
<b>Transfers and Subsidies</b>	<b>Amount</b>	<b>Percentage of Budget</b>
<b>Capital Transfer and Subsidies</b>	<b>895 701</b>	<b>100,00%</b>
Earmarked Funds (Demolition and building of 2 room houses)	17 000	1,90%
Human Settlements Development Grant	849 981	94,90%
Title Deeds Restoration Grant	11 720	1,31%
Military Veterans Top Up Funding	15 000	1,67%
Expanded Public Works Programme	2 000	0,22%