

# **BUDGET VOTE SPEECH FOR THE 2017-2018 FINANCIAL YEAR**

## **VOTE 13: HUMAN SETTLEMENTS**

### **VOTE 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**PRESENTED BY MEC SH NTOMBELA  
MEMBER OF THE EXECUTIVE COUNCIL FOR COOPERATIVE GOVERNANCE,  
TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS**

23 March 2017

Honourable Speaker

Honourable Premier

Members of the Executive Council

Honourable Members of the Legislature

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

Chairperson of SALGA and the Executive Committee

Director General of the Province

Heads of Department

Marena le Dikgosi

Veterans and Stalwarts of our Liberation Struggle

Comrades and Friends

Ladies and Gentlemen

Madame Speaker, I stand here in the context of the human rights month. Human rights, ditokelo tsa botho, this is the meaning upon which I anchor this budget vote commitment. Our work is about rights; the right to a home, the right to

services and good governance. Our work is about ensuring that all Free State citizens live in decent conditions in suitable human settlements as per national priorities.

Motsamaisi wa dipuisano, selemong sena re keteka le ho hlompha bophelo ba mohale wa rona ya ileng a lwanela tokoloho, Monghadi OR Tambo. This is our struggle stalwart whose commitment to the course of liberation, of human rights and social integration still lives to date. His message remains our source of strength and his legacy and vision, our guide to action towards achieving the goal of freedom and unity. In the context of human settlements, this means to achieve socially integrated human settlements that enhance the spirit of freedom and unity to a better South Africa.

Speaking at Georgetown University on January 27, 1987, Oliver Tambo summed up his vision on racial integration, harmony and unity. "We seek to create a united democratic and non-racial society. We have a vision of South Africa in which black and white shall live and work together as equals in conditions of peace and prosperity. It is our responsibility to break down barriers of division and create a country where there will be neither Whites nor Blacks, just South Africans, free and united in diversity." This message is equally reiterated by Steve Biko's lessons of Black Consciousness which we also commemorate in this Human Rights Month.

On these footsteps we walk; and do so certain of attaining our goal of a united South Africa that lives together in spatially integrated settlements devoid of class or racial segregation. We run the race of equality and social integration started by

OR Tambo and his fellow Freedom Fighters, to achieve settlements that no longer have racially motivated buffer zones, which relegate our people to places far from cities and employment opportunities, with little or no services.

We have, to this effect, plans for a racially integrated approach in all our human settlements developments which are closer to cities, have amenities and infrastructure for services. As an example, our current programme targets Ventersburg where township establishment for a mixed-race development has been completed and plans to install internal infrastructure services during the 2017- 2018 financial year are in progress.

Our Hillside view integrated development in Bloemfontein addresses integration need and so does our Nic Ferreira homes in Sasolburg which have clearly achieved development within the Central Business District.

Madame Speaker, baahi ba Free State ka ho otloloha, mona re bua ka bodulo. Ke mang a kileng a dula mokhukhung kapa ntlong ya 2-room kapa mokgorong wa kamore e le nngwe le le 6 kapa ho feta? I am sure too that some of us experienced using the faint light of a candle or paraffin, an earth fire or coal stove or mbaula.... The list is endless.

I am certain too, that most of us come from a background where we experienced a flooding roof or house in rainy seasons, limited space in our house or a biting cold winter air as it seeped through corrugated iron roof or makeshift windows. I am certain too that we must have experienced rental accommodation in a backyard or other, and had to bear with rental challenges. ***Kajeko Mastene o tjena, hosane o tje!*** No one wants to be home **without being home.**

Through this Madame Speaker, I am painting a picture of human settlements related challenges that our people face. These are but the tip of an iceberg within human settlements.

Our work addresses these challenges in a variety of programmes. The challenge however is that not all of our people can be reached at once and adequately to ensure that they all have homes. You just need to see the shacks built alongside our beautiful houses or the backyard dwellers... The waiting lists are growing and we are doing the best that we can to address this need. Our challenges are diverse and complex as illustrated recently in Welkom.

Heeeeeee itse ha ntse ke dutse ke lokisetsa tsatsi le latelang, ka fumana mohala o tswang Lefapheng la Sepolesa, Ditsela le Dipalangwang hore kwana Welkom maponesa a fumane hore ho na le matlo ao ho dulang matswantle ho ona. Jwang jwale? Ke moo ke kopang hore Security Management and Anti Corruption (SMAC) ya lefapha e phenyekolle monyenjetsi oo hore e fumane ha e hlile e le nnete.

Security Management and Anti-corruption, ke batho ba thibelang manyofonyofo le bokunyata. Ba ile ba nyolohela Thandanani, Welkom, ka ho potlaka. Ba kgutla ka taba tse sa thabiseng hobane ba ne ba bone hore bothata bo teng, hape bo boholo.

Re ile ra dula fatshe ra nahana leano la hore re ka etsa jwang hore re lwantshane le manyofonyofo a moo. Re ne re hloka bopaki bo felletseng mme ra tla ka leano le latelang:

Re ile ra bitsa kopano hore re dule re rarolle bothata bona hobane batho ba rona ba hloka matlo empa batho ba tswang ka ntle ba dula hamonate matlong ao e tlamehileng e be e le a batho ba rona.

Re ile ra bitsa Home Affairs, Social Development, Police, Roads and Transport mme ra dumellana ka hore re a ya Thandanani 2010 mme re ilo lwantsha manyofonyofo ana. Ka 13 Hlakubele 2017 hofihlela 17 Hlakubele 2017 ra qala Operation Hlasela moo Thandanani.

Re ile ra fihla ra hlasela matlo ao Lefapha la Sepolesa, Ditsela le Dipalangwang le re romelletseng ona; e hlile re fumane mathata a le teng. Hodimo ho moo re ile ra phenyekolla matlo a mang a neng a se teng palong ya matlo ao re neng re na le ona.

