



human settlements  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

# POLICY & BUDGET VOTE

## 2023/24



LEAVE **NO**  
**ONE** BEHIND

  
**MPUMALANGA**  
THE PLACE OF THE RISING SUN

Honourable Speaker Ms. Makhosazana Masilela

Honourable Deputy Speaker, Ms Jeaneth Thabethe

Honourable Premier, Ms Refilwe Mtshweni-Tsipane

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Honourable members of other political parties in the Provincial Legislature

Chief Whip of the ANC, Hon. Fidel Mlombo

*IziNgwenyama Zekhethu*

Chairperson of the Provincial House of Traditional Leaders, Inkosi LM Mokoena

Executive Mayors

SALGA Leadership

Director General, Mr MR Mampuru

Acting Head of Human Settlements, Ms. HN Zitha

Heads of Departments and Entities

ANC leadership led by the Provincial Secretary: Cde Muzi Chirwa

Representatives of other political parties in the Legislature

Business and Public Sector Representatives

Distinguished Guests

Members of the Media

Family and Friends

Ladies and Gentlemen

Good Afternoon.

## INTRODUCTION

Madam Speaker and Members, we meet again at this august house at the threshold of the 6<sup>th</sup> provincial administration, having been tasked with pushing the frontiers of poverty. This has been the mandate of our Democratic Government, since its inception in 1994.

Eradication of extreme poverty by 2030 is amongst the targets of the Sustainable Development Goal (SDG) number 1 of: **No Poverty**.

Other targets to be prioritized include:

- Equal rights to ownership, basic services, technology and economic resources;
- Build resilience to environmental, economic and social disaster; and
- Create a pro-poor and gender-sensitive policy framework.

Madam Speaker, SDG 6 on **Clean Water and Sanitation** states that we must ensure the availability and sustainable management of water and sanitation for all.

The Department's 2023/24 Policy and Budget Speech I am presenting today is premised under the theme: '**Leaving No One Behind**,' which paves a new way of looking into the work we are doing.

We have provided adequate shelter for our deserving communities throughout the colour line thus far. In the process, those who used to afford their own houses lost their jobs and queued for government built houses.

This then says, we have to distribute our budget to cater for the challenges behind us, and those before us. Providing integrated human settlements is not only a forward looking process, but it involves a lot of back looking, and correcting.

All these challenges we are facing today were caused by the unequal distribution of resources by the apartheid government, which include the inaccessibility of land for the majority of our people who are mostly black.

This June month, we need to be implementing programmes that will "**Accelerate our youth's economic emancipation for a sustainable future**," because, on the 3 June 1995, at the dedication of Qunu and Nkalane Schools, our former President, Nelson Mandela said: "**Our children are the rock on which our future will be built, our greatest asset as a nation. They will be the leaders of our country, the creators of our national wealth, those who care for, and protect our people.**"

It is from this direction by our departed leaders that we remain courageous and say to ourselves, amidst the challenges we are facing, we will reflect, outline and present **achievements, interventions** to challenges, and strategies towards the improvement of our people's lives.

Not leaving anyone behind!

## REFLECTION ON 2022/23 PERFORMANCE

### **Housing Delivery**

Madam Speaker, a total of **2 887** subsidised houses (the so called RDP houses) were planned for delivery across the province and **1 798** housing units were realised – thus translating to an overall 62 per cent achievement.

We were, however, disrupted by **Business Forums** who stopped the projects. Again, poor delivery by contractors has also played a huge role in us not being able to deliver all these houses. We have since reduced their scope of work and terminated the contracts of non-performers.

In the spirit of *'not leaving anyone behind'*, we committed to the eradication of **mud houses** across the province, a pronounced **sector priority**.

A total of **91 mud houses**, mainly in villages within the Mkhondo Local Municipality (namely; **Iswepe, Emlazi, Driepan, Amsterdam, Kakhetha, KaNgema, and New Plaas**), were identified as unsafe, and inhabitable. At the end of the financial year, **138 mud houses** were eradicated and residents provided with government subsidised houses.

This, I promise Madam Speaker, is not a once off event. People living on farms are subjected to appalling conditions as far as houses are concerned – thus more is being done to improve their livelihoods.

Worse of, are those communities living near to coal mine pits. Continuous blasting has rendered the weak mud structures hazardous.

