

**2015/16 Policy and Budget Speech, delivered by MEC for Human Settlements – Ms Helen Sauls-August at the Eastern Cape Provincial Legislature, 19 March 2015**

**Honourable Speaker and Deputy Speaker;**

**Honourable Premier, Mr Phumulo Masualle**

**My colleagues in the Executive Council;**

**Honourable Members of the Provincial Legislature;**

**Honourable Executive Mayors and Mayors;**

**ANC leadership and Alliance Partners**

**Esteemed Traditional Leaders;**

**Our social partners;**

**Senior officials in government and the private sector;**

**Distinguished guests;**

**Comrades and friends and**

**Ladies and gentlemen.**

**Honourable Speaker,**

I rise to table the departmental Policy and Budget Vote for 2015/2016 during a year that marks 21 years of Freedom and Democracy. This year also exactly marks 60 years since the adoption of the Freedom Charter, a key founding document of South Africa's democratic Constitution. Its housing clause states without any equivocation: "There shall be houses, security and comfort for all... 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. Slums shall be demolished and new suburbs built where all shall have transport, roads, lighting, playing fields, crèches and social centres." Our Constitution (s 26 a) resonates with the Charter on the question of housing and human settlements: *"Everyone has the right to have access to adequate housing, and the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right."*

**Honourable members,**

It will also be 21 years since the first Minister of Housing, Comrade Joe Slovo, rallied large and small contractors, labour unions, community organizations and financial institutions in 1994, resulting in the landmark Botshabelo Accord, which stated:

"Government strives for the establishment of viable, socially and

Economically integrated communities which are situated in areas allowing convenient access to economic opportunities, health, educational and social amenities and within which South Africa's people will have access on a progressive basis to:

- A permanent residential structure with secure tenure, ensuring privacy and providing adequate protection against the elements; and
- Potable water, adequate sanitary facilities, including waste disposal and domestic electricity supply.”

Do you Honourable Members recall the celebratory laugh of the Veteran Rivonia trialist, Raymond Mhlaba who walked these corridors as the first Premier of our province? At that point the taste of freedom was stronger than the reality of amalgamating a range of departments and addressing generations of exploitation. Did our Stalwart know that every foot step designed the settling of an administration that needed a 360 turnaround to undo prejudice, separate development, homelands, homelessness and countless ills crafted by an illegitimate apartheid government? It is a fact that we were ready to govern. We invoke the spirit of Mama Luzukho to bear witness to us answering the many questions and dreams before liberation that have converted a 1955 march to ‘amagaqa’.

Our department has proudly adopted the names of our struggle stalwarts Steve Tshwete Building, Govan Mbeki Human Settlements Annual Awards and Joe Slovo Human Settlements Month and develop their legacies in their intended struggle to support the destitute and vulnerable.

The home of legends remains the fountain of leadership and policy development intended to drive tangible life changing delivery that would gradually phase out the pain of a racial minority enforcing its cowardly domination.

Our collective task Honourable Members is to change the conversations that echo the question, “What good could come

out of the Eastern Cape?” and share the obvious change over the past five years that has converted policy into countable products of delivery.

**Honourable Members,**

We are beaming with pride of what we have achieved from our commitments in the house last year. Our projects continue to shine in the National Govan Mbeki Awards. In August last year, Second Creek, a dumping site in 2009 was transformed into a residential settlement in 2014 and won the award for the best Informal Settlements Upgrading Programme in the country. Imizi Social Housing also won the award for the best social housing project for providing affordable rental accommodation to middle income earners.

The plans for mix mode development are progressing well in North Crest and ParsonsVlei. The land parcel in ParsonsVlei earmarked for De-Densification of Helenvale in the Nelson Mandela Metro has been evaluated and will be awarded to a developer with strict conditions to comply with mix mode development in the area. Internal processes are at an advanced stage to appoint a contractor for the vacant land in North Crest earmarked for community residential units.

