

Budget

BUDGET VOTE

2023/2024



Hon. M.K Makume

MEC: CoGTA and Human Settlements
(Vote: Human Settlements)

Friday, 14 April 2023

Harry Gwala Multi-purpose Centre, Sasolburg

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human settlements

Department of
Human Settlements

FREE STATE PROVINCE

BUDGET VOTE SPEECH FOR THE 2023-2024 FINANCIAL YEAR

VOTE 13: HUMAN SETTLEMENTS

PRESENTED BY MEC KETSO MAKUME

**MEMBER OF THE EXECUTIVE COUNCIL FOR COOPERATIVE
GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN
SETTLEMENTS**

14 APRIL 2023

SASOLBURG

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

Madam Speaker

Just four (4) days ago on the 10th of April; South Africa and her people commemorated the 30th Anniversary since the brutal killing of Chris Hani. A fearless freedom fighter, a leader of the South African Communist Party (SACP) and the chief of staff of staff of uMkhonto we Sizwe, the armed wing of the African National Congress. Certainly, most of us know who Hani is, and today we have not gathered here to talk about the decorated history of Thembisile Chris Hani.

Speaking at the rally organized by the ANC in 1992, Hani said “Socialism is about decent shelter for those who are homeless. It is about water for those who have no safe drinking water. It is about healthcare; it is about a life of dignity for the old...”

These words decidedly became the fabric of the type of social democracy that is underpinned by elements of progressivism; the type which unashamedly located the ruling party as a tribune of the people which leans towards the poor and the working class while pursuing the common prosperity of all South Africans in general.

In our view, Hani stood for freedom in the broadest sense of the word – freedom associated not with just political and civil rights but also substantive freedom from abject and grinding poverty and unemployment, from social deprivation and hunger and disease, and from the crass individualism and materialism that blights our democracy; a freedom which sees the progressive realization of the social, economic, and Human Rights that are fundamental to living full, decent, productive, rich, and rewarding lives.

Madame Speaker, I would like to dedicate this budget speech to Chris Hani in his honour and memory.

Our basis for action and our revolution, the Freedom Charter which we adopted in 1955 declares, ***THERE SHALL BE HOUSES, SECURITY AND COMFORT!*** Which further states that “All people shall have the right to live where they choose, to be decently housed and to bring up their families in comfort and security; unused housing space shall be made available to the people.”

The Freedom Charter has laid the foundation through which our Constitution was drafted. The right has been made a reality by the government of the African National Congress. Madame Speaker, our Constitution guarantees every citizen, the right to have access to housing in terms of which the “state must make reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.”

To reiterate the words, I uttered during my appointment in this portfolio, “The essence of the mandate of which we are responsible for, Human Settlements, is the core of humanity. We therefore cannot be an inhumane department.”

Madame Speaker, it will be remising of us not to me make mention of the fact that there was a time when our province shone post the breakthrough of 1994.

For example, there was a time when the Free State Department of Human Settlements received the Govan Mbeki awards showcasing excellence, best practices, and healthy competition amongst provinces. It was however not long lasting until the down spiral would begin in province caused by jobs for pals, appointment incompetent officials and myriad of issues that contributed to the ugly recent past we came to learn and experience.

We deliver this budget vote under tremendous pressure given the challenges that beset our Province. Some of these challenges are historic, flowing from our historical injustices of colonialism and apartheid. Others are due to subjective and objective failures as government.

In the context of our Province, the Free State Province, the speed to deliver services were hugely hamstrung by the acts of malfeasance and corruption as revealed by a number of audit outcomes and blatant demonstration by the State Capture Commission.

Most of these acts were deliberate to steal from the poor of the poorest. The perpetrators of these acts exploited most of our most progressive resolutions as the African National Congress and revolutionary slogans to rally our people behind their grand loot. Consequently, our government has been unable to deliver adequate houses to the people as well as the removal of the toxic asbestos four-roomed houses built by the apartheid government.

Due to high levels of these corrupt activities, our communities were left with many incomplete houses, there is still a snail pace in eradicating mud houses, and the number of blocked projects is also high.