Maponesa a ne a phenyekolla a batla dintho tse seng molaong, ha Immigration Unit e ne e sheba dipasa le dipassport. Ba Sephethepethe bane ba hlahloba mangolo a ho kganna le dikoloi. Lefapa la matlo le ne le hlahloba hore na motho a fumanwang ka tlung ke mong'a ntlo na. Social Development e ne e shebana le mahlatsipa a teng Thandanani ao a neng a ka thuswa ke mosebetsi wa Social Development.

Re fumane tse latelang:

1. Matlo kaofela a hlahlobilweng a 350
2. Matlo a hantle ke a 250
3. Matlo a manyofonyofo a 40
4. Matlo a o re sa tholang batho ho ona a 60

5. Matswantle a seng molaong a dulang matlong arona a 30
6. Sephethepethe se tshwere 1 ya lastbrief
7. Maponesa a tshwere motho a le mong oo ntho tse phehang gauta difumanweng moo a dulang. Le tsona ba di hapile.

Re leboha bohle ba ileng ba kenya letsoho ho lwantsheng manyofonyofo. Re leboha le setjhaba ka ho butswela phala moo manyofonyofo a leng teng.

Madame Speaker Thandanani is part of challenges we face. Here we found that our houses have been turned into thriving rental businesses while their rightful owners, unknowingly, still live in shacks nearby. This is deplorable Motsamaisi wa Dipuisano. Our efforts, in partnership with SAPS, will root out this corruption and our people will get back their homes.

We commit that in time, we will reach each one of our people in need of a home. In Tshiame we have just built a house for Gogo Maduna who turned 104 years old in 2016. In Bethlehem, Bohlokong, we built a house for a 93 year old, mme Pascalina Mokoena; and recently after the State of the Province Address, Premier Magashule handed a house to mme le ntate Mthembu in Thembalihle, in Vrede who are victims of farm evictions.

These cited cases are an illustration to those who are still waiting, especially those whose houses unfortunately remain incomplete, that we are coming. We have already started in some towns with completion of incomplete houses – A SORE POINT IN OUR WORK!

Let me reiterate Madame Speaker that our homes have given our people renewed hope in our government. Our homes are the face of government; and

we are working relentlessly to ensure that in the Free State province, our people are at home.

Madame Speaker there is hope, and there is determination to make the hopeless hopeful, and the seemingly impossible situations, possible through human settlements. In brief Madame Speaker, let me point out that we have managed to achieve most of our commitments made in the past financial year despite steep challenges such as dwindling budgets, and subsidy quantum that has not increased since 2014 while addressing increased targets!

As mentioned earlier, we have also had to deal with incomplete projects and in some cases poor quality work, mme tsohle tse na di re khutlisetsa morao. We managed to address these challenges and continue to do so with effective monitoring. We also have a retainer clause in our contracts and stringent conditions for contractors to adhere to stipulated time frames.

In total Madame Speaker, to date, we have provided 14 697 (fourteen thousand, six hundred and ninety seven) homes through various programmes in the (2014-2019) Medium Term Strategic Framework period. **In the current financial year we have provided thus far 3722 homes and 2351 serviced sites.**

What we have **wholly** achieved is the impact that our homes have on the lives of beneficiaries. The joy of finally entering your home, switching on the light and walking on a tiled floor with ceiling glittering above, warm water flowing into a bath tub **hore o tole** unlike using 'waskom' - immeasurable! This is a story told by the people of **Di 2-rumung** in Welkom, in Tweespruit and elsewhere in the province. In Freedom Square, in Mangaung, nkgono Maine and her family of 5

now live comfortably in their new 2 bedroom house having moved from a 2-room home they have lived in since 1991. Many other families throughout the province have relished the fruit of freedom as they took occupation of their new homes and now live in comfort.

We have indeed changed the lives of our people for the better and continue to do so. This is what Oliver Tambo struggled for.

Madame Speaker, South Africa requires all stakeholders to take ownership of the development of its people. I wish to recognise and thank our partners Standard Bank for heeding our call to the private sector to partner with government in creating better lives for those who are less fortunate. This is patriotism illustrated through ploughing back.

Through this partnership Madame Speaker, we are in the process of completing 5 houses donated by Standard Bank in Mangaung. An additional 10 is earmarked for communities of Ngwathe and Letsemeng Local Municipalities in the next financial year. Through this partnership Nkgono Tiaas, 93, of Heidedal, yesterday slept in her brand new house - 2 bedroom, open plan lounge and dining room, a kitchen and an inside toilet. This is an exact opposite of a dilapidated 2 room she has called home for most of her adult life.

In the 2016/2017 financial year we focused on a number of areas in human settlements that sought to bring about significant progress in our work. I will now elaborate on these areas of focus, and work to be done in the coming financial year.



## **INFORMAL SETTLEMENTS UPGRADING**

Informal settlements are a retarding factor in our growth as a country and as a people. These are continuously growing, resulting in our people living in disadvantageous conditions. Loss of employment due to poor economic conditions in especially mining and the agriculture sectors, and urbanisation with the hope of a better life, remain causes of the unpleasant sprawl of informal settlements.

True to our commitment, we completed a provincial Informal Settlements Strategy and developed one for Mangaung Metropolitan Municipality in order to address this challenge. We also established the Provincial Informal Settlements Upgrading Forum as one of the national priorities for upgrading informal settlements. This strategy provides a coherent approach to addressing challenges of informal settlements.

As part of our strategy we conducted an overview of the scale and nature of informal settlements in all our municipalities where we identified 143 informal settlements in the province. We profiled 41 informal settlements to get the status of each household regarding employment, age group, housing needs etc. We also completed the Resettlement Plan to provide guidance on how relocation of beneficiaries should be conducted. Resettlement Plans which propose an implementation plan on how the relocation process should unfold have been completed in 27 informal settlements and are being implemented in 20 informal settlements.

