



**MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY
MINISTER OF HUMAN SETTLEMENTS HON. MMAMOLOKO KUBAYI, MP
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA, CAPE TOWN
HUMAN SETTLEMENTS VOTE 33
17 JULY 2024**

Honourable House Chairperson

Chairperson for the Portfolio Committee on Human Settlements, Hon. Nocks Seabe and Members of the Portfolio Committee

Deputy Minister of Human Settlements, Ms Tandi Mahambehlala

MECs of Human Settlements

Director-General of Human Settlements, Dr Alec Moemi and DDGS

Honourable Members,

Honourable Members, tomorrow the world will join hands in continuing to honour our Icon Tata Madiba by doing good for others which is in keeping with the spirit of Ubuntu. This will happen at a time when we have just emerged from the 2024 National and Provincial elections in which South Africans expressed their views through a ballot with their vote and today, we have a government that is not formed by only one party but several political parties.

I am reminded of what Tata said: ***“It is not our diversity which divides us: it is not our ethnicity, or religion or culture that divides us. Since we have achieved our freedom, there can only be one division amongst us, between those who cherish democracy, and those who do not”.***

Once again, the people of South Africa have given us the mandate to continue to serve them and bring about the change they have aspired for since the dawn of democracy. We don't take the responsibility bestowed on us for granted, we understand that their aspirations have not changed with the changing political terrain. Whichever way you look at it, the electoral outcome has clearly expressed that the majority of South Africans are still aspiring for the vision articulated in the people's charter of 1955. They still want our country to be fundamentally transformed so that a better life for all becomes a reality. Amongst many other things the Freedom Charter stated that “There shall be houses security and comfort for all”. We remain committed to fulfilling this vision because not only is it the right thing to do but it is the only way that we can create a life of dignity for the poor and the vulnerable in our communities.

This year marks the end of the last financial year of MTSF 2019-2024 and the first year of the five-year term of the seventh administration. As we reflected on our work in this sector for the past thirty years, we looked back at the unprecedented path which we have traversed, and we can say without fear of contradiction that significant strides have been made in housing the nation. In concluding the sixth administration, we had the opportunity to travel the length and breadth of our country, and admittedly, despite the significant progress made there are still very profound housing challenges facing our people. A lot of work remains to be done; however, we continue this journey armed with experience, lessons learned, more knowledge and more resolve to deal with the housing challenges of our country. Our message to South Africans is that we might not be able to respond to all of you at the same time but respond to your challenges we shall.

As I table Budget Vote 33 for the Department of Human Settlements and its Entities, we recognise that we are operating in a changing environment socially, politically, climatically and technologically. Due to huge labour redundancy in the rural areas, multitudes will continue to flock into cities seeking economic opportunities and a better life. Collectively,

because of their effect on housing demand and supply patterns, all these changes have an impact on how we conceptualise, plan and develop human settlements. This means that we must reconfigure and recalibrate the human settlements delivery system that is capable, adaptive and innovative. In this regard, we have made an urgent priority to resolve the bottlenecks that have hindered our commitment of digitising the beneficiary list system because it will radically improve our operations as a department.

We began with the review of the White Paper policy in the last financial year, and we expect to conclude this work in this financial year, which will lead to the review of the housing Act and Housing Code. We shall prioritise the finalisation of the White Paper policy. The review of policy and legislation will create an enabling environment for the delivery of sustainable human settlements that are spatially integrated, inclusive, economically sustainable and climate change resistant.

Grants, provincial plans and budgets

The Country's economic performance and the difficult fiscal environment led to our budget cuts which will come to R14 billion in the next three years. This means we have to do more with less and find partners to help us deliver on our Mandate.

For the financial year 2024/25, we have a total allocation of R33.1 billion, of which 96% or R31.6 billion is allocated towards transfer payments. Transfer payments consist of conditional grant allocations (R30.1 billion), transfers to entities amounting to R1.5 billion and other transfers that make up about R10 million. The Emergency Housing Fund budget of R496.7 million constitutes 1% of the total budget.