Whilst we have always suspected that money meant for our people was stolen, we would never have known the extent of grand scale looting if it was not for Zondo Commission, our law enforcement authorities, whistle blowers and indeed the South African media. We commend everyone who made sure that they expose the extent of corruption in our Province.

In honour of Chris Hani, we shall do everything in our power to assist law enforcement institutions in their investigations to uncover what really happened and deal with Culprits.

Madame Speaker, let me take this opportunity and express my gratitude for the honour bestowed upon me by the African National Congress to lead the Department of Human Settlements as an MEC, I must acknowledge that indeed it is a mammoth task lying ahead as this is one of the critical departments that are at the coal face of service delivery across the Free State Province.

As the world moves to realise the Agenda 2030 and its Sustainable Development Goals, we recognise that eradicating poverty in all its forms and dimensions, is the greatest global challenge and an indispensable requirement for sustainable development.

Madame Speaker, despite reasonable rate of delivery over the last 25 years, the rate at which the demand for housing has been escalating, both due to population growth and urban migration, it has been exceedingly higher than could be met even by a high rate of housing delivery.

As Human Settlements Free State, we have been plagued by negative publicity impacting adversely on the image of the department. We acknowledge that as a sector, we need to rebrand ourselves and ensure that through housing infrastructure, previously economically excluded communities can be provided with tangible assets, enhancing their

livelihood and equally providing gateway to participate more favourably towards the market economy whilst addressing poverty and homelessness.

Madame Speaker, over the years, we have made good strides with integration of services, that sought to respond comprehensively to human needs and this was through radical spatial transformation.

In order to continue on this trajectory and ensure meaningful participation by all key stakeholders, we require an integrated approach that seeks to address developmental challenges and this is in terms of spatial, urban and human settlements development.

We need to ensure that we work together and have direct focus to a developmental agenda for the people of the Free State. Having said that, our focus will be more on actions and priorities that will make meaningful difference in our communities, enable real progress within the next financial year and lay a foundation for sustainable human settlements into the future.

Madame Speaker, our main focus in the current financial year will be accelerating the completion of all incomplete houses; eradication of mud houses, prioritizing houses for military veterans and removal of asbestos roofs. Informal settlements upgrading and eradication of title deeds backlog remains our key priorities.

Motsamaisi wa dipuisano, selemong sena re tla shebana haholo le:

1. Ho qetella matlo ao esaleng a siuwa ke boradikonteraka a sa fella;
2. Re tla boela re tsepamisa maikutlo ho phediso ya matlo a mobu;
3. Ho potlakisa kaho ya matlo a mekaubere ya ntwana ya tokoloho;
4. Ho ntsha marulelo a asbestos;
5. Le ho potlakisa lenaneo la ho fa beng ba matlo mangolo a thuo.

Madame Speaker, allow me to address issues relating to good governance within the Department of Human Settlements. The department has made modest and bold strides in ensuring that it remains committed to the prescripts of the Public Finance Management Act (PFMA) and the Public Audit Act (PAA) as amended.

However, during the 2021/22 financial year the department received a qualified audit opinion from the Auditor General of South Africa.

In improving this situation Madame Speaker, we have developed an Audit Action Plan to address these deficiencies. We are also capacitating our Finance Directorate, in particular the Supply Chain Management unit as most of our audit findings emanate from this unit (e.g. the issue of tender irregularities).

Madame Speaker, in an effort to professionalise and improve service delivery, the department is currently engaging the University of the Free State to conduct skills audit on its behalf and this is in line with the National Framework towards the professionalisation of the public service. The process seeks to ensure that the department has the requisite skills, qualifications, experience and relevant competencies to carry out the mandate of the public service in general.

Carrying out this important initiative, is not by any means targeting certain individuals but it is mainly to address skills alignment with the needs of the public service. This, Madame Speaker, will ensure that the department is ready to redirect its focus in order to provide basic service delivery imperatives such as decent housing with proper water and sanitation, and enabling environment for job creation as well as decent road networks that lead to various amenities.

