

# Women's Summit 2019

## 6<sup>TH</sup> ADMINISTRATION

2019-2014

**MR M. Zungu**  
**ACTING HEAD OF DEPARTMENT**  
15 AUGUST 2019



**HOUSES, SECURITY & COMFORT FOR ALL**



**UMUNTU NGUMUNTU NGEKHAYA**



# PRESENTATION

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# MAIN OBJECTIVES OF THE SUMMIT

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- ▶ To provide a platform for the women entrepreneurs in the human settlements sector and relevant stakeholders to discuss key challenges, opportunities, and adoption of a common framework to drive radical economic transformation in the Province that seek to assist the KZN DHS to achieve its broad objectives of women empowerment;
- ▶ To fine tune our development strategies aimed at achieving the development targets as sets out in the Provincial Growth Development Strategies as they are aligned to the National Development Plan of the country;
- ▶ To highlight and reconfirm the Department's commitment as we implement the new service delivery model of the department;
- ▶ To address and devise strategies that seek to deal with various industry conflicts in KZN. ☐ Draw conclusions on the obstacles to meaningful and sustainable participation of black people in the main stream economy in the Province;
- ▶ To attain stakeholders commitment on common approach and targets on radical economic transformation;
- ▶ To discuss various possibilities that seek to align different agencies/ forums/structures/entities that conducts mentorship/ business development programmes; Also seeking to have social compact with all relevant agencies/forums/structures that represent the target group and to be recognized by government as an authentic structures going forward.

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## PRESIDENT RAMAPHOSA (SONA 2019) ....

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- ▶ President Ramaphosa in his SONA, 2019: remarked as follows:

***“Given the key role that small businesses play in stimulating economic activity and employment – and in advancing broad-based empowerment – we are focusing this year on significantly expanding our small business incubation programme. The incubation programme provides budding entrepreneurs with physical space, infrastructure and shared services, access to specialised knowledge, market linkages, training in the use of new technologies and access to finance. Our greatest challenge is to create jobs for the unemployed of today, while preparing workers for the jobs of tomorrow” ...***



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# POLICY AND LEGISLATIVE LANDSCAPE

- ▶ The Constitution, 1996
- ▶ Public Management Act, 1999
- ▶ Broad-Based Black Economic Empowerment Act, 2003
- ▶ Preferential Procurement Policy Framework Act 2000
- ▶ PPPFA Regulations of 2017
- ▶ Housing Act, 1997
- ▶ KwaZulu Natal Co-operatives Development Strategy
- ▶ National Housing Code, 2009
- ▶ Division of Revenue Act, 2003
- ▶ Housing Consumer Protection Act, 1998
- ▶ Cooperative Act of 2005
- ▶ Cooperative Development Policy of South Africa, 2004
- ▶ National Guidelines on Housing Co-operatives.
- ▶ National Development Plan, 2030
- ▶ The New Growth Path, 2011
- ▶ National Youth Policy 2020
- ▶ Integrated Youth Development Strategy
- ▶ KwaZulu Natal Youth Development Strategy