Let it be noted Madame Speaker that Infrastructure is undeniably a key factor in upgrading informal settlements. As such, all our projects include installation of infrastructure as part of developing sustainable human settlements. For the next financial year, we will continue to upgrade our informal settlements with access to basic municipal engineering services, providing security of tenure and continue to build where people stay. We have the following numbers of sites planned per district; Fezile Dabi: 3444, Lejweleputswa: 1300, Thabo Mofutsanyana: 550, Mangaung: 1029 adding to a total of 6 432 sites. We will continue to implement these projects in the following areas:

- Caleb Motshabi
- Refengkgotso
- K10 in Odendaalsrus
- Matlharangtlheng, Bothaville
- Phokeng in Thabong
- Ditjhokoleteng in Thabong
- Hani Park in Thabong
- Vrede
- Voggelfontein

Ha batho ba rona ba kopana le ditsela di epilwe ba sa kgone ho tsamaya, re re phephi hle, re beheleng pelo sekotlolong, re sa sebetsa!

Let me highlight that eradicating informal settlements and development of new settlements will also be addressed through our other programmes such as catalytic or mega projects below.

## **MEGA OR CATALYTIC PROJECTS**

These are by definition meant to restructure settlement patterns and make positive changes on the environment while achieving sustainability and integration through human settlements development. The Human Settlements Catalytic Programme ranges from mega scale inclusionary neighbourhoods to small but high impact spatially targeted interventions, with high returns or yields on the human settlements value chain and final products.

In line with the country's priorities as outlined in the National Development Plan, and as part of working towards meeting Vision 2030, through these programmes, we are also ensuring land acquisition for further development closer to places of work, thus overcoming apartheid spatial planning effects.

Madame Speaker, I am happy to report that as part of the first implementation phase of these projects, Minister Lindiwe Sisulu approved the following catalytic projects to be implemented in partnership with the Housing Development Agency (HDA) in the Free State:

- Sasolburg Properties, in Metsimaholo
- Baken Park Extensions in Dihlabeng and
- Estoire/Airport Node Development in Mangaung.

Madame Speaker, we have completed urban design concepts for both Sasolburg Properties and Baken Park and we are currently finalising the subdivision processes for future human settlements development here. Both these projects have potential to yield in excess of 8 000 and 3 000 housing opportunities

respectively. The Airport Development Node and Estoire in Bloemfontein will yield approximately 33 300 housing opportunities.

In addition to three prioritised projects, the province has identified the following catalytic projects:

- Caleb Motshabi – Kgotsong mixed development is expected to yield in excess of 7 500 housing opportunities
- Vista Park extension 2 and 3 are expected to yield 5 092 units on completion.

Our mega projects will make significant impact on the lives of our people in their value chain and as completed projects as homes.

## **RIVER CITIES**

We welcome, Honourable Premier, your initiative of River Cities that you announced in the State of the Province Address as a joint venture with Gauteng along the Vaal River area.

This indeed is a programme that will exploit all of the human settlements value chain and witness team work and intergovernmental efforts flourish to create jobs, boost economies of both provinces in the process of creating human settlements for various sectors of our society.

You will be pleased Honourable Premier to note that we have planned ahead **le hoja re sa e bitsa River Cities!** Through our Sasolburg Properties in Sasolburg, Metsimaholo Local Municipality which are located along the Vaal River and with the development of the Vaal River City by the Emfuleni Local Municipality, we will

achieve this goal. As earlier pointed out, approximately 8 000 housing opportunities will be achieved and a much needed synergy created between the two provinces.

Siyaqhuba! Phambili with the Free State!

## **LAND, A NATIONAL PRIORITY**

Land ownership is a critical factor for radical economic transformation and for a definite sense of ownership as described in the adage, 'There shall be houses, security and comfort'. In line with national priorities, we have prioritised land ownership through acquisition of land for human settlements development.

Let it be noted Madame Speaker, that the processes for land acquisition and township establishment leading to finally having an area declared ready for human settlements development form part of our reporting. This is a part that often goes unnoticed however remains critical to the final product. **Batho ba rona ba tsebe hore re ntse re sebetsa ho eketsa ditsha tse teng, ho etsa hore bodulo bo hantle bo be teng. Ka kopo hle, le se ipehe!**

At times, as in Moqhaka, Kroonstad, we are delayed by facilitating factors such as unavailability or insufficient BULK INFRASTRUCTURE. In Kroonstad there are 4 000 potential sites which we cannot develop further because the municipality cannot afford to provide bulk infrastructure. Kroonstad is also a distressing area as many elderly people are renting shacks, mainly in backyards, due to lack of sites – sharing their pension earnings with landlords **mme ba sala ba se na letho!** Many of these have worked on farms or as domestic workers and gardeners; thus contributed to the development of the economy of this

country. They however have little or nothing to show for it and still do not have homes. The problem has gone on for too long at the detriment of this community and others throughout the province.

Madame Speaker, this being a wider problem in most municipalities, we have taken the initiative together with COGTA and said municipalities, to address this matter. In its recent visit to the province, the National Portfolio Committee on Human Settlements learnt of this problem of bulk infrastructure that hampers progress in human settlements development. The chairperson promised to raise the matter at higher levels for a sustainable solution.

Madame Speaker, in the State of the Province Address, Premier Magashule highlighted the plight of shortage of sites. “Re utlwile selo sa tlhokeho ya ditsha metseng ya rona, mme hona ke sesupo sa hore re se re qadile dibakeng tse ngata. Re ntshitse taelo ya hore makgotla a metse a se shebane feela le matlo a di-Breaking New Ground, empa ba fe le batho ba rona ditsha tse nang le ditshebeletso.” Indeed we have heard Honourable Premier, for we have planned for this deficit with the aim of bringing development closer to our people.