In an effort to prevent and detect fraud and corruption in the public service, the department is currently conducting lifestyle audits and this is critical and equally a legitimate management tool that forms part of the department's system of risk management. The exercise derives its mandate from the Prevention and Combating of Corruption Activities Act, 2004, Public Service Act, 1994 (Proclamation No. 103 of 1994) as well as Public Service Regulations, 2016.

The department is currently experiencing weak controls as a result of limited segregation of duties and this provides an opportunity for professionals to conceal their fraudulent actions with relative ease. It is therefore expected that all officials within the department will cooperate fully and support the initiative for purposes of restoring dignity, embracing a capable and ethical state.

Madam speaker, the report of the Auditor General highlighted observations that are both constructive and adverse with respect to our performance as a department. Although harsh in material respects, these observations constitute the basis upon which we can assess ourselves and improve for the better.

Key amongst these observations are the following issues:

- Human settlements in the Free State, as a result of many years of poor decision-making, remains one of the most struggling departments in the country in terms of achievement of targets.
- Unsatisfactory audit evidence to support our performance.
- Poor and weak record keeping which could be due to honest omissions or deliberate concealment of foul play.
- Lack of consequence management which encourages conditions for officials to act dishonestly and with impunity.
- Absolute lack of sufficient evidence to demonstrate that disciplinary action is undertaken against officials who incur unauthorized and irregular expenditure.

Madam speaker, as a result of the above-mentioned, we are gravely concerned that the department has subsequently regressed from an unqualified to a qualified audit opinion in the financial year 2021/2022.

We have thus reviewed the department's implementation plan for adverse findings raised in the previous year and based on the interaction with management a thorough root cause analysis in the internal audit report and the Auditor-General's audit report, all matters have not been adequately addressed as yet in order to avert recurring audit outcomes.

However, to effectively address and prevent repeat audit outcomes this remains a high priority for the department in the 2022/23 financial year as well as the outer years.

To that effect Madam Speaker with the assistance of the fully functional oversight committee such as the Audit Committee, the department remains steadfast to ensure that the Audit Action Plans based on the recommendations by both the Internal and External Auditors are adequately and effectively implemented as well as being frequently monitored.

With regards to risk management, the department's risk register consists of 85 risks of which 10 are strategic and 75 are operational. Our strategic risks remain the priority of the department and are being closely monitored. The department has implemented mitigation strategies for the 75 operational ones and are being continuously monitored to acceptance tolerance level.

The Risk Management Committee chairperson position which has been vacant and funded, has been advertised and will be filled in the first quarter of 2023/24 financial year.

The department is committed to fighting corruption within the Human Settlement sector, as we have witnessed the much-publicised arrests and suspensions of individuals connected with the asbestos court case. The department is expecting further arrests of officials connected with the certifying and payment of services not delivered. For example, the Bothaville foundations matter whereby only eight (8) foundations were casted and the contractor claimed for fifty foundations.

The department further submitted four more possible cases of corruption to the Hawks for further investigations and prosecution. The investigations arose as a result of alleged various fraudulent activities detected involving falsifications of qualifications, tempering with beneficiary information to acquire Breaking New Grounds (BNG) houses and collusion with contractors and private individuals to defraud the department.

The Hawks are further investigating three major projects relating to Material Irregularities namely the G-Hostel matter in Matjhabeng, the Mangaung Dark and Silvercity, Top and Bottom sites and lastly the Bohlokong Voggelfontein matter. These projects have been ongoing for many years and public funds were unlawfully spent without the projects being completed.

Madame Speaker, the people of the Free State can be assured that these public funds will be recovered. The department has further carried out an anti-corruption activity in Mangaung Hillside View project and this was aimed at verifying lawful occupancy of the 632 units.

The preliminary report revealed that more than **18** houses are occupied by illegal occupants and these were assisted by Human Settlements officials. These officials are undergoing various disciplinary processes.

The department wishes to give an assurance that these operations will be extended to most areas in the province in order to root out corruption wherever it rears its ugly head.

It is important to note that the department is currently embarking on an immediate review of the vetting process especially for officials within the Supply Chain Management. It will be expected of these officials to be in possession of valid security clearance.

Madame Speaker, the department strives for accountability and sustainability in the management of public finance.