# ALIGNMENT TO PRIORITIES

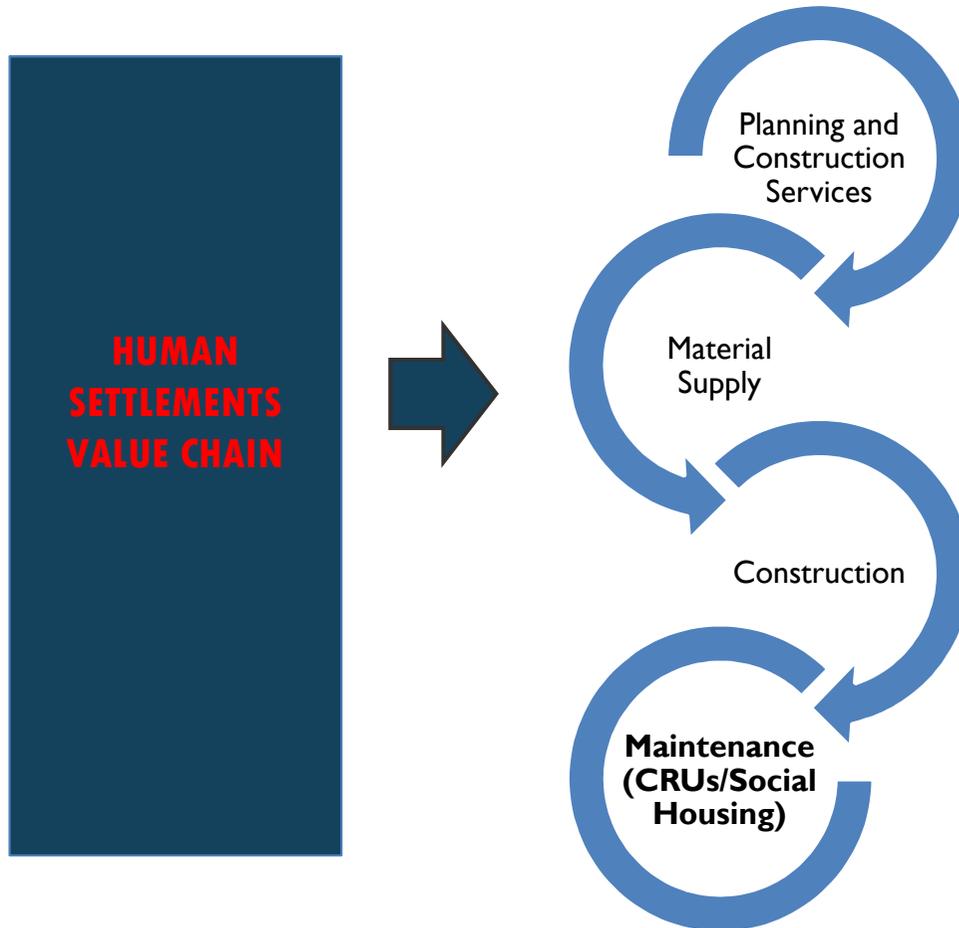
- Highlight the key priorities that the Department responds to (its core mandate)

SONA
Economic transformation and job creation;
Education, skills and health
Consolidating the social wage through reliable and quality basic services
<b>Spatial integration, human settlements and local government</b>
Social cohesion and safe communities
A capable, ethical and developmental state
A better Africa and World.

Premier's Inauguration
Basic Services
Job Creation
Growing the Economy
Growing SMME's and Cooperatives
Education and Skills Development
<b>Human Settlement and sustainable livelihood</b>
Build a Peaceful Province
Build a caring and incorruptible government