To this end, the Department has initiated talks with various mining companies' CEOs, with the aim of relocating these communities to safer and more conducive areas.

To the benefit of our communities, the Minister announced the enhancement of the future low cost houses by exploring avenues to install **solar panels** and burglar proofs for the elderly and those living with disabilities.

With the policy shift focussing more on the rapid release of land, we have successfully launched two massive integrated human settlements projects at Silobela Extension 5, and Thubelihle Extension 7, at Albert Luthuli and eMalahleni Local Municipalities respectively.

Upon completion, these two mega developments will yield a combined 20 000 serviced sites with all the required socio-economic amenities such as schools, primary health care facilities, business sites, and recreational facilities, amongst others.

### **Engineering and Quality Assurance**

Madam Speaker, to date the Department has successfully delivered **6,857** serviced sites through the integrated Human Settlements Grant and the upgrading of informal settlements grant.

Specifically, we have provided 2,000 sites in the KaMhushwa Integrated Human Settlement within the Nkomazi Local Municipality. Additionally, we have completed 400 sites in Ermelo Extension 44, located in the Msukaligwa Local Municipality, and an additional 450 sites in the Secunda West integrated settlement in Govan Mbeki.

A majority of the projects aimed at upgrading informal settlements were concentrated in the eMalahleni Local Municipality, where there is a high demand for housing and serviced sites.

Consequently, over **4 500** sites have been completed in the locality.

As we strive to improve the living standards of our communities, we have successfully completed the Ermelo Extensions 32, 33, and 34 projects, addressing issues related to sewerage spillage.

Madam Speaker, it is pleasing to report that the process of handing over this project to the municipality will be finalized before the end of June 2023.

### **Rental, Assets and Property Management**

Madam Speaker, people from the Taxi Associations and Retail Industries are not fully participating in the Government housing scheme.

Working with the **Taxi Associations** and **Retail Unions**, the Department will be embarking on targeted **awareness roadshows** throughout the Province of Mpumalanga, starting from the second quarter, sharing Human Settlements services and packages that will benefit everyone within these sectors

We believe that community residential units (CRUs) remain one of the services that which the taxi and retail industries can fully benefit.

During the last financial year, **715** disputes between property owners and tenants were resolved, seven social amenities and **52** community residential units (CRUs) were delivered across the province.

We continue to provide houses for military veterans and 20 houses will be built for the military veterans who have already been approved.

It is pleasing to mention that the Department has acquired two portions of land in Draaikraal and Klipfontein in Thaba Chweu and eMalahleni Local Municipalities, respectively.

I must pause Madam Speaker, and commend our esteemed traditional leaders (Amakhosi) for their continuous support.

The importance of the role of Amakhosi, Traditional Leaders, is enshrined in Chapter 12 of the Constitution of the Republic.

We will appreciate on initiative by Amakhosi, **working through their respective municipalities**, where they identify land for the **servicing of sites** by Human Settlements, in order to **mitigate land invasion** by communities.

In her 2023 State of the Province Address (SOPA), Premier Refilwe Mtsweni-Tsipane raised her concerns about challenges which causes communities not to receive title deeds on time. She said, **“One of the challenges we face is that most houses requiring title deeds are in rural areas, un-proclaimed townships and in state owned land which cases delays with the registration and issuing of title deeds”**.

Madam Speaker, to mitigate this challenges, we will continue to engage with Amakhosi on the township establishment in their areas so that communities can have title deeds.

To date we have registered title deeds to **2745** beneficiaries, which are legal documents that can be used as an economic leverage for beneficiaries to improve their livelihoods.

## Administration

Madam Speaker, the post establishment of our Department indicates that there are currently **348** filled, and **146 vacant** positions, thus reflecting a **29.5% vacancy rate**.

To remedy this situation, some funded positions have recently been advertised to be filled by the end of the second quarter, in line with the Department's Employment Equity Plan, as we move to close the gap between males and females at senior management level.

## STRATEGIC FOCUS FOR 2023/24

### Integrated Planning and Development

Madam Speaker, since the **2019/2020 Financial Year to date**, the Department has managed to deliver a **total of 36 415 housing opportunities**. This level of performance has been achieved despite the forever shrinking Annual Budget Allocations and increase in the costs of construction materials.