We continue to co-operate with the Office of the Auditor General to be responsive towards the execution of the Public Finance Management Act (PFMA) audit cycle as well as provide the necessary responses through Management Letters.

The previous financial year posed some great challenges to the department's kitty, which resulted in the department losing a total of R150m (HSDG R100m and ISUP R50m) to the National Revenue Fund. On 31 March 2023, Minister Mmamoloko Kubayi made major and exciting pronouncements around policy changes that affected the Human Settlement sector in a positive way.

The Minister emphasised that these policy changes, come at a time when the country is facing serious changing economic, climatic and environmental conditions in the human settlements sector.

Henceforth, all Breaking New Ground (BNG) houses will be fitted with solar panels. Houses for people living with disabilities will be fitted with burglar bars to ensure that we lessen their vulnerability to attacks. For those in rural areas, their houses will have rainwater harvesting equipment

Madame Speaker, in an effort to be responsive to the current global economic challenges, the Minister has announced these changes or adjustments towards the subsidy quantum which means that the sector has considered the inflationary impact on the cost of building materials. From 1 of April the housing programmes have been adjusted as follows:

- ***BNG service and top structure will move from R196 887 to R255 364;***
- ***Houses for persons with disabilities will move from R209 071 to R271 166;***
- ***Military Veterans houses will move from R240 607 to R312 069;***
- ***First home finances will move from R130 505 to R169 265;***
- ***Social housing will move from R327 667 to R424 984***

These adjustments will therefore ensure that we speed up the pace of delivery and equally address the quality of houses we provide to beneficiaries. We believe that these changes will ensure avoidance of projects being abandoned and encourage contractors to deliver quality work on time and within budget.

Madam Speaker 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:

BENEFICIARY MANAGEMENT AND THE NATIONAL HOUSING NEEDS REGISTER (NHNR)

Motsamaisi wa dipuisano, ho bohlokwa hore setjhaba se tsebe hore lefapha le na le lenane la batho ba ingodisitseng bakeng sa ho ahelwa matlo. Sena se tla fedisa ditlaleho tsa bolotsana ba ho fetola manane a batho ba entseng kopo tsa matlo. Batho ba ingodisitseng, ba na le monyetla wa ho dula ba fetola ntlha tsa bona lenaneng leo. Basebetsi ba di-masepala, ba se ba fumantshitswe thupelloa ya ho sebetsa ka program ena. Mabitso a batho ba fumantshwang matlo a tla nkuwa lenaneng lena.

To date a total number of captured Beneficiaries on NHNR is two hundred eighty thousand seven hundred and twenty-two (280 722), of these fourteen thousand and ninety-four (14 094) are approved on Housing Subsidy System (HSS). Madam Speaker, from the segregated data collected, the system shows that more people are interested in acquiring serviced sites than houses hence our focus on Rapid Land Release programme.

Madame Speaker, the National Human Settlements Development Grant allocation for this current financial year is R848 099 million and the Informal Settlements Partnership Grant is R252 209 million (***Referred to as Annexure A & B***) and will be used to complete the following priorities:

Budget highlights:

- **Equitable share** amounts to **R220m** which is a total increase of 0.6% from prior year.
- **Human Settlements Development Grant (HSDG)** amounts to **R848m** which is a 14.7% increase from prior year.
- **Informal Settlements Upgrading Partnership Grant (ISUP)** amounts to **R252m** which is a 31.7% increase from prior year.
- **Compensation of Employees (CoE)** amounts to **R209m** which is a 2% increase in expenditure from the prior year. The CoE accounts for **95%** of our Equitable share.

We have identified **9090** incomplete houses across the province and this is as captured in our Housing Subsidy System. The largest concentration of incomplete houses is in Fezile Dabi District with **3136**, followed by Thabo Mofutsanyana District with **3020**, Mangaung Metro with **1695**, Lejweleputswa District with **661** and lastly Xhariep District with **578**. For the current financial year, we will be completing **1 175** units.

We are in discussion with the National Housing Building Registration Council (NHBRC) to conduct structural integrity assessment on incomplete houses older than 5 years. This will assist in making sure that the process of constructing these houses are of acceptable standard.