Furthermore, we have allocated R4,5 billion towards the Informal Settlement Upgrading Partnership Grant and R8.7 billion Urban Settlements Development Grant for the Metros, and for the provinces on Human Settlements Development Grant, R13,7 billion has been allocated and on Informal Settlements Upgrading Partnership Grant, the total amount is R3.3 billion to ensure the fast-tracking of the delivery of sustainable Human Settlements.

In this financial year, the Department will continue providing houses to communities in addressing the current significant housing backlog and to improve their living standards. Our target for top structures is 20 925 and 35 335 service sites that will promote self-building and make basic services easily accessible

On priorities

Our programmes in this financial year will continue to be aligned to the following priorities:

- Upgrading of informal settlements.
- Eradication of mud houses
- Increased delivery of affordable housing through First Home Finance
- Increased delivery of rental stock through social housing
- Acquisition of well-located land for human settlements development
- Implement several catalytic human settlement development projects in areas identified for spatial transformation and in deprived areas
- Title deeds programme to ensure security of tenure for many South Africans who never owned a property before.

On informal settlements upgrading

The Informal Settlements Upgrading programme was introduced to improve the living conditions for many citizens, who at times, live in unsafe and inhabitable environment. Where suitable, it prioritizes the incremental upgrading of these settlements in-situ, failing which we permanently relocate all the settlements that are on disaster prone areas. In the 2019-2024 MTSF period, 68 902 serviced sites have been achieved in Provinces and 88 047 sites in Metros through the Informal Settlement Upgrading Grant (ISUPG). However, the number of informal settlements that have been formalised and completely provided with permanent infrastructure remains low and this prompted the department to review the monitoring and intervention approach for 2024/25 financial year, by introducing several workstreams that will enhance Technical Implementation Support. This includes working closely with non-governmental organisations to re-block informal settlements households to mitigate against disasters and using spatial location technologies to Geo-

map all informal settlements, so that we can be able fast-track the physical upgrading of each of the informal settlement.

On disaster and emergency housing

Disasters in our country have become a common place occurrence, especially in the coastal areas such Kwazulu-Natal, Eastern Cape and Western Cape. Recently, we have seen a tornado ripping through the properties in Kwa-Zulu Natal and heavy rainfalls and floods destroying houses and infrastructure in the Eastern Cape and floods in the City of Cape have rendered families homeless. The elimination of mud houses and Asbestos has become inseparably linked to the emergency housing response. It is for this reason that we have put both programmes as a priority, as both mud houses and asbestos are vulnerable to extreme weather condition, putting many people at risk.

Through the centralised Emergency Housing Resource Fund (EHRF) we have also introduced building materials, structural assessments, and repairs in addition to the provision of Temporary Residential Units (**TRUs**) and Transitional Emergency Accommodation (**TEAs**) and in this financial, we will introduce innovative building technologies (IBT). To further improve our response time to disasters, there is a need to improve inter-governmental relations. Through the District Development Model, we will define an inclusive framework that brings together all spheres of government to play an active role in responding to disasters.

We will also be introducing a proactive approach to mitigate the impact of natural disasters. Working with provinces and municipalities, we will expedite the effort to relocate especially Category C informal settlements that currently in high-risk areas. We will work with provinces and municipalities to effectively utilise the Informal Settlements Upgrading Programme Grant to better the living conditions of those residing in informal settlements. With this, we can avert disasters that have left people homeless, and displaced and even caused deaths.

My appreciation goes to NGOs such as Gift of the Givers and Alimdaad, who work closely with us on the ground.