**QUNU CITY DEVELOPMENT**

The development of a new Post-Apartheid City in Qunu has been adopted as a high-impact project of the Social Transformation Cluster. The first phase of the feasibility study has been completed and revealed the immense development potential that exists within the Qunu area. The envisaged Qunu City is located along the N2 development corridor with strategic linkages to the Wild Coast to Kwazulu-Natal development belt.

## **TITLE DEEDS RESTORATION PROJECT**

### **Honourable Members,**

We are proud to have handed over 2000 title deeds in Dordrecht and Indwe to confirm homeownership and restore dignity of beneficiaries. Another 7 429 title deeds have been transferred to municipalities of Mnquma, Mahlathi, Ngqushwa, Nxuba, and Sundays River. A total of 1859 title deeds from Sarah Baartman, Buffalo City, and Nelson Mandela Metro are for the current running projects.

## **ACCESS TO SOCIAL AND ECONOMIC AMENITIES**

On the provision of social amenities, we have completed and handed over the state of the art Titi Jonas Multi-Purpose Community Centre (previously tabled as Khulile Jawuka). Unfortunately due to community protests the construction of other Multi-Purpose Community Centres was delayed, but we have since resolved all the matters and construction has resumed.

## **HOUSING ASSISTANCE TO DESTITUTE PEOPLE**

Our decisive response and intervention on the plight of the destitute people has continued to rescue helpless people from the trenches of poverty and homelessness. 59 Year old Mama Nophindile Nyoka and other families received fully furnished homes in Qunu last year.

We also express our gratitude to SABC Cutting Edge Programme for reporting on the plight of Gogo Mangena in keeping with the spirit of patriotism and developmental communication. We are proud to announce that Gogo Mangena with 13 other families in Flagstaff would move into new houses during April 2015.



In collaboration with Amathole District Municipality, the department has built a home for the disabled Ayolise Ntetho, a 7 year-old boy born without legs in Inxuba local Municipality. A catastrophe struck Ayolise's home around June 2014, his house was blown away and destroyed by gale force winds and his family was left destitute. Ayolise now has a new home in Bedford.

Further collaborations with the Department of Health and Social Development ensured that we are building a house for Mamu Unity Mpongwana-Khuzwayo from Saphukanduku village in Ntabankulu.

## **ACCELERATING HOUSING OPPORTUNITIES**

The Upgrading of 18 Informal Settlements was carried out in Mzamomhle East London; Thornhill Phase 2; Silvercity; Downtown; Elliotdale; Duncan Village; Siyanda Phase2; Molteno Airstrip; Zanemvula; King Sabatha Dalinyebo 6500. Siyanda New Rest and Second Creek remain the mainstay of our informal settlements upgrading programme.

The nature of Informal Settlements Upgrading includes provision of interim and internal services, in-situ and green-field construction of new homes for shack dwellers with access to basic services. The department has already installed 11 122 services (exceeded targets) in this regard. We have 10 running informal settlements projects.

The department has met the **Annual Target** of building 12979 housing units. These houses includes subsidies both in rural and urban areas. The additional funding of R233 million from the National Department will increase the number of projected quality homes to be delivered by the year-end.

On **Rural Housing programme**, we continue to deliver quality houses to the people, and over 917 houses have been built in

OR Tambo District in Nqguza, Dimfi, Lubala and 1700 houses in villages of Alfred Nzo District in Ntabankulu, Ebenezer, Masakala and Ludeke.

On **Unblocking of Old Projects**, 10 historically blocked informal settlements upgrading projects in Ntabankulu (471 homes), Kouga (Hankey 990), Ngcobo (1854 Ext 11), Senqu (Barkley East 298, Sakhisizwe (Cala and Elliot projects without services) and Intsika Yethu (263 units in Ext 2) have been successfully unblocked. About 16 600 housing units will be delivered at the end of this intervention programme, with informal settlements in the small towns drastically reduced and quality of life of our people improved. This once-off intervention programme will level the ground for the implementation of Community Residential Units in these secondary towns, based on the confirmed need. Of course, unlocking services infrastructure goes a long way in revitalising the towns in which these projects are located.

