



MEDIA STATEMENT ON THE OCCASION OF THE 2021/22 BUDGET VOTE SPEECHES FOR THE GAUTENG DEPARTMENT OF HUMAN SETTLEMENTS AND THE GAUTENG DEPARTMENT OF URBAN PLANNING, COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, 15 JUNE 2021 AT THE GAUTENG LEGISLATURE.

1. INTRODUCTION

A very good morning to you all and welcome to this media briefing where we will be outlining some of the plans and programmes that we will be implementing in order to give our two departments more impetus in the 2021/22 financial year and beyond, to be more effective and impactful so that we can fulfil our obligations to the people of Gauteng. Municipalities have played a critical role in our response to the Covid-19 pandemic and are going to be at the forefront of our economic recovery agenda and our developmental path going forward. Human Settlements, because of their cross-cutting, interdepartmental, intergovernmental nature as well as backward and forward linkages economically, can have a catalytic impact on our economic recovery plans and help set us on a positive growth trajectory that will catapult us towards our developmental objectives.

2. HUMAN SETTLEMENTS

- We want to unlock the R150 billion worth of private development projects in the province, within the affordable housing space, that are stuck because of red tape and bureaucratic bottlenecks within the various spheres of government.
- We want to use human settlements as a vehicle to advance economic transformation, through initiatives such as the Gauteng Partnership Fund's (a provincial government entity under the Department of Human Settlements) Entrepreneur Empowerment Programme Fund, which has already disbursed over R400 million towards 40 development projects, through offering 100% finance to projects that are less than R15 million in value, as active senior debt funders.
- We are going to launch a fund to provide funding for first time black developers within the property development space, with a bias towards township developments and developers within the real estate and property development sectors, as part of the provincial government's township economy revitalisation programme.
- We want to invest in building the township real estate market, through initiatives such as formalising the township backyard rental market and

working with the Estate Agency Affairs Board to promote and produce township real estate agents and agencies, which can compete within the mainstream of this sector in the long term.

- To address the challenge of bulk infrastructure, which has been a huge bottleneck for many of our mega human settlements projects as well as our hostels in the province, we are looking at establishing a provincial bulk infrastructure fund and adopting a new technology for bulk infrastructure which is efficient and more cost effective.
- We have identified a legislative lacuna when it comes to the matter of family titles, which results after the death of an elder wherein, *instead of following testate or intestate succession law and registration of title, the family continues to use a more collective family relationship to the property*. We will be sponsoring a bill through the National Council of Provinces in order to address this legislative lacuna.
- Another major problem we are faced with, is that there are some informal settlements that are built on private land and the owners are not cooperating with us in terms of looking to provide services and formalise them, so we are looking at using our full rights within the existing framework of Section 25 of the Constitution, whilst the amendments are still to be finalised, to expropriate that land without compensation, so that we can formalise and develop those informal settlements, to give the people who live in them better living conditions.
- On the burdensome problem of illegal invasions and allocations and displacement of people as a result of that, we have put in place a pro-active, intergovernmental counter land invasion strategy, which allows us to preempt and prevent evictions, but also to evict with immediacy, the moment land is invaded. Part of this has been the enlisting of community safety patrollers, in partnership with the Department of Community Safety, who will help us gather intelligence from within communities that will assist us in preventing invasions.
- Our Ikageleng Rapid Land Release programme will give over fully serviced sites to qualifying beneficiaries who want to build houses for themselves and are able to. We have developed a new policy, with a focus on the missing middle (income greater than R3 500, and less than R22 000), in order to ensure that there are more beneficiaries that qualify and are working in tandem with the FLISP programme to expand the beneficiary base in this regard. We are currently assessing 15494 sites for rapid land release, a process to be completed by the end of this month.
- We also want to make use of Community Development Workers, who work within communities, to gather intelligence and information that will assist us in preventing land invasions. The issue of illegal invasions and illegal occupation and allocation of houses is so complex and nuanced that we have decided that we are going to establish a Committee of Inquiry to investigate

all these matters, because these are issues that date back to 1996 that require a comprehensive, systematic and methodical approach in order to resolve.

- We are going to be spending R1.1 billion over the next financial year to upgrade informal settlements and tackle the problem of growing informality within Gauteng City Region and over the medium term expenditure framework, we will be spending R10 billion on mega human settlements projects in order to expedite housing delivery in the province, using a new model of housing delivery and technology and systems that should help us overcome some of the problems we have faced in the past on mega human settlements delivery.

