

**SPEECH BY GAUTENG MEC FOR HUMAN SETTLEMENTS AND INFRASTRUCTURE DEVELOPMENT, LEOGANG MAILE, ON THE OCCASION OF THE 2023/24 GAUTENG DEPARTMENT OF HUMAN SETTLEMENTS BUDGET VOTE, GAUTENG LEGISLATURE, 25 MAY 2023.**

*Madam Speaker*

*Deputy Speaker*

*Honourable Premier*

*Honourable Members of the Executive Council*

*Honourable Members*

*HoD and Senior Management of the Department*

*Executive and Non-executive Management of the GPF*

*Members of the Media*

*The People of Gauteng*

## **1. INTRODUCTION**

In his renowned poem *The Masque of Anarchy*, the English Romantic poet Percy Bysshe Shelley depicts the working-class struggle during a period of uprisings against elite interests in Europe, that followed the iconoclastic French Revolution of 1789, a revolution which had immense impact socially, economically, and politically, not just in France, but also in the rest of Europe and other parts of the world. The French Revolution was a critical period in history that produced a legacy of the rights-based society that we now easily take for granted in contemporary society.

Madam Speaker

Percy Bysshe Shelley's *The Masque of Anarchy*, inspired by a working class revolt in Manchester that tragically ended up in what is now historically known as the Peterloo Massacre profoundly captures the essence of the historical struggles of the working class against elitism, exclusion, marginalisation and inequality, with this particular timeless stanza from the poem having been used as a rallying cry by many mass movements around the world since then, even inspiring the popular socialist slogan, we are many, they are few:

*"Rise, like lions after slumber  
In unvanquishable number!  
Shake your chains to earth, like dew  
Which in sleep had fallen on you:  
Ye are many—they are few!"*

As we come to the end of the month of May, a month we celebrate as worker's month, where we commemorate and honour the struggle of workers for their rights, these words from Bysshe Shelley are profoundly germane to us, especially given the contemporary struggles of the working class and households in an economy that is characterised by rising inflation, the increased cost of living, high unemployment, and rising food prices. The working-class majority does not have the resources to live anywhere except in townships and informal settlements. Since lower wealth and income categories are almost entirely black, this produces racially homogeneous spaces according to the patterns of black residential spaces established under apartheid.

Honourable Members

Human settlements must systematically change the entrenched apartheid spatial patterns that resulted in social inequality and economic inefficiencies and the delivery of human settlements must assist working class and poor households by strengthening their prospects of earning a decent livelihood, providing them with access to economic opportunities for upward mobility, giving them better living standards, providing them with access to proper social amenities to enhance their quality of life and also promoting social cohesion. In a nutshell, the provision of quality, livable, sustainable, resilient human settlements is right at the forefront of advancing the struggles of working class and poor households in our society and ensuring that we deliver on the promise of a better life that was ushered in during the democratic dispensation.

## **2. GOVERNANCE AND FINANCIAL MANAGEMENT**

Madam Speaker

Enhancing and improving the performance and service delivery of the department is critical for successful implementation of its mandate and achievement of our progressive, transformative agenda and it is in light of this that we have been continuing in earnest with the implementation of the Turnaround Strategy that was adopted by the Executive Management, anchored on six strategic pillars linked to our desired outcomes.

We can confidently report that we have completed some key interventions as part of this plan to date, including: the development of the Human Settlements Masterplan, the initiation of the multi-year project bank, the implementation of the e-invoicing system and the Customer Management System (CMS).

Honourable Members

There are also several other interventions that are in progress, due to be completed during the current financial year, such as the finalisation of the organisational structure which will assist the department to

align its functions and service delivery model to the Infrastructure Delivery Management System (IDMS). It is important that we complete this exercise to be able to create an optimal structure that will accelerate delivery and create the capacity that is required for core programme delivery.

We continue to prioritise consolidating and enhancing the authorised co-ordinated planning that is required to address bottlenecks and blockages to the delivery of human settlements. This is linked to implementation of the Infrastructure Delivery Management System (IDMS). More importantly, the adopted turnaround strategy is the mechanism that we are utilising to track the extent to which integrated planning is being implemented in order to address historical gaps and accelerate project delivery going forward.