Our **Social Housing programme** continues to provide affordable accommodation to the middle income workers. This financial year, 398 social housing units were completed in Fairview Link, Nelson Mandela Metro.

## **LAND ACQUISITION**

Our land acquisition programme received a major boost with a total of 409,4394 ha donated to the Department by a farming community. The land is meant to be used for human settlements development to accommodate farm workers in Bulura, Glens, Chintsa West, and Byletts. The land parcel is located in **Cintsa** Erf 211 and Erf 137. A total of Six (6) land parcels have been devolved to Bavians municipality for the development of a library, to be constructed by the department of Sport Arts and Culture. The total size of all Six is 13,384ha. Two land parcels (Farms) for Kouga LM in Humansdorp have been acquired for

integrated human settlements and these land parcels are; Portion 1 of Farm 335 Klein Zeekoe river measuring 80ha Portion 29 of and Farm 436 Lorie River measuring 59,8170ha.

## **BENEFICIARY CORRECT OCCUPATION**

**Honourable Speaker,**

We have held the Public Hearings in Burgersdorp in Joe Gqabi District and Engcobo in Chris Hani District.

There is clear support and collaboration of municipalities to roll out this programme. We are encouraged by the positive response from the community who voluntary offered to assist the correct occupation process. Beneficiaries can use our customer care number: 0860 00 0039 to report illegal occupations. The Nelson Mandela Metro Municipality is commended for taking a stand and evicting illegal occupations in Chatty.

## **MUNICIPAL SUPPORT AND CAPACITATION**

Municipality Support was provided for housing officials from King Sabata Dalindyebo, Lukhanji, Kouga municipalities who were trained on National Housing Needs Register. A total of 43 Field workers from Kouga were trained on data collection tools that will enable capturing of legitimate housing subsidy applicants.

## **REVIEW OF DEPARTMENTAL EXPENDITURE**

**Honourable Members,**

There has been a radical improvement on the expenditure of the Department due to that New Service Delivery Model introduced 3 years ago, whose critical focus was to re-orientate the administration from crisis management towards a stable, predictable service delivery focus. Due to the improved performance on the Conditional Grant, we have received an additional funding of R233.5 million from the National



Department which will enable to exceed our targets. The R233m being grant funding that the National Minister withheld from under-performing provinces to the high performing provinces. We have turned the tide on Institutional Stability, Conditional Grant Expenditure and quality delivery.

An analysis of the departments' expenditure as at 11 March 2015 is as follows:

**Table 1: Expenditure as at 11 March 2015**

<b>Budget description</b>	<b>Budget Allocation R'000</b>	<b>Total Expenditure R'000</b>	<b>% Expenditure</b>
Overall expenditure on the Vote	2,721,102	2,587,119	<b>95.08%</b>
Conditional Grant expenditure	2,395,372	2,290,507	<b>95.62%</b>
Equitable Share expenditure	325,730	296,612	<b>91.06%</b>

**Honourable members,**

Effectively the department has a 100% expenditure for the past financial year and seems on track to maintaining this trend in the current financial year.

## **POLICY PRIORITIES FOR 2015/16**

### **PARTICIPATION IN THE SOCIAL TRANSFORMATION CLUSTER**

#### **Honourable Speaker,**

The Department will be leading a multi-sector and multi-agency process of developing a 20 year Provincial Human Settlements Spatial Master Plan. This Plan will map out a 10 to 20 year project pipeline based on a comprehensive state of readiness assessment of housing projects drawn from the Housing Chapters of IDPs of all municipalities. The Provincial Human Settlements Spatial Master Plan will incorporate planned projects of other sector departments and state-owned enterprises. Future human settlement projects will be ratified and approved in consideration of migration patterns and the emerging economic growth nodes, zones, corridors and belts within the provincial landscape.