In this final year of the MTSF, the Department will be finalising the township establishment and planning processes for **15 mega human settlements projects** with a **combined yield of 54 884 sites**. This initiative will ensure quick delivery of serviced sites (*and ultimately top structures and social amenities*) in close proximity to or within declared **Priority Development Areas (PDAs)**.

These **PDAs** include Rondebosch Proper; KwaZamokuhle Extension 9; Ermelo Extension 44; Grootvlei Extension 5; Secunda Extension 76; Leslie Extension 8; Silobela Extension 5; Amsterdam Ext 5; KaMhlushwa A Extension 3; Komatipoort Extension 18; Kumana and Luhumo; Mashishing Extensions 8,9, and 10; Thebelihle Extension 7; Msholozzi; and Vukuzakhe B.

Upon completion, they comprise of the much needed socio-economic amenities such as **schools, health** facilities, **business** sites and **recreational** facilities, amongst others.

In our quest to consolidate on the **Rapid Release of Land**, we successfully launched two massive integrated human settlements projects at Silobela Extension 5 and Thubelihle Extension 7 at the Chief Albert Luthuli and eMalahleni Local Municipalities, respectively.

Madam Speaker, in line with the **Informal Settlement Upgrading and Management Strategy**, **the Department is now in the process** of mitigating the scourge of the triple challenges of poverty, inequality and unemployment.

Just last month, **25 May 2023**, we successfully launched what could be considered a Private-Public-Partnership (PPP) initiative with business people, spearheaded by **Mr. Themba Sgudla** who has joined the audience this afternoon.

This initiative's aim is to revive the **township economy and create jobs**. Further, introduces the **business cooperatives** to manufacturing of building bricks, paving bricks, roof trusses, aluminium windows and doors, in eMalahleni Local Municipality and its immediate surroundings.

These co-operatives which shall operate within the ambits of the Provincial Government's **Social Enterprise Development Model, 2016**, are a sensible conduit to ignite township economy as upon formation they will be structured entities to manufacture products required within the built value-chain.

The overarching objectives of the co-operatives is to wage war against informal settlements, transforming the economy, addressing poverty, unemployment and crime, amongst others.

It is our considered opinion that the initiative witnessed in Siyanqoba Township should be amplified, considering the prevailing socio-economic climate we find ourselves in, to an **enhanced Social Enterprise Development Programme [eSEDP]** further replicated throughout the Province.

### **Engineering Services and Quality Assurance**

Madam Speaker, a total of **5 590** sites will be delivered throughout the province – not underscoring challenges of municipal bulk infrastructure bottlenecks.

Broken into Districts, we will be delivering **2 650** in Gert Sibande, **1 840** in Nkangala and **1 300** in Ehlanzeni through both the IRDP and UISP programmes.

The Department seeks to ensure delivery of quality houses through working closely with the National Home Builders Registration Council (NHBRC) by ensuring all projects are enrolled and inspections are conducted timeously to the highest norms and standard.

### **Housing Delivery**

Madam Speaker and Esteemed Guest, as earlier indicated, our budget has seen a **decrease** compared to the previous financial years, coupled with the policy shifts from delivering more houses to the rapid release of land.

For that reason, we have planned to construct **3 085** government subsidised houses during the 2023/24 financial year broken down as follows per District.

- Ehlanzeni : **1 095;**
- Gert Sibande : **966; and**
- Nkangala : **1 024.**

Our target for 2023/24 financial year is to eradicate **229** mud houses at already identified in different villages in Mkhondo, Bushbuckridge and Albert Luthuli Local Municipalities.

Madam Speaker, the impact of climate change has not spared our province either. The unprecedented high rainfall, heavy winds and hailstorm have caused a huge damage to the house structures and drastically affected the infrastructure.

The effects of climate change have affected the Province before and the Department has still to finalise the repairs.

But the unpredictable weather struck again on the 19th of November 2022 where the heavy rains and strong winds caused severe damages to private and public properties in Hazyview areas of Mahushu, City of Mbombela.

As we speak, a total of **383** natural disaster damaged houses are being repaired.

Furthermore, on 8th of February 2023, the north-eastern part of the province experienced persistent heavy rains which resulted in catastrophic flooding, mainly in the City of Mbombela and Nkomazi Local Municipality.

Over **2 448** residential houses were affected by these floods province-wide, compelling the Department to appoint a team of engineers to assess and cost the damages.

To date, **ten** (10) contractors have been appointed and are currently busy with repairs.