Madame Speaker, the eradication of mud houses was adopted as a focused Ministerial Intervention in 2021/22 financial year. To give effect to this priority, we have embarked on an identification and assessment of these houses across the province targeting the most vulnerable groups that is the Aged, People living with Disabilities as well as Child-headed households.

To date **305** mud houses have been identified across the province and the plan is to eradicate all within the next two (2) financial years. For the current financial year, we will be eradicating **140** mud houses. Most of the houses are located within the Mangaung Metropolitan Municipality as well as the Thabo Mofutsanyana District.

Madame Speaker, it goes without saying that asbestos roofing is one of the critical issues that has negatively affected the image of the department. In an effort to rise above this challenge, the department has concluded the Memorandum of Agreement (MoA) with the Development

Bank of Southern Africa (DBSA) and this is with a view to propel ourselves to decisively address the matter.

The rollout plan, will address a total of 36 000 asbestos roofs in various communities across the province and this will be a multi-year project. For the current financial year, we will remove **2 000** asbestos roofs in various towns.

For the previous financial year, the target for Financed Linked Individual Subsidy Programme (FLISP) was 80 housing units and the department managed to deliver on 151. For this current financial year, we are targeting 200 units.

The Military Veterans Housing Assistance Programme is implemented in partnership with the National Department of Human Settlements, National Department of Defence and Military Veterans and the South African National Military Veterans Association (SANMVA). For this current financial year, the department will be building **50** (fifty) Military Veterans houses in various towns within the province.

The Completion of Dark and Silver City as well as G-hostel Community Residential Units will yield **1592** units. Implementation of these projects has come with its own challenges wherein the construction schedule is way behind schedule due to various contractual reasons. For this financial year, we are targeting to complete 300 units for all Community Residential Units (CRU) projects.

Madame Speaker in summary, our total target of units to be constructed is **3 394** units, of which **1 125** are new units, **200** are Finance Linked Individual Subsidy (FLISP) units, **407** are individual subsidies, **140** mud houses, **1175** of incomplete units and the remaining **300** are Community Residential Units (CRUs), and **47** houses for Military Veterans.

We will intensify the completion of **2 614** housing units in Refeng-kgotso-Deneysville with a target of **300** units and **240** title deeds to be delivered in the 2023/24 financial year.

We have partnered with the Housing Development Agency and we are prioritizing the provision of temporary shelters to the 24 qualifying beneficiaries of Umgababa Flats who were affected by the disaster.

Madam Speaker, last year my predecessor and now the current honourable Premier, Mr. M.A Dukwana, hosted an IBT Indaba with a view to establish different types of housing technologies to be considered by the sector for purposes of accelerated housing solutions. We will be piloting this initiative in **Nyakallong - Allanridge** in Matjhabeng Local Municipality, post the disaster that struck the area.

In terms of the envisioned mega developments in the province, the department through the HDA, purchased approximately 600ha of land in the Fezile Dabi District, in Metsimaholo. The land parcels have currently undergone development planning and township processes finalised.

Subsequent to that, an extensive Infrastructure Master Plan was developed, which outlined the required infrastructure augmentation required, especially the water and sewer bulk capacity. This outlined all capital injections that will be required hence the engagement of ISA on this development.

The Housing Development Agency as an implementation arm of the Department of Human Settlements, has commenced with processes to enlist the Sasolburg Properties Development, for funding with Infrastructure South Africa (ISA). Part of the process required the

submission of a proposed project/programme to ISA for registration prior to detailed work commencing on appraising the Early Business Case development. With this project, the Department wishes to support the Metsimaholo Local Municipality to realise integrated developments, creating a synergised Vaal River City Development which will ensure that the economic spinoffs benefit the Free State.

We will also be accelerating an integrated housing development through the revival of the Phakisa Mega, the QwaQwa Gateway projects and the completion the Vista Park Presidential project.

Madame Speaker, the provision of safe environments especially human settlements, is not only about providing dignified shelter to our people but it speaks directly to the restoration of their dignity, sustainable livelihood, and security of tenure.