The department is enhancing its spatial planning and GIS capacity to effectively manage this work. We will also continue integration work on the 16 Anti-Poverty Sites and identified Integration Flagship Projects utilising the clusters and IGR structures to promote cooperation and coordination across and between sectors and spheres.

### **PROJECT ENHANCEMENTS FOR COMMUNITY INTEGRATION**

Project enhancements will be linked to current running projects with a scope of more than 500 houses will be enhanced. In pursuance of this ground breaking move, we will launch a **Most Beautified, Clean and Enhanced Neighbourhood Annual Competition** during the Heritage Month targeting the Arbor Week to encourage beneficiaries to maintain their homes and also be actively involved

in the construction and maintenance of their homes and neighbourhoods. Winners of this Competition will be recognised and awarded at the annual Provincial Govan Mbeki Awards. In the area of greening and beautifying neighbourhoods we will be collaborating with the Department of Rural Development and Agrarian Reform, the House of Traditional Leaders and Department of Social Development to incorporate food security for destitute families.

## MUNICIPAL SUPPORT AND CAPACITATION

We will also continue to provide **Hands-On-Support** to all Municipalities, Traditional Leaders and officials to capacitate them on all human settlements programmes, policies and plans. These will include training of councillors on by laws on Human Settlements laws and on Social Housing Policy. National Department is doing away with waiting lists and has introduced national housing needs register, the department will in the new financial year ensure that all municipal officials are trained on housing needs registers with the aim of ensuring that Municipality Housing Needs Registers are established and constantly updated.

The Department has engaged the Nelson Mandela Metropolitan University towards developing an accredited **Short Learning Programme** for municipal and provincial officials, councillors and traditional leaders on sustainable human settlements programmes. This structured programme targeting human settlements practitioners will ensure skills development in policies, processes and systems in the housing delivery value chain. This is seeking to enhance the Bachelor's Degree on Human Settlements that commenced in 2014 in NMMU. The University of Fort Hare will also offer the Bachelor's degree on human Settlements as from 2016 in celebrating the centenary of the establishment of the

university which has continued to develop young leaders for the future.

Responding to the cries of our people and fallen victims to unscrupulous manipulation of beneficiary lists, we have taken over the **Beneficiary Administration** function in all municipalities in Joe Gqabi district. The pain of being homeless can't be reduced to a decision of popularising on who becomes a beneficiary, but must be informed by empirical evidence on genuine need of the people. The model to emerge out of the Joe Gqabi intervention will, in future, be replicated to other municipalities with an ailing beneficiary administration function.

**Honourable Speaker,**

In pursuit of decent living in human settlements and improved quality of household life, the long-term delivery strategy of the Department remains anchored on the four national outputs that form part of Outcome 8.

**ACCELERATE THE DELIVERY OF HOUSING OPPORTUNITIES**

**Honourable Speaker,**

The quality of housing continues to improve and new enhancements to the current government housing subsidy are being implemented. Subsidy houses now have ceilings, plastering of both internal and external walls and standard basic electrical installation comprising a pre-paid meter with a distribution board and lights and plugs to all living areas of the house upon completion. The total cost of a housing unit increased from R64 000 to R110 947, 00 in April last year depending on areas and a maximum of R164 000 rands in rural areas as a result of variances related to extra-difficulty terrain, access to construction material etc.

## **(a) INFORMAL SETTLEMENTS UPGRADING**

The department will upgrade of 20 Informal Settlements this financial year, with 4 785 quality homes built during this financial year from the programme. These houses will be built from Informal Settlements in Buffalo City Metro, Nelson Mandela Bay Metro, Kouga, Amahlathi, King Sabatha Dalindyebo, Elundini, Mhlontlo, Mnquma and Maletswai municipalities.