Breaking the apartheid spatial development

Ultimately, programmes that will help us to change the spatial development for the better which include mixed-use developments, informal settlements upgrading, social housing and affordable housing, will depend on the availability of well-located land and properties. One hundred and thirty-six (136) priority development areas (PDAs) have been declared, within which the above-mentioned programmes will be implemented by provinces and municipalities. Accordingly, the planned budget allocation for priority development areas in this financial year is as follows:

- HSDG allocations to PDAs is R3.3 billion, which is 24% of total allocation
- Provincial ISUPG allocation to PDAs is R 1.3 billion which is 41% of total allocation
- Metros ISUPG allocation to PDAs is R 2 billion, which is 44% of total allocation
- USDG allocation to PDAs is R4.4 billion which 52% of total allocation

One of the fastest ways to create spatially integrated human settlements is through mixed-use developments. The development of mega- mixed use development projects - that will combine densification and accommodating mixed residential and mixed income developments - will be pursued more aggressively. Considering the fiscal budgetary constraints, it is only through the public/private partnership that this can become a reality. We are going to ensure that we create a conducive environment to ensure that private players, some of whom own well-located land and buildings, help us to deliver houses. We urge developers and investors who are interested in delivering homes to South Africans to make proposals for partnerships.

On acquisition of well-located land and buildings

The Department of Public Works and Infrastructure has earmarked 14 000 hectares of State land for human settlements and to date, 2 689 hectares has been transferred to the Housing Development Agency (HDA). We also have an additional thirty-two (32) land parcels, measuring 10 350 hectares to undertake preliminary human settlements

planning. In excess, 64 000 housing opportunities are planned from the released land parcels.

In this financial year, the HDA will acquire an additional 1000 hectares of land and rezone 700 hectares of land for human settlements development. The HDA will also implement ten integrated programmes and acquire an additional 500 hectares within PDAs in this financial year. The land parcels include well-located public land focused in areas of rapid urban growth in the provinces and municipalities and will be developed by the HDA in conjunction with other state organs. This means that, not only will we be acquiring land, but we will also expedite the rezoning and development of the land.

Transfer of state-owned land for human settlement from Department of Public Works and Infrastructure will continue in earnest. We are also targeting the acquisition of state-owned properties in the inner-city, so that we can repurpose them for human settlement. This can help us to meet the demand for housing in urban areas, especially for the missing middle, with products ranging from social housing, affordable housing and rent-to-own.

On Social housing

During the 2023/24 financial year, we successfully launched several projects i.e., Lufhereng which delivered 347 units, Maitland which delivered 204 units, Goodwood Station which is going to deliver 1 055 units, Riverside which is going to deliver 1 108 units and Hospital Street which is going to deliver 1 056 units. During this current financial year, we have already launched the Townlands Project within the Marabastad Precinct, which managed to deliver 1 200 units. The scope for increasing the quantity of units in this sector is huge, matched with an ever-growing demand especially in secondary cities. We will review our social housing delivery processes at the Social Housing Regulatory Agency (SHRA) to ensure that developers who want to play in the sector are not held up by unnecessary red tape. Efforts will be intensified to crowd-in more private sector investments. In the current financial year, we plan to deliver 2 699 Social Housing Units, but more importantly, to improve on the turnaround of approval of projects, work closely to ensure less SHIs go through liquidation and improve customer service at SHRA by ensuring transparency in decision making process and accountability.

On affordable housing

In the first quarter of the 2024/25 financial year, the National Housing Finance Corporation (NHFC) has already signed three additional MOUs within the First Home Finance subsidy origination space. The plan for 2024/25 is to sign 12 MOUs with subsidy origination partners. We have also noted growing interest from private sector employers with Employer Assisted Housing Schemes to help their employees access their first adequate homes. As the 2024/25 year began, we saw significant demand for the subsidy, evidenced by 1,685 approved subsidy applications out of 2,000, totaling R185 million in the first quarter, which is 46% of the 2024/25 allocation of R401 million. We expect this upward trajectory of approvals to continue as the implementation of the Programme with non-mortgage options gains momentum.

Working together with the Social Housing Regulatory Authority (SHRA) and the National Housing Finance Corporation (NHFC), we will continue to solidify a collaborative relationship with the other Development Finance Institutions and the Infrastructure Fund (IF) to create a framework for large scale financing of social housing projects. This would be a positive step in reducing the estimated investment gap of R144 billion and reducing the backlog of 320 000 units in the social housing sector.