3. URBAN PLANNING, COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

- In order to better align and coordinate all development within the province, we will be launching the Gauteng Planning House. The Gauteng Planning House, a state-of-the-art facility, will help urban planners within municipalities and the province to have access to cutting edge tools, knowledge support, and expertise for an integrated, Gauteng City Region approach to sustainable urban planning and development. Planning House will draw expertise from all sector departments, municipalities, and academic institutions as key partners to build a foundation for data driven integrated planning and mega data manipulation.
- Through our experiences and lessons in intervening in Tshwane and Emfuleni using Section 139 of the constitution, we have contributed to the development and promulgation of The Intergovernmental Monitoring, Support, and Interventions Bill, an exciting innovation with regards to improving support and oversight over municipalities.
- The Bill will allow us to regulate the implementation of, and the processes provided for in section 100 and section 139 of the Constitution; to provide for targeted support to provinces and municipalities in need of assistance; to provide for the monitoring of provinces and municipalities as to the fulfilment of their executive obligations in terms of the Constitution or legislation; to provide alternative steps to interventions to induce compliance by provinces or municipalities with their executive obligations; to provide for the deployment of administrators by the intervening national executive or provincial executive; and to provide for matters connected therewith.
- The announcement by President Cyril Ramaphosa on amendment to schedule two of the Electricity Regulation Act provides an exciting opportunity for municipalities in the province. We will be working very closely with all municipalities for the purposes of enhancing power generation and providing energy security to the province.
- Gauteng is a water scarce province and one of the lessons that we have all learnt from Cape Town's "Day Zero" challenges, is the importance of water security for our city region. In fact, a study by the Gauteng City Region Observatory shows that water cuts

could become the next barrier to our economic growth and development objectives, just like power cuts and load-shedding, if we don't plan properly and apportion our water resources effectively and efficiently. With this in mind, we are working on the development of the Gauteng City Region Water Security Plan and have already had interactions with key stakeholders, including the Minister of Water and Sanitation as regards the plan. A Water Summit is planned for the financial year in order to bring all stakeholders on board and conclude this process.

- We will be establishing a Commission on Traditional Leadership Disputes and Claims to investigate disputes and claims for recognition of qualifying individuals as traditional leaders. The establishment of this Commission is at an advanced, final stage of approval.
- Owing to Covid-19, our municipalities have experienced devastating revenue losses that have exacerbated their pre-existing challenges in relation to financial viability and stability.
- Municipalities have had significant responsibilities and costs added in dealing with the pandemic, whilst at the same time having to accept revenue losses, as businesses shut down, people lose employment and household expenditure becomes increasingly stretched.
- The total municipal revenue losses owing to Covid-19 in the province, amount to close to R13 billion.
- Whilst municipalities in the province owe R17.6 billion at the last count, a drop of R1.1 billion from the R18.7 billion they owed in December 2020, the converse is that R90 billion is owed by consumers to municipalities in the province, indicating a serious revenue collection problem that goes beyond the unique challenges of Covid-19.
- One of the key findings of the Committee of Inquiry into the state of affairs of local government in Gauteng, that we commissioned in September 2019, was that our municipalities are not sufficiently able to collect revenue and become financially viable, with the current local government financial framework being one of the main problems identified. The Committee recommended that we as a province must champion a review and amendment of the local government financial framework.
- In conjunction with Provincial Treasury, we are working with our municipalities to assist them to try tap into alternative revenue sources, other than just collections. This is a process that is a work in progress, as we seek innovative mechanisms of making our municipalities financially sustainable and viable.
- Working with Provincial Treasury and National Treasury, we are looking to investigate the use of a suite of measures to address the entire revenue value chain with a devoted focus on the credit control and debt collection process, capacity, capability, efficacy and adequacy of personnel in municipalities, as part of their Integrated revenue management and enhancement strategy.

4. CONCLUSION

These are just some of the few programmes and initiatives that we will be announcing as part of the 2021/22 budget vote speeches for this portfolio. We will be giving more detail during the two speeches later today and we encourage you to follow us at the legislature sitting and get a full copy of both speeches once we have delivered, so that you can have a clearer picture of our innovative plans for both human settlements and local government within Gauteng City Region.

Thank you.

Ends.

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