It is worth mentioning Hon. Speaker that going forward, disaster interventions will be coordinated by the National Department of Human Settlements.

This is aimed at improving turn-around response time as the budgetary resources shall be held by the National Department.

As I mentioned in my introduction Madam Speaker, we find ourselves in most of these challenges due to the short-sightedness of the minority rulers of the past.

In their short mind, they never thought that their actions will cause the country billions of rand in the fight to eradicate and destroy their legacy of poor services to the majority of the black community.

They deliberately used health threatening material for people's houses, thus today the scourge of asbestos roofed houses still remains a health hazard in our rural communities.

Indeed, the road to a better life to all, **without leaving anyone behind**, is not a smooth sailing.

Be that as it may, we continue to be invigorated by our forebears, Oliver Reginald Tambo, who encouraged us in that: **"The fight for freedom must go on until it is won; until our country is free and happy and peaceful as part of the community of man, we cannot rest."**

To date, municipalities have sent a total of **20 056** asbestos roofed houses cases to the Department. We are currently procuring the necessary service providers to commence with the asbestos roofs audit and removal works in the 2023/24 financial year.

### **Assets, Rental and Property Management**

Madam Speaker, during the 2023/24 financial year the Department has allocated an amount of **R 58 million** for the construction of **192** Community Residential Units (CRU) in different municipalities across the Province.

Those areas are Malelane: Nkomazi Local Municipality, Sonheuwel: City of Mbombela Municipality, Burberton: City of Mbombela Municipality, Reabota: Steve Tshwete Local Municipality, Sabie: Thaba Chweu Local Municipality and Standerton Extension 8: Lekwa Local Municipality.

A budget allocation of **R 80 million** has been set aside for the construction of seven (**07**) Social Amenities in Thulamahashe: Bushbuckridge Local Municipality, Ntunda: Nkomazi Local Municipality, KwaGuqa: eMalahleni Local Municipality, Hlalamnandi: Steve Tshwete Local Municipality, Standerton Extension 8: Lekwa Local Municipality, Grootvlei: Dipaleseng Local Municipality and Thembaletu: Thembisile Hani Local Municipality.

At the beginning of the year, Minister Mmamoloko Kuybayi through the National Housing Finance Corporation (NHFC) rebranded what was known as the Finance Linked Individual Subsidy Programme (**FLISP**) to **First Home Finance**.

This programme seeks to help all qualifying beneficiaries who intend to buy or build their first home or property.

The revised programme also caters for beneficiaries who are approved for home loans but intend in among other options, build their own houses in rural areas and serviced sites in cities.

To this end, nearly **R 7 million** has been set aside for the realisation of **50** First Home Finance programme in various areas of the Province.

This will assist qualifying applicants by providing a once-off down payment to those who have secured mortgage finance to acquire a residential property for the first time.



The Department has allocated **R 3 million** towards the implementation and construction of **20** houses for military veteran houses in the Province.

In recent years, this government took a conscious decision to focus on the rapid release of land to allow property ownership and restoration of dignity.

Putting that into motion, over **R 8 million** has been budgeted for the land restoration programme to register **four thousand and fifty-four (4 054)** title deeds and hand them over to rightful housing beneficiaries.

Furthermore, **R 27 million** has been made available for the acquisition of well-located land as one of the Department's key priorities.

This move will see the delivery subsidised houses and affordable housing with increase densities in **Leandra, Govan Mbeki Local Municipality** (Gert Siande District), **Steve Tshwete Local Municipality** (Nkangala District), and **City of Mbombela** (Ehlanzeni District).

## BUDGET OUTLOOK

Madam Speaker and Hon. Members, it is a known fact that the global economy is on a rocky recovery patch owing to a number of geo-political and economic developments.

According to the International Monetary Fund (IMF) on the world economic outlook published in April 2023, advanced economies were expected to see a growth slowdown, from **2.7 percent** in 2022, to **1.3 percent** in 2023.

In plausible alternative scenario with further financial sector stress, global growth declined to about **2.5 percent** in 2023, with advanced economy growth falling below 1 percent.

The fact that inflation's return to target is unlikely before 2022 in most cases, this has a bearing in budget allocations, especially for government institutions.

Given this realities and economic outlook, the Department has not been spared on budget contraction – thus affecting plans to deliver desired outputs.