Madam Speaker

To ensure continuous improvement on its audit outcomes, the department has put the following measures in place for both financial and non-financial performance:

- We have commenced with monitoring controls by adapting and implementing a system of key controls provided by the Auditor-General of South Africa (AGSA), which are monitored and verified on a quarterly basis.
- The Head of Department has taken a stance on ensuring management comments are reviewed and agreed by process owners for full implementation of audit recommendations, which are held weekly with the Deputy Directors-General and relevant process owners.
- Key management commitments will be undertaken to prevent recurrences, together with identified root causes per finding.
- The department has started implementing a method of identification in emerging and major risks as well as non-compliance to prescripts, policies, and legislative requirements.
- Checklists and preparation of the Quarterly Compliance Risk Register are assessed by the Gauteng Treasury on a quarterly basis.
- Combined Assurance meetings are convened on a quarterly basis to address top strategic risks and material misstatements.
- Furthermore, the department has approved a Compliance Policy and we have set in place a Compliance Framework.
- The department lodged a formal dispute with the AGSA on the audit process, specific findings, and auditor conclusions; amongst others, in respect of two (2) qualifying matters; namely, Capital Works in Progress and Expenditure on Capital Assets.
- The formal dispute further described disagreements on Technical Indicators that the AGSA prescribed as not clearly defined and thus not measurable; and did not reconsider usefulness findings on certain output indicators.

- 80% of the prior year's material misstatements have been reduced towards achieving an Unqualified Audit Opinion for the 2022/23 financial year.
- 100% of the prior year's material misstatements will be addressed towards achieving an Unqualified Audit Opinion for the 2023/24 financial year.

### **3. MEGA PROJECTS AND RAPID LAND RELEASE**

Honourable Members

During the 2022/23 financial year, the department delivered 6982 housing units and serviced 8643 stands. In total, we created 15 625 housing opportunities during the 2022/23 financial year and in fact, cumulatively, the housing opportunities created for the current term of office add up to 74 981 (39 020 housing units plus 35 961 serviced stands), this is without having included the 3812 social housing and rental units delivered through our provincial government entity, the Gauteng Partnership Fund (GPF).

In addition to this, in line with the holistic vision of human settlements delivery, 4 socio-economic facilities have been delivered: a taxi rank and, a community hall and a sports facility at Afri Village as well as a community hall at Dan Tloome. For the 2023/24 financial year we plan to service a total of 5667 stands and to build 7502 housing units.

Madam Speaker

For our Rapid Land Release Programme, we intend to procure serviced stands which have the following characteristics:

- Average size – 250m<sup>2</sup>
- All planning approvals
- All services designs approved.
- All bulk and link services installed.
- All internal services completed.
- Water and sewer
- Roads and storm water
- Electricity
- Section 82 or similar certification must be provided.

If some of the internal services are not completed, and a Section 82 certificate is not provided, the department will enter into an agreement with the land developer to complete such installation and provide a Section 82 before the end of the financial year, with payment only being affected upon the provision of the Section 82 or similar certificate. This should ensure that serviced stands are transferred to the beneficiaries in the same financial year that they are procured. To this end, the department will require that private land developers transfer the sites directly to the approved beneficiaries.

#### **4. UPGRADING OF INFORMAL SETTLEMENTS**

Honourable Members

There are over 727 informal settlements in Gauteng, with 639 enumerated (mapped). We will map the balance over the Medium-Term Expenditure Framework (MTEF); however, it is important to note that the mushrooming of informal settlements in the province is very sporadic. This is because over 300 000 people migrate to Gauteng annually looking for economic opportunities. As a provincial government we will be providing assistance to 64 district based informal settlements over the MTEF, whilst the balance will be taken care of by the metros.

Honourable Members

The aim of the Informal Settlement Upgrading Programme is to formalise informal settlements and afford citizens security of tenure in formalised townships. However, this process is a challenge in the Gauteng context, because when decongestion takes place, new households occupy decongested spaces. To deal with this problem, we have taken a stance that we will be relocating/ (decongesting) informal settlement households into completed units in mega projects or new housing developments from now onward.

Madam Speaker

For this reason, from the allocated Informal Settlement Upgrading Partnership Grant (ISUPG) of (one billion two hundred and twenty-six million nine hundred and forty nine thousand rands) R1 226 949 000 earmarked to support district municipalities, 23% of this amount has been allocated towards permanent services and bulk link services. 64 informal settlements are currently receiving interim sanitation services, 25 informal settlements will be upgraded to Phase 2, with 3 informal settlements being upgraded to phase 3.