In relation to development of smaller and rural towns as per SOPA directive, we will continue to make our contribution to developments in Wepener, Winburg, Marquard, Ficksburg, Zamdela, Botshabelo, Thaba Nchu, Qwaqwa le ditoropo tsa Xhariep. These are indeed small towns that need intensified effort. Here we already have running projects from which opportunities for job creation from the human settlements value chain are being derived. We will make means to optimize and diversify these benefits.

Our overall provincial achievement in land acquisition for the MTSF thus far is approximately a total of 1 249.8 567Ha with 22 653 erven planned and surveyed and 14 871 sites developed in informal settlements and/or new sites with water and sanitation services connected.

In addition, in four districts, the processes of land acquisition and township establishment are at various stages.

### **ADDRESSING THE DIRE NEED FOR TITLE DEEDS**

Madame Speaker our mandate includes ensuring security of tenure for our people. Recently we had an oversight visit from the national Portfolio Committee on Human Settlements and in our meetings the message to speed up issuing title deeds was tangible. This is also the message of the Manifesto of the ruling party as it appeared in the State of the Nation Address and SOPA as a national priority, and a message strongly emphasised by the Minister for Human Settlements. The SOPA injunction instructs us to accelerate the programme of issuing title deeds to our people for both the old stock and the current Breaking New Ground (BNG) houses.

Title deeds place ownership and security of tenure in the hands of our beneficiaries. To date we have issued 4 715 title deeds. Our target for 2017/2018 on the backlog is 16 506 title deeds. There are 4 925 title deeds ready to be registered on currently running projects.

As part of these commitments, we have also prioritised pre-1994 government housing stock formally owned by the North West Housing Corporation in Thaba-Nchu, to be transferred to beneficiaries; a process we have already started.

Let me indicate Madame Speaker that our current performance on this important priority has not been pleasing. This is due to a number of challenges, some beyond our scope. Challenges impeding progress are mainly in systems and processes of creating and finally issuing title deeds. Examples of these are: townships that have not been proclaimed, site numbers that do not correspond with information at the Deeds Office such as sites changed irregularly without registering this change and informing the department.

In other instances closer to home, disputes over ownership of sites, illegal sales, beneficiaries occupying wrong sites, deceased beneficiaries whose estates have not been registered with the Master's Office, family disputes over ownership and more, much retard our progress.

Madame Speaker, I appeal to our communities to draw up wills in order to avoid disputes that at times leave young children homeless and vulnerable. Where there is no will, please have the estate registered at the Master of High Court upon bereavement so that ownership of the estate could be allocated accordingly. Many of our orphans are left homeless due to parents and families overlooking such critical issues.

We have taken some strategic steps to address the slow progress of issuing title deeds. The intergovernmental forum of MEC, Mayors, Speakers, Chief Whips and Municipal Managers has taken joint ownership of this programme and has



committed to ensuring faster turnaround and achievement of set targets. Internal systems and resources have been improved and aligned to the objectives of this work for efficient management of the deeds process.

A national priority, this commitment has seen a national steering committee established by the Department of Human Settlements to address the challenge nationally. The province established a similar provincial steering committee with municipalities and Deeds Office.

In order to further speed up the process, the department is in the process of appointing service providers to conduct beneficiary audit and opening of township registers. This Madame Speaker should enable us to meet our targets for the next financial year and catch up on backlog thus far incurred.

## **DEVELOPMENT OF MINING TOWNS**

In our recent visit to Meloding, Virginia, with the national Portfolio Committee on Human Settlements, we met with the community here just after lunchtime. The Chairperson and I noted with sadness at a hall packed with adult audience on a weekday. We could not help but worry about the meaning of this – it could only mean high unemployment. Here Madame Speaker, we acknowledged this concern to the applause of the hall in agreement with our unease. Much as we appreciated high attendance of the meeting, we could not walk away content.

I promised to bring this matter to the attention of government for action on job creation here. My request Premier is that Meloding too, gets heightened attention

for development and job creation as a mining town and also as one of the small towns in the Free State.

The development of mining towns is a key programme of government that was identified strategically by the President. Its focus, to redevelop mining towns like Virginia, whose economy has deteriorated due to closure of mines and resulted resulting in slow economic activity and notably high unemployment. Kroonstad in Moqhaka and Matjhabeng in Welkom have been identified for development as part of this initiative.

All informal settlements in Matjhabeng and Moqhaka Local Municipalities have thus been included in the National Upgrading Support Programme (NUSP). Premier, we have heard your call for extra effort on this programme and have planned 1315 Serviced Sites and 477 Units planned for 2017/18.

Aligned to this is the development of former mining and other hostels into Community Residential Units. These have been successfully completed in Virginia, Merriespruit Hostel and in Bloemfontein, Mangaung, the Silver and Dark City are in progress and targeted for completion at the end of this financial year. The G hostel in Welkom is admittedly one of our lagging projects. We are in the process of reviewing the contract and will have the matter resolved. Re kene motjheng ka mosebetsi ona wa bohlokwa.

## **BENEFICIARY MANAGEMENT - NATIONAL HOUSING NEEDS REGISTER**

Beneficiary management Madame Speaker is one of the critical areas of our work and also one that at times hampers progress. The role of beneficiary management is to ensure that we have correct, qualifying approved beneficiaries for correct sites.

We have identified several problems in this area which we also have sought solutions for. The overall solution to these problems is a National Housing Needs Register. This in a nutshell, is an electronic national database of all individuals who have registered their housing needs with the Department of Human Settlements. It is used as a waiting list and will help the department and other spheres of government, particularly municipalities to determine different housing needs of individuals, ranging from a need for a serviced sites, BNG houses, FLISP, rental housing etc.

The department has therefore embarked on a process of compiling this Housing Needs Register for the province as per national specifications. This register is national and enables citizens to register their needs for houses anywhere in the country. It is linked to the Housing Subsidy System (HSS) and could be used to guide the planning of projects according to identified needs and for various housing needs.