To this end, the construction industry in South Africa is expected to grow by **5.0 percent** to reach **R232, 263 million** in 2023.

Despite near-term challenges in certain construction sectors, medium to long term growth story in South Africa remains intact. Though looking generally promising, the industry is expected to grow steadily over the next four quarters.

## BUDGET PRESENTATION

Having highlighted the global financial challenges and dwindling budgets especially in government, the overall appropriated Departmental budget has decreased from **R1, 894 billion** in 2022/23 financial year, to **R1, 648 billion** in 2023/24 financial year.

Madam Speaker, Members and Guests, it should be noted that within the appropriated budget in the previous year, the Department was allocated an additional budget of **R300 million** by the National Department of Human Settlements, owing to its commendable and decent performance.

It is therefore our resolve to continue and up the good performance in order to attract further funding into the Province – thus - improving the lives of the people of Mpumalanga, and '**not leaving anyone behind.**'

Madam Speaker, the 2023/2024 budget is broken down into the following programmes:

PROGRAMME	PROGRAMME DESCRIPTION	AMOUNT (R'000)
PROGRAMME: 1	ADMINISTRATION	190 198
PROGRAMME: 2	HOUSING NEEDS, RESEARCH & PLANNING	128 786
PROGRAMME: 3	HOUSING DEVELOPMENT	1 313 645
PROGRAMME: 4	HOUSING ASSET MANAGEMENT	15 560
		<b>1 648 189</b>

Hon. Members, Ladies and Gentlemen, allow me to highlight that the allocated budget of **R1, 648 billion** is made out of the following grant allocations:

- |  |                     |
|--|---------------------|
| ▪ Human Settlements Development Grant              | <b>R964 277 000</b> |
| ▪ Informal Settlements Upgrading Partnership Grant | <b>R286 758 000</b> |
| ▪ Equitable Share (Operational budget)             | <b>R395 001 000</b> |
| ▪ Expanded Public Works Programme (EPWP)           | <b>R 2 153 000</b>  |

During the current financial year (2023/2024), within the equitable the Department was allocated the following budget:

- Bulk infrastructure for Parliamentary Village – **R 57 000 000**
- Investigation on solar panel solution - **R2 650 000**

## CONCLUSION

Madam Speaker and Hon. Members, as the government continues to push for the provision of adequate housing to eligible and disadvantaged beneficiaries, including water and sanitation - the realisation of such basic human rights requires that all hands ought to be on deck, to realise these rights whilst **We Do Not Leave Anyone Behind.**

Allow me, Madam Speaker, to give a summary of our grand and realistic plans for the 2023/24 financial year.

The Department plans and commits to:

- Deliver a total of **3 085** fully subsidised housing units,
- Service **5 590** sites through the IRDP and UISP,
- Deliver **192** CRUs,
- Construct **07** socio-economic facilities,
- Resolve **580** rental disputes, and
- Issue **4 054** title deeds to rightful beneficiaries.

## Acknowledgements

Madam Speaker, my salutation goes to Africa's oldest liberation movement, the African National Congress (ANC) and its Alliance partners, for giving me an opportunity to lead this important portfolio.

As the governing African National Congress, our primary focus is to create a better life for all citizens of the country as we push back the frontiers of poverty.

My gratitude goes to my party for giving me this chance to oversee and drive this portfolio.

Let me appreciate my family for their sustained sustenance and concession whilst executing my work. To the Premier, Ms Refilwe Mtshweni-Tsipane, colleagues at the Executive Council and my Office, your leadership and support have strengthened me.

The supervision and oversight role by the Portfolio Committee on Human Settlements, Co-operative Governance and Traditional Affairs is also acknowledged.

Lastly, my gratitude goes to the Accounting Officer, management, and the entire staff complement (employees), for their solid determination to pledge the delivery of integrated human settlements and other related services to the public.

Though there is still room for improvement, one remains resolute that – as a collective – we will slowly tackle the triple challenges of poverty, unemployment and inequality that affects our country.

Pelé, the King of Football once said: **“No individual can win a game by himself.”** Therefore, with joined hands and a common vision, we can change the complexion of our Province.

Madam Speaker, May I therefore request this august house to approve the budget proposal of **R1 648 189 billion** for the Mpumalanga Department of Human Settlements (Vote 13), for the 2023/24 Financial Year.

**Ngiyathokoza!**

**Ke a leboga!**

**Baie dankie!**

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