Additional key priorities for the department include relocation of 6 informal settlements, with the Mamelodi flood victims and K54 Road Reserve informal settlement being prioritised, in a partnership between the province and the City of Tshwane, through our entity, the GPF. Implementation of alternative solutions (sanitation, electrification, and water) will be piloted in various Gauteng based informal settlements, with the GPF implementing on behalf of the province.

#### **5. TITLE DEEDS AND BENEFICIARY ADMINISTRATION**

Honourable Members

As a provincial government, we recognise the importance of handing over title deeds expeditiously, as this is an economic asset that can be used to empower beneficiaries to participate more meaningfully

within the mainstream economy. A title deed enhances security of tenure and brings about opportunities for wealth creation for beneficiaries and their households. Beneficiaries can also leverage on their properties by accessing mortgage finance for further improvement on these properties, thereby increasing their values and / or to use the funds for other productive economic activities.

To scale up delivery of title deeds, we have entered into an agreement with the Deeds Office in Johannesburg and Pretoria for the speedy delivery of title deeds in respect of state-subsidised houses. Through the Memorandum of Understanding signed between the department and various municipalities, it is envisaged that a shorter process of approval by the municipalities for clearance certificates and powers of attorney etc. will be achieved, enabling us to deliver title deeds much more quickly, as this has been one of the main bottlenecks to expeditious title deeds delivery. In the past financial year, a total of 6809 title deeds were registered in the province. In respect of the 2023/24 financial year, our target for transfer is 17 468 title deeds.

Madam Speaker

During the 2022/23 financial year, through our outreach programme, we managed to visit about 102 communities in Gauteng. This translates into intimate interaction with more than 50 000 residents of Gauteng, with the visits being service delivery and public participation enhancement focused, as we celebrated the allocation of houses and issuance of title deeds. We are looking to shift the focus of our beneficiary administration so that we can include beneficiaries who meet the banking criteria to start building houses for themselves, including them as part of our Rapid Land Release Programme. Incomplete houses could also be converted to the rapid land release programme, by allocating them to qualifying beneficiaries who are willing and able to complete these houses on their own.

## **6. HOSTEL REDEVELOPMENT**

Honourable Members

The Gauteng Hostel Redevelopment Strategy has been approved so as to decisively intervene and resolve the challenges faced by hostels in the province. The availability of bulk infrastructure is the most critical obstacle to achieving the goals of the strategy. Understanding the extent of the bulk Infrastructure problem and recommending solutions will be a key intervention, so therefore the department has been putting together a unique housing response plan for each hostel as follows:

- Assessment of the bulk requirements of all 65 hostels and proposed interventions.
- A socio-economic survey conducted to determine the extent of the housing problem in each hostel and surrounds.
- Identification of land within a specified radius of each hostel in response to the problem as well as conducting of feasibility studies.

To ensure the success of this exercise, we have already embarked on an extensive stakeholder consultation to obtain buy-in from local councillors, izinduna and municipalities. With these interventions Madam Speaker, we are very confident that we will be able to achieve our objective of turning our hostels into habitable, dignified family units that are sustainable human settlements precincts.

## **7. CONCLUSION**

Honourable Members

We want to focus on completing all abandoned and incomplete projects, accelerating the roll out of our ground-breaking rapid land release programme, improving the scale and impact of mega project delivery, turning our hostels into family units with a novel sectional title model, upgrading our informal settlements and ensuring we fast-track title deeds handover, amongst our other priorities.

Our emphasis will be on the implementation and effective functioning of an integrated and holistic human settlement construction value chain that begins with the planning stage and ends with the issuance of title deeds to beneficiaries. The budget allocation for the department for the 2023/24 financial year is (six billion four hundred and twenty-one million two hundred and twenty-two thousand rands) R6 421 222 000. We now table this budget for your consideration. We would like to thank the Honourable Premier and fellow Exco members, the Head of Department, the Executive and Senior Management of the department, the Executive and Non-executive leadership of the GPF, as well as every staff member for their contribution to meeting the housing needs of the people of Gauteng and ensuring that the department improves its performance and is able to deliver on its mandate.

**ENDS.**