In line with the President's undertaking during the 2023 SONA that the issuing of title deeds has to be expedited as the backlog is estimated at over 1 million houses, amounting to about R242-billion worth of assets to be transferred to the poor, the province intends to confer real rights of ownership to beneficiaries with a budget of R16 076 965. A campaign to

accelerate the registration of title deeds will commence in April 2023. The annual target of registration of title deeds is set as follows:

- Backlog title deeds - 4508; and
- New title deeds – 1813

There is a plan to issue title deeds to beneficiaries monthly, as from May 2023 to 31 March 2024 to ensure that dignity of ownership is returned to our people.

In the current financial year, the department is planning to create **1 028** employment opportunities from the implementation of the planned projects and these will mainly focus around women and youth.

Madam Speaker, my predecessor in the last financial year indicated that the rapid land release programme is being made available to Free State residents to provide for their own housing needs due to lack of access to housing finance.

Madam Speaker, I am excited to report before this house that our performance in providing serviced stands to beneficiaries has progressed significantly in this current MTSF period. The overall performance of the

province with regards to MTSF target on number of serviced sites delivered up to December 2023 is 18-thousand, four-hundred and eighteen (**18 418**) against the target of 20-thousand, seven-hundred and fifty-six (**20 756**) which represents **88,7%** of the total target.

The projected delivery of this target in the 2023-24 financial year, both from the informal settlements and green-field projects is **5 394 (Five thousand, three hundred and ninety-four)**.

Madam Speaker, in partnership with the HDA we are continuing to identify development opportunities for site and services (rapid land release). This will entail the allocation of serviced sites to qualifying end user beneficiaries who will be able to construct their own houses in strategic locations.

In addition, we have in conjunction with the Housing Development Agency identified buildings located within inner cities for development of affordable and rental housing to take advantage of existing infrastructure and also improve beneficiaries' livelihoods prospects.

The Upgrading of Informal Settlements Programme is another important Programme of this Government. The Programme has been designed to aggressively and incrementally deal with upgrading of informal settlements through the available subsidies and funding mechanisms. Since 2019 in the Free State, we have recorded a total number of **161** informal settlements across all municipalities.

Madam Speaker, it goes without saying that we have not been very successful in upgrading these informal settlements in the past financial year and have lacked behind in implementing the projects due to delays in procurement. In partnership with the HDA, we have upgraded two informal settlements in Matjhabeng Local Municipality, unit 3 and 7 in Meloding with fully functioning water and sewer reticulation.

Madam Speaker, in this financial year we will implement **54** projects throughout the province covering **52** informal settlements on various phases of upgrading process.

The department will be partnering with Maluti-a-Phofung Local Municipality to augment the bulk water line and reticulate 800 sites with the remainder of 900 sites to be completed in the outer years. This partnership will assist the municipality to appropriately respond to the

remedial action by the Office of the Public Protector (OPP) to ensure that the community of Makholokoeng is provided with portable water as they have been without water for more than ten years.

The department is planning on providing the Phambili informal settlement in the Letsemeng Local Municipality with alternative ablution solutions whilst in the process of applying for its formalisation. This settlement Madam Speaker, has been in existence for over 20 years. We are pleased to announce that recently the National Department of Public Works conferred the HDA with the Power of Attorney which will enable the province to develop the land for the benefit of the community.

Madam Speaker, we intend to intensify the implementation of Raymond Mohlaba informal settlement commonly known as Mooidraai, in the Metsimaholo Local Municipality, in order to commence with the installation of **2 962** sites with water and sewer. For the current financial year, we are targeting **150** sites with the remainder planned for the outer years. We are very mindful Madam Speaker that we have a huge challenge of Waste Water Treatment Works in the area and our plan is to commence with the inclusive procurement of all the aspects that require implementation, vis-a-viz design for bulk and its subsequent construction.

We will then implement this project in a gradual manner to accommodate the available budget, but also to ensure that all the aspects of these projects and those feeding into each other will run simultaneously and in a linear manner.

We have succeeded in completing the formalisation of the Slovo Park and Baipeing informal settlements in Masilonyana Local Municipality during the 2022/23 financial year and will be proceeding with plans to reticulate these settlements in the 2023/24 financial year.