On provision of title deeds

Security of tenure continues to be a challenge due to a number of reasons to the extent that we introduced “Title Deeds Friday” that came into effect in November 2023, to accelerate the issuing of existing title deeds to the deserving beneficiaries. During this period, we were able to issue out a total of 42 855 title deeds, over and above what we issued for different categories.

In the current financial year, we will focus on existing township establishment challenges and bulk infrastructure to unlock the blockages by collaborating with critical departments such as DWS, CoGTA, DPWI, as well as the Department of Land and Rural Development. Working together with Operation Vulindlela, we will unlock all the bottlenecks that have been between our people and the title deeds. We will continue with the implementation of the Title Deeds Friday campaign to accelerate the issuing of the existing title deeds,

whilst we work tirelessly in resolving the old stock, namely, pre-94, post-94, post-2014 and new categories.

On transformation

In the previous MTSF, we made significant strides to avail economic opportunities for vulnerable groups. On 40% set-aside for women, we have exceeded our target. As we enter the 7th administration, working with our entities, we will continue with this trajectory.

The HDA has announced the establishment of a National Small Micro and Medium Enterprise (SMME) Development Programme as part of the strategy to empower Designated Groups in the construction sector. The Programme will educate 1 500 SMMEs on new venture creation as well as occupational health and safety. In total, 2 864 unskilled persons will receive training on bricklaying, electrical, painting and plumbing while the Community Schemes Ombud Service (CSOS) - another entity of the department - plans to appoint 250 previously disadvantaged individuals as Executive Managing Agents.

To deepen and widen transformation in the property and real sector, the Property Practitioners Regulatory Authority (PPRA) has forged a strategic collaboration with the Rawson Franchise group, which was launched in March this year. This first Cohort of Rawson Franchise Recipients are getting established in their new office spaces, receiving continuous business and leadership training and mentoring from the industry experts, as well as financial support. From April, each of the Franchises have employed staff since they started operating and currently have a total 37 staff members in their employ. The Franchises are currently actively marketing 119 properties (sales and rentals) with a listing value of over R126 million and have concluded 15 sales with a Property Sales value of R15.7 million. The PPRA and Rawson are looking forward to recruiting and establishing more franchise business owners to accelerate transformation and create jobs in the property sector.

To promote diversity and transformation in the property development sector, the National Housing Finance Corporation (NHFC) has initiated a developer incubation programme. The programme is targeted at emerging developers who have capacity challenges, that in most cases impact negatively on their ability to complete the project funding requirements under our funding programme. In the current financial year, 10 emerging developers will be incubated, with the aim of reaching 50 emerging developers by 2026.

On Regulatory framework

We are pleased that just before the end of the 6th Administration, Parliament passed the Consumer Protection Bill, which has been sent to the President to Assent.

International work

On 13 March 2024, the Cabinet approved a request from the Department for the opening of the UN-Habitat Country Office which will implement a Country Programme. The Country Office will facilitate collaboration between the Government and UN-Habitat on the implementation of the Sustainable Development Goals, the New Urban Agenda and the localisation of the Global Action Plan on Accelerated Transformation of Informal Settlements and Slums in accordance with the UN-Habitat Assembly Resolution 2/2 Adopted in June 2023 in Nairobi, Kenya.

This year, we intend to finalise all processes required for the operationalisation of the Country Office. This office will enable UN-Habitat to implement its activities in South Africa that are geared towards achieving our Human Settlements vision.

Honourable members,

Our work speaks for itself, but we still have a long way to go. If there remains a destitute household, then our work is not yet done. If we still have senior citizens on the Housing Needs Register, then our work is incomplete. At times, because the living conditions of the poor and vulnerable can be unbearable, there is a temptation to view our government as uncaring - but nothing could be further from the truth. We care and our efforts are redoubled to bring services to all those in need.

As Kwame Nkrumah said, ***“Those who would judge us merely by the heights we have achieved would do well to remember the depths from which we started”***.

I hereby table Budget Vote No. 33 from the Department of Human Settlements, together with priorities for the financial year 2022/23.

Thank you.