## **(b) Military Veterans**

We will be implementing the programme of Military Veterans with a planned housing units for this financial year. The challenges that slowed down this programme were resolved last year. 3 projects will be implemented this financial year in (OR Tambo 57, Chatty 68 units and Lukhanji (St Marks 200 units) for the approved beneficiaries.

## **YOUTH CAPACITATION**

**Honorable Members,**

### **(A) Youth Brigade Programs**

We are proud of the spirit of volunteerism in our youth, who are willing to roll up their sleeves and serve the community with passion. The youth brigades programme will be implemented using EPWP principles. A total of 200 youth will be trained on various built environment skills. The youth brigades programme will be implemented in Mthatha, Thornhill, Fort Beaufort, Aliwal North and East London. This programme has been boosted with a funding from the national department and will equip unemployed youth with built-environment skills and training. We will also strengthen our partnership with the NHBRC, NYDA and other institutions.



**(B) Estate Agency Youth Training**

The Department has initiated discussions with the National Estate Agencies to pursue the youth capacity building programme.

Potential training options were explored for 120 youth, which will be taken up in the new financial year. There is a willingness on the part of the Estate Agency to collaborate with the Department on this venture.

**RURAL HUMAN SETTLEMENTS DEVELOPMENT****Honourable Members,**

Rural Human Settlements Development remains central and a key anchor of our plans for this year. Almost half of the total annual target of houses to be built will be in rural areas. A total of 6 1 58 housing units from the overall target of 13100 will be built in rural areas this financial year. Some of the areas that stand to benefit from the Eastern side of the Province are Ntabankulu, Xhambeni, Zinyosini, Rhode, Maluti, Cancele, Tholeni, Qaukeni, Lusikisiki, Flagstaff and Port St Johns.

We will continue with our expanded housing delivery in rural area as our contribution to rural livelihoods. Our rural housing plans are not intended to urbanise rural areas, but to work and enhance rural livelihoods. We will have continuous conversations with Traditional Leaders and Department of Rural Development and Agrarian Reform to address the concerns around the grazing and ploughing fields against the need for housing development. To this end, we will also explore further the use of cooperatives and community builders where we will mobilize communities around human settlement cooperatives. There are currently talks between the Department and the Department of Trade and Industry on piloting the cooperative model in some of our rural projects capitalising on community builders and graduates of TVET and FET colleges.

## **IMPROVED PROPERTY MARKET**

**Honourable members,**

The Finance Linked Individual Subsidy Programme has been enhanced to make owning a house much easier for potential homebuyers. The maximum prescribed property value will now be determined by the participating financial institutions and based on the income and credit profile of each applicant. We are seeing this move as a route to unlocking this Programme.

## **PUBLIC PARTICIPATION**

**Honourable Speaker,**

Public Participation is a key driver of service delivery and an important element of democracy. We will continue to mobilise civil society and State Owned Enterprises, Chapter Nine institutions to support and participate in our Destitute and Vulnerable Groups, Correct Occupation and on other community interventions.

A comprehensive Communication Programme to empower and protect our beneficiaries, applicants, contractors, partners on the processes and plans of the department will also be undertaken at a regional and project level. Through this programme, we will educate people on maintenance of the houses, tracing of beneficiaries for the completed unoccupied housing units and outstanding title deeds which need to be handed over to correct beneficiaries.

We will also embark on a Housing Consumer Protection and Awareness programme wherein consumers of human settlements products will be empowered on their rights and responsibilities. Our Rental Housing Tribunal will also form part of the consumer protection drive and a platform to resolve disputes between tenants and landlords and raising awareness about the Rental Tribunal to the consumers. The Rental Housing Tribunal has received 234

cases since 1 April 2014 and has, up to date, successfully resolved 186 cases.

## **ECONOMIC DEVELOPMENT**

### **Honourable Members,**

The department, in promotion of the agenda for localisation of suppliers and supporting local companies, can proudly proclaim that that 70% of all its tenders is allocated to local companies in the Province. **Ingca yase Mpuma Kapa ityiwa zinkomo zalapha!** We are also exceeding 30% percent allocation of construction work to women contractors set by the National Minister. We will create 17 000 job opportunities from human settlements development work this financial year. Yet again, the beneficiaries of such job opportunities are by and large people and children of the Province of the Eastern Cape.