The department continues to strive for capacitation of our secondary cities towards accreditation. The targeted municipalities include amongst others the following:

- Mangaung Metropolitan Municipality
- Moqhaka Local Municipality
- Dihlabeng local Municipality
- Maluti a Phofung Local Municipality
- Metsimaholo Local Municipality
- Mathjabeng Local Municipality

In the current financial year, we will continue to support these municipalities to update their Accreditation Business Plans and Implementation Support Programmes.

In Conclusion

Madame Speaker, we duly accept that there are no easy solutions to any of the challenges we are facing, however, it is through developing strength and the means to overcome same. This therefore calls for every one of us as the people of the Free State to put all hands on the deck and work together decisively in order to resolve our challenges.

It is imperative that as a department, we take our communities along in any initiative pertaining to the developmental agenda. We need to work as a team, identify gaps in the implementation of all our priorities and move out of our comfort zones with a view to have a learning experience. We have recently strengthened our relations with sector specific entities such as the HDA, NHBRC, Agreement SA, CIDB and the DBSA so as to enhance performance and equally for compliance.

We will continue to pursue transformation of the apartheid spatial and land development patterns of social and racial exclusion. The primary objective

is to facilitate the creation of sustainable human settlements and improve the quality of household life.

I would like to thank the Premier, my colleagues in the Executive Council, Members of the Provincial Legislature (MPLs), HOD, Executive Management, my support staff and the broader staff in the department.

I therefore Madame Speaker, present the **2023-2024** Budget of the Department of Human Settlements herewith appended.

KE YA LEBOHA

Annexure A

Budget per Programme/ Economic Classification

PROGRAMMES / ECONOMIC CLASSIFICATION	2022/23 FINANCIAL YEAR	% CHANGE	2023/24 FINANCIAL YEAR
R'000			
Programme 1: Administration	152 052	-11.5%	134 618
Programme 2: Housing Needs, Research and Planning	22 276	4.7%	23 327
Programme 3: Housing Development	1 023 422	18.6%	1 214 258
Programme 4: Housing Assets Mang, Prop Mng	1 526	47.8%	2 255
TOTAL	1 199 276	14.6%	1 374 458
Compensation of Employees	204 426	2.0%	208 610
Goods and Services	88 527	-47.2%	46 723
Households	903 480	23.7%	1 117 264
Payment for capital assets	2 843	-34.5%	1 861
TOTAL	1 199 276	14.6%	1 374 458

ALLOCATION PER DISTRICT

Human Settlements Development Grant: Annexure B

District	Target Sites	Annual Budget	Target Units	Annual budget	Target TRG	Annual budget	Target New Title	Annual Budget	Professional services	Bulk Services	Total Budget
Fezile Dabi	0	R4 000 000	1 033	R 135 272 185	1809	R3 252 839	460	R556 140	R20 328 974	R0,00	R163 410 138
Lejweleputswa	1 794	R 40 300 000	482	R 77 296 479	140	R316 885	95	R114 855	R40 654 911	R5 300 000	R164 533 130
Thabo Mofutsanyana	840	R 93 700 000	195	R 27 869 320	1 042	R1 769 955	311	R344 565	R9 732 149	R14 400 000	R147 416 119
Xhariep	291	R 20 790 000	318	R 45 631 648	537	R815 500	247	R298 623	R14 150 198	R0,00	R81 686 099
MANG	0	R0,00	676	R 74 425 338	980	R7 619 878	225	R449 710	R43 594 184	R0,00	R126 089 240
PROVINCIAL	0	R0,00	690	R 140 016447	0	R0,00	445	R538 005	R25 410 212	R0,00	R165 964 664
TOTAL	2 925	R158 790 000	3 394	R 500 511 417	4 805	R 13 775 057	1 813	R2 301 898	R153 910 628	R19 300 000	R848 099 000

Informal Settlements Upgrading Partnership Grant:

DISTRICT	PLANNED NUMBER OF SITES	TOTAL BUDGET
	PERMANENT SERVICES	
Fezile Dabi	0	R22 680 405
Lejweleputswa	678	R89 572 745
Thabo Mofutsanyana	1 741	R117 219 338
Xhariep	50	R22 736 492
Total	2 469	R252 209 000