An added advantage, the Register will eliminate allegations of corruption and tempering of waiting lists where any; and also create a transparent system of allocation of houses.

This process of creating a Housing Need Register will be phased per regions and size of municipalities in the province. The department has targeted completing this process during the 2017/18 financial year.

Residents will thereafter have an opportunity to update their details and housing preferences as and when they deem necessary throughout the year, at the local municipal offices. For efficiency and decentralisation, the province will train municipal officials sufficiently on the system. All municipalities will operate and use this uniform system for their housing allocations henceforth.

### **COMPLETION OF INCOMPLETE HOUSES**

Madamr Speaker I have to highlight this priority as it has denied many of our people homes. This is a priority we are carrying through in the next financial year and giving it much attention to ensure that our people are housed in dignity. We will demand quality and commitment from our contractors to complete the work they are given within stipulated time frames.

### **ALTERNATIVE BUILDING TECHNOLOGY**

Madame Speaker, as part of our efforts to speed up construction and improve on quality while addressing environmental concerns, we are exploring alternative building technology. In Vrede, Thembalihle Extension 4, we are applying alternative building technology through timber boarding and polystyrene infill concrete.

A total of 178 houses have already been completed here. Once the project is completed, and the technology proven to be effective, the method could be replicated in other projects in the province.

The advantage of this technology is faster completion of houses which would enable us to address the backlog quicker. The construction of units can be done under factory conditions ensuring high quality houses that are proven never to crack. An added advantage is the use of less cement which discharges lesser carbon footprint.

## **YOUTH AND WOMEN DEVELOPMENT THROUGH HUMAN SETTLEMENTS**

Regarding women empowerment, to date the department has 30% of its budget allocated to women contractors. This is in line with government's women empowerment and development policies and overall redressing the imbalances of the past. Most women contractors in our employ have more than 10 years of continuous experience in construction of our houses - making this a significant achievement in development of women contractors. Madame Speaker I would like the house to note that our Woman Contractor, Distinctive Choice, won the national Govan Mbeki Awards in the category Best Woman Contractor. This is also a youth contractor. Malibongwe!

We are committed to making human settlements development an active partner in radical economic transformation. In an endeavour to meet this commitment, we will explore the human settlements value chain to exploit economic opportunities at each level of the process towards empowerment of the previously marginalised. We are already employing locals for construction and

are consciously biased towards youth and women development where 30% of our allocation will be geared towards these.

As part of ensuring this development the department has gone into partnership with the National Home Builders Registration Council (NHBRC) to roll out training that will particularly focus on construction industry, and provide skills for unemployed youth who are interested in construction. Furthermore the department will make arrangements with contractors to provide employment to these NHBRC trained youth.

### **SPREADING THE SPIRIT OF CARING - INSTITUTIONAL HOUSING**

Bokahosane ba bana, a home for abandoned children in Gelukwats, Kroonstad, is complete and will be handed over to Social Development for occupation early in the new financial year. This Madame Speaker is our contribution to building a society that cares about human rights. These children will grow up knowing that government did care for them in their time of need, and that the world is not a bleak place where survival remains an opportunity only for the fittest. The home will house children who will be supervised and cared for by house mothers. Thus far this place has cared for children some of whom are now graduates and others completing their diplomas and degrees at various institutions in the province. Re hlasetse Madame Speaker, we give hope for a better future.

### **FINANCE LINKED INDIVIDUAL SUBSIDY PROGRAMME**

The Finance Linked Individual Subsidy Programme is government's effort to address housing needs for the GAP market. This is the market that does not qualify for fully subsidised government houses and struggles to qualify for bonds

or loans at financial institutions. The first term of implementation of FLISP has provided us with insights into its limitations. Since its inception in 2014, we have only managed to assist 89 beneficiaries due to challenges such as shortage of housing stock within the then limited price range, limited qualifying individuals due to among others, salaries higher than the limit although still within the GAP market, and overall bad credit records.

Motsamaisi wa dipuisano, this has resulted in a GAP within a GAP market particularly due to salary brackets that are still low enough to qualify, but are too low to obtain bank loans. **The implications Madame Speaker are the creation of a generation of young adults who will rent for the rest of their lives.**

Let me indicate also that this generation fails to qualify for our government subsidised Community Residential Units and Social Housing Units as they earn too much for these. This results in this market renting at exorbitant prices, having very little left for their living expenses and relying on loans to live. This Madame Speaker is no way to radical economic transformation and is a certain creation of an endless cycle of poverty and dependence, which we MUST break!

The department is exploring partnerships with other financial institutions that would be more accommodating to potential lenders and would substantially support implementing this programme in the province.

For 2017/ 2018 financial year we plan to provide FLISP subsidies to 300 beneficiaries. As part of our efforts to speed up this process and resolve the problem, we will use Hillsideview integrated residential project in Mangaung as a pilot project for FLISP.

## **HOUSING FOR MILITARY VETERANS**

Madame Speaker, despite many challenges, we have to an extent, achieved our goals on this programme. In this medium term we have already built 30 houses in Lourier Park (Mangaung Metro). Notably our houses stand out at 100m<sup>2</sup>, a befitting token of gratitude to beneficiaries for their sacrifices for our democracy. Let me hasten to add that the size of these houses is made possible through additional funding from the Department of Military Veterans and the province.

We will speed up this process to cater for most of our remaining beneficiaries in this programme. For the next financial year, we have planned to build 199 houses in this programme in the following municipalities:

- Mangaung Metro (Hillside view).
- Moqhaka
- Matjhabeng
- Masilonyana
- Ngwathe
- Maluti a Phofung.

## **LAND RESTITUTION PROGRAMME**

Land is key for radical transformation and overall restitution of land to rightful owners. In partnership with the department of Land Affairs and Rural Development we have built houses in various parts of the province. We



completed 226 houses in Schoonplaas, near Harrismith, and beneficiaries are being relocated to their new homes. The Marabastad project is in progress with 139 of 170 houses completed.