## **ANTI CORRUPTION**

As an active signatory, our department is spearheading the implementation of the Provincial Anti- Fraud and Corruption plan. Screening and vetting of suppliers and employees, declaration of private interests, Registration of Gifts are some of the measures in place and constantly intensified. The department will monitor the compliance of all employees on the new Policy Prohibiting Civil Servants from Trading with the State.

## DEPARTMENTAL OVERALL TARGETS FOR 2015/16

Honourable Speaker, the table below details both the qualitative and quantitative insight to the intended policy priorities for the period 2015/16 financial year.

**Table 2: 2015/16 Overall Performance Targets**

<b>Deliverables</b>	<b>Targets</b>
<b>Housing Subsidies:</b>	13 100
<b>Individual housing Subsidy Units</b>	100
1. Finance Linked Individual Subsidy	200
2. Social Housing	368
<b>TOTAL</b>	<b>13768</b>
<b>Land Acquired</b>	271 ha
<b>Multi-Purpose Community Centres</b>	1
<b>Informal Settlement Upgrading Projects</b>	20
<b>Title Deeds</b>	7000
<b>Job opportunities</b>	17 000
<b>Rectification</b>	2 311
<b>Access to Basic Services</b>	10 231
<b>TOTAL HOUSING OPPORTUNITIES CREATED</b>	<b>30 999</b>

## DEPARTMENTAL BUDGET OVERVIEW FOR 2015/16

The Department's Budget for creation of integrated and sustainable Human Settlements during 2015/16 comprises of the Human Settlements Development (Conditional) Grant, the Expanded Public Works Incentive Grant and the Equitable Share allocation. The Budget stands as follows:

**Table 3: Budget overview of Department of Human Settlements, 2015/16**

Budget category	Total allocation	Percentage of overall budget
HSDG	1,962,372	85.40%
Equitable share (provincial)	332,954	14.49%
EPWP	2,607	0.11%
<b>TOTAL</b>	<b>2,297 ,933</b>	<b>100%</b>



The departmental Budget Allocation split by programs is presented below:

**Table 4: Budget Allocation Split for 2015/16**

<b>Programme</b>	<b>Total allocation</b>	<b>Percentage of overall budget</b>
Administration	141,111	6.14%
Housing Needs, Research and Planning	18,174	0.79%
Housing Development	2,128,283	92.62%
Housing Management      Asset	10,365	0.45%

## **CONCLUSION**

**Honourable members,**

The tree of freedom continues to be nourished by the peaceful graves of surnames that will be enshrined in the history books of democracy such as Mbeki, Mandela, Sisulu, Slovo, Tambo, Mxenge and Mhlaba. While the tombstones read the life of our heroines and heroes, our minds read progress to fill the heavens with smiles that say well done, but don't stop as there remain many more mountains to climb. We have crossed the desire to build houses.

Tell my people I love them, my blood will nourish the tree that will bear the fruits of freedom. How did you know Solomon Mahlangu that in just 21 years we could already be counting irreversible change and a road map of future development?

We are proud, as a Department, to be entrusted with such a huge responsibility. We are equally excited to be associated with programmes that define the post-Apartheid geography in this country through reversing spatial inequities and urban deficiencies. We are willing to serve. With our development partners, we shall not fail in carrying forward the sustainable human settlements mandate and improve the quality of life of the people as envisaged by the Freedom Charter adopted by the majority people of this country in Kliptown in 1955. Voortwaards!

**BAIE DANKIE, ENKOSI KAKHULU**

**MS HELEN SAULS-AUGUST  
MEMBER OF THE EXECUTIVE COUNCIL FOR  
HUMAN SETTLEMENTS**