Challenges in this programme which result in slow progress are among others family and site disputes. In the next financial year we will build 18 houses in Hillsideview and spread to other areas of the province in the following years where respective municipalities would have provided serviced sites.

## **MUNICIPAL ACCREDITATION FOR HUMAN SETTLEMENTS DEVELOPMENT**

Motsamaisi wa dipuisano, we will continue to support Matjhabeng, Metsimaholo, Moqhaka, Metsimaholo and Dihlabeng municipalities to achieve Level 1 accreditation and Level 3 accreditation for Mangaung Metropolitan Municipality. The latter should be able to conduct human settlements development processes when accredited at this level.

Madame Speaker, in the ruling party's Election Manifesto of 2014 which became a guide for government priorities for 2014-2019 MTSF, Human Settlements commitment states: ... '[We will] ensure all South Africans have access to adequate human settlements and quality living conditions through programmes that provide one million housing opportunities for qualifying households over the next five years, and provide basic services and infrastructure in all informal settlements.'

We are committed to ensuring our part of the contribution to all elements of human settlements so we too could say we have contributed to Oliver Tambo's the dream of liberation; ours through decent human settlements.

For the next financial year we have planned our budget to meet the human settlements commitments as follows. With a **total national Human Settlements Development Grant** allocation of R 1 193 038 plus various sources from Military Veterans national and provincial top up funding, and funding for 2 rooms which comes to a grand total of R1 278 460 000 will be divided as follows:

- Development of 6 432 sites has been allocated R 267 346 730 millions
- A total of 5 737 units will cost R 710 231 128 millions
- We have planned for 16 506 title deeds at a cost of R 47 158 000 millions

Expenditure for each region is as follows:

The Human Settlements Development Grant for 2017/2018 amounting to a total of R1 278 460 000 will be invested in various districts as detailed below.

- **Thabo Mofutsanyana:** A budget of R175 173 281 millions has been allocated to this district meant to provide 1041 units, 550 sites and 5658 title deeds.
- **Fezile Dabi** gets a budget of R168 591 389 millions for 713 units, 3444 sites and 2764 title deeds
- **Lejweleputswa:** At a budget of R247 885 572 millions, the district will have construction of 740 units, development of 1300 sites and 5021 title deeds will be provided.

- **Mangaung Metropolitan Municipality** receives a budget of R391 181 181 millions for construction of 2956 units, 1029 sites and 1245 title deeds.
- Xhariep gets a budget allocation of R41 904 436 millions for construction of 287 units, 0 sites and 1818 title deeds.

Madame Speaker the Provincial Treasury has allocated us an additional R50 million for rebuilding 2– room houses and completion of incomplete projects.

Honourable speaker, thus we continue to run the race to complete the desire of those who stood firm on 21 March 1960, and those who lifted the petition of the 1955 Freedom Charter and chanted: There shall be housing, security and comfort and the people shall govern!

We continue to live the dreams, aspirations and goals of Oliver Tambo and contemporaries whose vision can only be fulfilled through our allegiance to the course of democracy and by making the impossible possible.

#### **VOTE 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

Honourable Speaker, 2017 is the 17<sup>th</sup> year of democratic local government in our country. Local government is the sphere of government where all of government work converges; where our people are and where our services are needed most. Our responsibility is to ensure that this work is well coordinated for achievement of the desired impact. Due to a range of structural disadvantages created by apartheid, local government in South Africa is still in the process of transformation, and rural areas still require a high level of government intervention to promote development.

The outcome of our 4<sup>th</sup> democratic local government elections on the 3<sup>rd</sup> of August 2016, clearly showed that the majority of South African citizens still believe that South Africa remains a better place to be than it was before 1994, despite numerous challenges.

Honourable Speaker, the economic trajectory pronounced by the Honourable President Zuma remains the fundamental area of focus for all of us in the Free State Province.

Radical economic transformation at municipal level should be achieved through getting the basics right. That means that municipalities must:

- have proper infrastructure which will encourage investors to have an appetite to invest within a particular municipality, and
- separate social welfare projects from sustainable economic projects.

Moving towards 2017 and beyond, the Department will promote inter-governmental processes between municipalities and relevant stakeholders.

In adding value to the above process, the Department will support municipalities through the Provincial Local Economic Development Strategy to develop credible local economic strategies as part of their IDPs, which should indicate the potential and fundamental areas for growth and development.

Speaker, new Municipal Councils were elected after the 2016 Local Government Elections and in order to provide support to municipalities, Provincial Standard Standing Rules and Orders aimed at providing for conduct of proceedings during Council meetings were promulgated.

Madame Speaker, this past year was the second year of the implementation of the Back to Basics (B2B) Programme, which seeks to go back to the basics of serving with intent and humility, to make democracy really meaningful and tangible to our people at municipal level.

I am proud to announce that the B2B programme already yielded positive results in that Fezile Dabi District Municipality achieved a clean audit outcome, and 15 municipalities in the province achieved unqualified audit outcomes, which can be directly attributed to the B2B and other support programmes.

Honourable Speaker, while celebrating the success stories in local government, it is to be acknowledged that municipalities still face major service delivery, financial viability and liquidity constraints, which require urgent attention. The Department was obliged to **assist struggling Municipalities financially** with fifty seven million, nine hundred thousand rand (R57,9m) during 2016/2017.

Municipalities that required financial assistance include Xhariep, Naledi, Masilonyana, Nala, Dihlabeng, Setsoto and Mafube.

The Department has allocated an amount of twenty million, three hundred and eighty one thousand rand (R20,381m) to continue with the provision of support (and more specifically through financial turn-around programs) to the Metsimaholo, Maluti a Phofung and Ngwathe municipalities during 2017. During 2017, support of this nature will also be given to the following identified municipalities in order to supplement and enhance their internal audit capacity: Mafube, Mantsopa, Matjhabeng, Moqhaka and Setsoto.

Honourable Speaker, during the past financial year the Department noted that Masilonyana and Mafube experienced serious service delivery challenges; during 2017, the Department will re-direct some of our support initiatives to strengthen the service delivery capacity of these municipalities.

Honourable Speaker, the **Municipal Infrastructure Grant (MIG)** continued to contribute towards municipal service delivery in the Province during the past year. In respect of the 2016/2017 municipal financial year, which only ends by the 30<sup>th</sup> of June 2017, a total of three hundred and seventy two million (R372m) (52%) out of an allocation of seven hundred and thirteen million (R713m) was spent as at the end of February 2017.

In providing (pre-2004) households with access to potable water, six hundred and ten thousand households, which represents 99% of the planned target of six hundred and fifteen thousand nine hundred and nine (615,909) households were serviced by the end of February 2017 during the 2016/2017 MIG financial year.

All six hundred and fifteen thousand, nine hundred and nine (615,909) pre-2004 households were serviced with on-site sanitation by the end of January 2016.

Honourable Speaker, allow me to take you through the interventions made on Maluti a Phofung water supply. We have embarked on a journey to the area together with the Minister for Water and Sanitation, Ms. Nomvula Mokoyane, to seek workable solutions for the Municipality.

Amongst the immediate interventions implemented was the following:

- The provision of thirty one (31) trucks with a capacity of 10,000 liters to assist the forty four (44) trucks that the Municipality was using;

- 80,000 liter movable tank at Dithotaneng village; and
- Fifty (50) Water tanks and exploration, drilling and equipping of boreholes that resulted in twenty six (26) functional ones.

Other partners that assisted in the borehole project were Gift of the Givers and the National Lottery. We would like to thank our private partners for their contribution during the time of need.

**Tefello ya Di-Tshebelotso tsa Masepala ke boikarabelo ba batho bohle. Bo-Masepala ba lokela ho fana ka ditshebelotso tse maemong a hodimo. Sena, se hloka ho phethala ka ho:**

- **Kgothalletsa batho bohle ho lefella ditshebeletso**  
**Batho ba dikojwana di mahetleng, maqheku le ba sa kgoneng ho lefella ditshebeletso, ba kgothalletswa ho etsa dikopo tseo ka ho ngodisa (Indigent Registration) di-kantorong tsa Mmasepala.**

In the 2016/2017 financial year, a total number of 360 unsafe pit latrines will be replaced with double pit structures, and in the 2017/2018 financial year money has been set aside to assist the local municipality.

Honourable Speaker, the department has allocated funds for Municipal Infrastructure during 2017/2018 financial year. The amount had been earmarked for a Multi Purpose Sports facility in Frankfort. The department had also transferred in the appropriation to the Department of Police, Roads and Transport for the Ring Road in Rammulotsi (Moqhaka).

The department also made funds available for the planning and development of a Water Laboratory in the Maluti a Phofung Local Municipality to assist Water Service Authorities within the district to monitor and improve the quality of drinking water and effluent.

Madame Speaker, the department will continue to support municipalities as per the Constitution. Funds has been set aside as part of the Water Sanitation Intervention for the **development of Master Plans** for Nala and Maluti-a-Phofung municipalities.

Honourable Speaker, all municipalities in the Province are providing **free basic services** to qualifying households, the number of indigent households provided with free basic services is as follows:

- Free Basic Water : 189,225 households
- Free Basic Electricity: 149,512 households
- Free Basic Refuse removal: 127,482 households
- Free Basic Sanitation: 127,484 households

Honourable Speaker, Enviro Mobi is a support initiative aimed at improving municipalities' provision of basic services to communities. It includes provision of support to municipalities and implementation of direct interventions relating to water leakages, waste removal and electricity through interactions with municipal customers on reported concerns.

The above support initiative resulted in the creation of a platform called Municipal Rapid Response Platform (MURAPA), which is a unique environmental



innovation and service delivery management platform designed to improve service delivery by responding rapidly to challenges relating to municipal infrastructure. Henceforth this programme will be implemented under the management of the respective local municipalities.

**Motsamaisi Wa dipuisano, Metse le Metsana eo re phelang ho yona e lokelwa ke ho re e HLWEKE. Bohlekwi bona bo lokela ho kopanelwa ke mmuso, setjhaba, bana ba dikolo le Bo-Rakgwebo. Selemong sena sa ditjhelete (2017-2018), Lefapha le ikemiseditse ho simolla lenaneo la HLWEKISO YA METSE YOHLE KA HARE HO FOREISITATA. Sena se tla fihlellwa ka ho tsamaisa tlhodisano (THE CLEANEST TOWN AWARDS) pakeng tsa Bo-Mmasepala. Re tla sebedisa Community Works Programme le Expanded Public Works Programme ho fihlella sehlohlolong.**

Madame Speaker, through the Premier's intervention, Disaster Management has received additional funding during 2016 towards purchasing fire-fighting engines through the Government Garage, which will be designed and manufactured according to the specifications of Thabo Mofutsanyana and Xhariep District Municipalities. The procurement of the fire tenders for the said local municipalities will go ahead through fleet management. We also expect Kopanong to be also allocated one fire tender with fire and rescue capabilities.

Madame Speaker, in preparing for the next generation of ward committees to be elected after the 2016 Local Government Elections, we indicated during last year's budget speech that we will be issuing a notice in this regard very soon, instructing our municipalities to adopt the reviewed Guidelines for the Establishment of Ward Committees as policy.

Madame Speaker, during 2015 the Municipal Demarcation Board (MDB) determined new boundaries for the Mangaung Metropolitan Municipality with effect from the 3<sup>rd</sup> of August 2016. The outer municipal boundaries of Mangaung Metropolitan Municipality have since been re-determined to include the municipal area of the disestablished Naledi Local Municipality.

A total amount of thirteen million four hundred and twenty-eight thousand rand (R13,428 m) was transferred to the Mangaung Metropolitan Municipality to subsidize the institutional and administrative costs arising from the merger.

Madame Speaker, it is our responsibility to ensure that the role of traditional leaders and the interest of traditional communities are protected. In this regard, during 2015 we tabled before this House, the Provincial and Local Houses Bill aimed amongst others at establishing the King' s Council and Local Houses in Thabo Mofutsanyana. Speaker, I am humbly requesting this House to conclude its processes towards passing this Bill.

In our quest to support the Traditional Leadership and enhance their work in the respective traditional leadership areas I undertake to do the following in 2017/18 financial year:

- Facilitate the purchase of land for Batlokoa ba Mokgalong in the Phumelela Municipal area.
- Facilitate the building of the two Kings palaces, for BaKwena and Batlokoa Ba Mota traditional leadership through the Department of Human Settlements.
- Build houses through the Department of Human Settlements to qualifying traditional leaders, specifically the headmen and headwoman.

- All thirteen Traditional Councils will be reconstituted.
- In collaboration with Department of Public Works, we will resuscitate the renovations of Sefika sa Batlokoa.
- We will establish the Local House of Traditional Leaders as envisaged in the Free State Provincial and Local Houses Bill as tabled.
- Implement National Framework on the tools of trade in order to address the needs and working environment of the Traditional Leadership.

Honourable Speaker, let me take this opportunity to thank the Premier and Members of the Executive Council for their continued support.

I would also like to thank Members of the Portfolio Committees and the Legislature, the House of Traditional Leaders and the entire Traditional Leadership, the Heads of the Department and staff in both departments, all municipalities, SALGA Free State and my organisation, the African National Congress, for their inexorable support and guidance.

Let me thank my family for always being by my side and for their staunch support to this course.

On this note, Madame Speaker, I hereby present the budget votes of the Department of Human Settlements and the Department of Cooperative Governance and Traditional Affairs, as appended.

Ke a leboha.

**ANNEXURE B: VOTE 13 - HUMAN SETTLEMENTS**

<b>VOTE 13</b>		<b>2017/18</b>
<b>Department of Human Settlements</b>		
<b>Programme</b>	<b>Amount</b>	<b>Percentage of Budget</b>
ADMINISTRATION	124 301	8.61%
HOUSING NEEDS, RESEARCH AND PLANNING	22 385	1.55%
HOUSING DEVELOPMENT	1 294 887	89.74%
HOUSING ASSET MANAGEMENT, PROPERTY MANAGEMENT	1 321	0.09%
<b>TOTAL</b>	<b>1 442 894</b>	<b>100.00%</b>
<b>Economic Classification</b>	<b>Amount</b>	<b>Percentage of Budget</b>
Compensation of employees	169 501	11.75%
Goods and services	59 447	4.12%
Interest and rent on land	-	0.00%
Transfers and subsidies to:	1 1207 815	83.71%
Payments for capital assets	6 131	0.42%
<b>Total</b>	<b>1 442 894</b>	<b>100.00%</b>
<b>Transfers and Subsidies</b>	<b>Amount</b>	<b>Percentage of Budget</b>
<b>Capital Transfer and Subsidies</b>	<b>1 204 789</b>	<b>99.75%</b>
Earmarked Funds (Demolition and building of 2 room houses)	31 000	2.57%
Human Settlements Development Grant ( R 1,193,038 - R 6,500 - R 18,749)	1 167 789	96.69%
Expanded Public Works Programme	2 000	0.17%
Military Veterans Top Up Funding	4 000	0.33%
<b>Current Transfer and Subsidies</b>	<b>3 026</b>	<b>0.25%</b>
Higher Education Institution	1 200	0.10%
Households	1 826	0.15%
<b>Total</b>	<b>1 207 815</b>	<b>100.00%</b>

## ANNEXURE A

## VOTE 8

2017-2018

## COOPERATIVE GOVERNANCE &amp; TRADITIONAL AFFAIRS

Programme		Amount	Percentage of Budget
Administration		139 703	34%
Local Governance		122 653	30%
Development and Planning		91 706	23%
Traditional Institutional Development		42 818	11%
House of Traditional Leaders		10 307	3%
		<b>407 187</b>	<b>100%</b>
Economic Classification		Amount	Percentage of Budget
Compensation of Employees		213 234	52%
Goods and Services		129 150	32%
Transfers and Subsidies		54 646	13%
Capital Assets		10 157	2%
		<b>407 187</b>	<b>100%</b>
Transfers and Subsidies		Amount	Percentage of Budget
<b>Province and Municipalities:</b>			
Municipal Infrastructure	8 472		
Financial Assistance: Municipalities	42 135	50 607	93%
<b>Households: Other</b>		1 214	2%
Non-Profit Institutions: Traditional Affairs	2 825	2 825	5%
		<b>54 646</b>	<b>100%</b>
PROVINCIAL FUNDING			Percentage of Budget
<b>Equitable Share and Departmental Receipts</b>		<b>407 187</b>	
of which earmarked for Operation Clean Audit		20 381	21%
of which earmarked for Water laboratory municipal support		5 000	5%
of which earmarked for Fire fighting equipment		5 000	5%
<b>Earmarked funds</b>		<b>30 381</b>	
of which other priorities earmarked for Municipal Financial Intervention		24 285	25%
of which other priorities for Municipal Financial Intervention Xhariep		17 850	19%
of which other priorities for Bulk Infrastructure and Basic Services		8 472	9%
of which other priorities d for Water and sanitation intervention		15 000	16%
<b>Other priorities</b>		<b>65 607</b>	
<b>Total earmarked and other priority funds</b>		<b>95 988</b>	<b>100%</b>