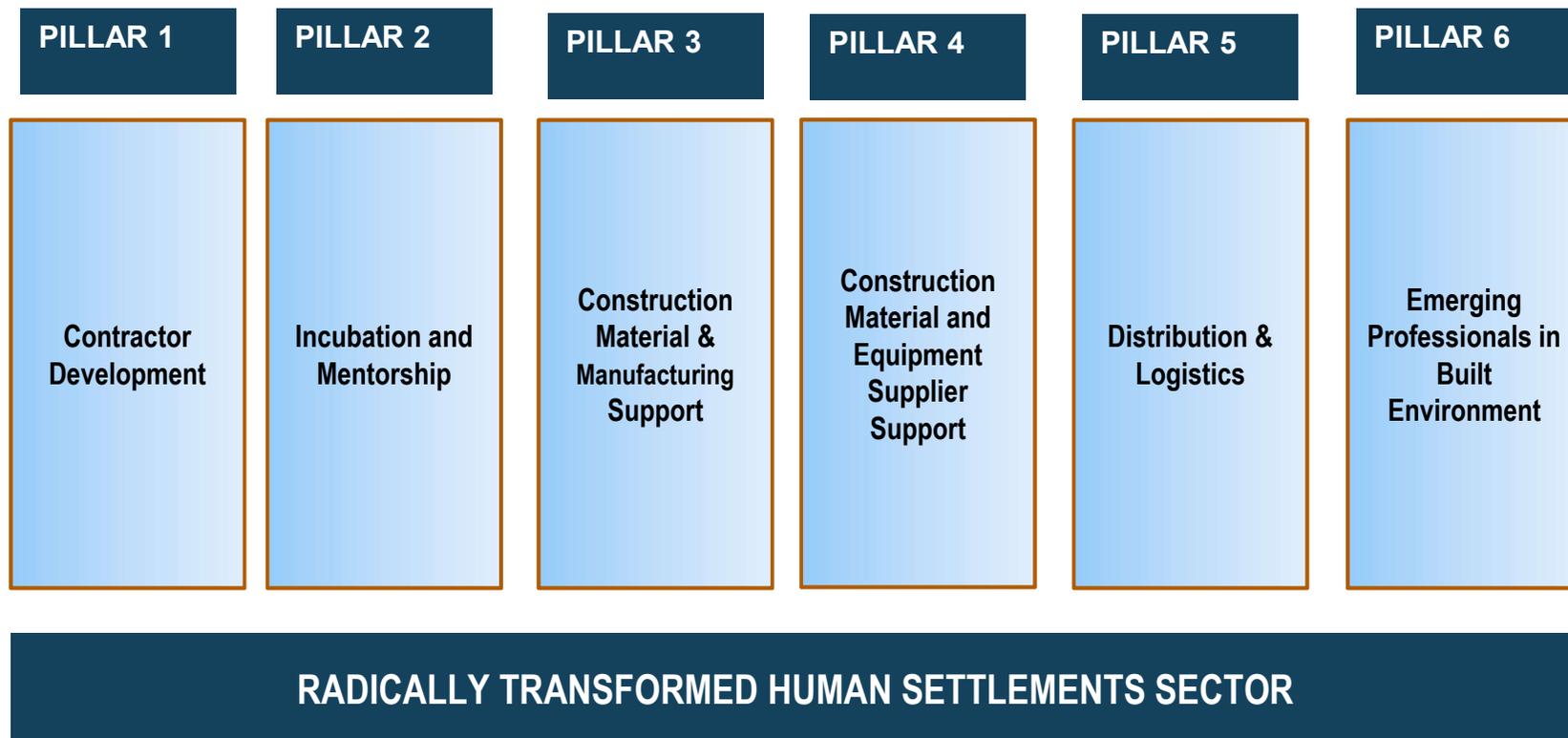
# HUMAN SETTLEMENTS VALUE CHAIN





# PILLARS OF ECONOMIC TRANSFORMATION

- ▶ The following are identified areas of economic transformation within the infrastructure sector in general and human settlements sector in particular:



# POPULATION SIZE PER PROVINCE (STATS SA, 2018)

## Population size by provinces, 1996, 2006, 2011 & 2018

	1996		2006		2011		2018	
	Population	% Share of national population						
<b>South Africa</b>	<b>42 448 007</b>	<b>100.0</b>	<b>47 390 900</b>	<b>100</b>	<b>50 586 757</b>	<b>100</b>	<b>57 725 606</b>	<b>100</b>
Eastern Cape	6 318 118	14.9	6 894 300	14.5	6 829 958	13.5	6 522 734	11.3
Free State	2 734 665	6.4	2 958 800	6.2	2 759 644	5.5	2 954 348	5.1
Gauteng	8 139 176	19.2	9 526 200	20.1	11 328 203	22.4	14 717 040	25.5
<b>KwaZulu Natal</b>	<b>9 207 551</b>	<b>21.7</b>	<b>9 924 000</b>	<b>20.9</b>	<b>10 819 130</b>	<b>21.4</b>	<b>11 384 722</b>	<b>19.7</b>
Limpopo	4 791 481	11.3	5 365 400	11.3	5 554 657	11.0	5 797 275	10.0
Mpumalanga	3 356 559	7.9	3 508 000	7.4	3 657 181	7.2	4 523 874	7.8
North West	2 949 029	6.9	3 374 200	7.1	3 253 390	6.4	3 978 955	6.9
Northern Cape	993 148	2.3	1 094 500	2.3	1 096 731	2.2	1 225 555	2.1
Western Cape	3 958 281	9.3	4 745 500	10.0	5 287 863	10.5	6 621 103	11.5

Source: Stats SA, 2018 & IHS Markit, 2019

## POPULATION SIZE PER PROVINCE (STATS SA, 2018)

Provinces	2011-2016			2016-2021		
	Out-migrants	In-migrants	Net-migration	Out-migrants	In-migrants	Net-migration
Eastern Cape	492 983	172 917	-320 066	516 264	192 412	-323 851
Free State	157 714	132 917	-24 797	163 408	147 666	-15 742
Gauteng	479 461	1 459 549	980 088	548 456	1 596 896	1 048 440
<b>KwaZulu-Natal</b>	<b>344 302</b>	<b>275 920</b>	<b>-68 382</b>	<b>366 150</b>	<b>307 547</b>	<b>-58 602</b>
Limpopo	389 290	248 413	-140 878	412 269	279 755	-132 513
Mpumalanga	193 479	258 374	64 895	212 116	286 154	74 038
Northern Cape	71 678	75 606	3 929	76 512	83 000	6 489
North West	191 729	288 204	96 475	210 096	317 830	107 733
Western Cape	157 210	449 308	292 099	175 613	486 617	311 004



## human settlements

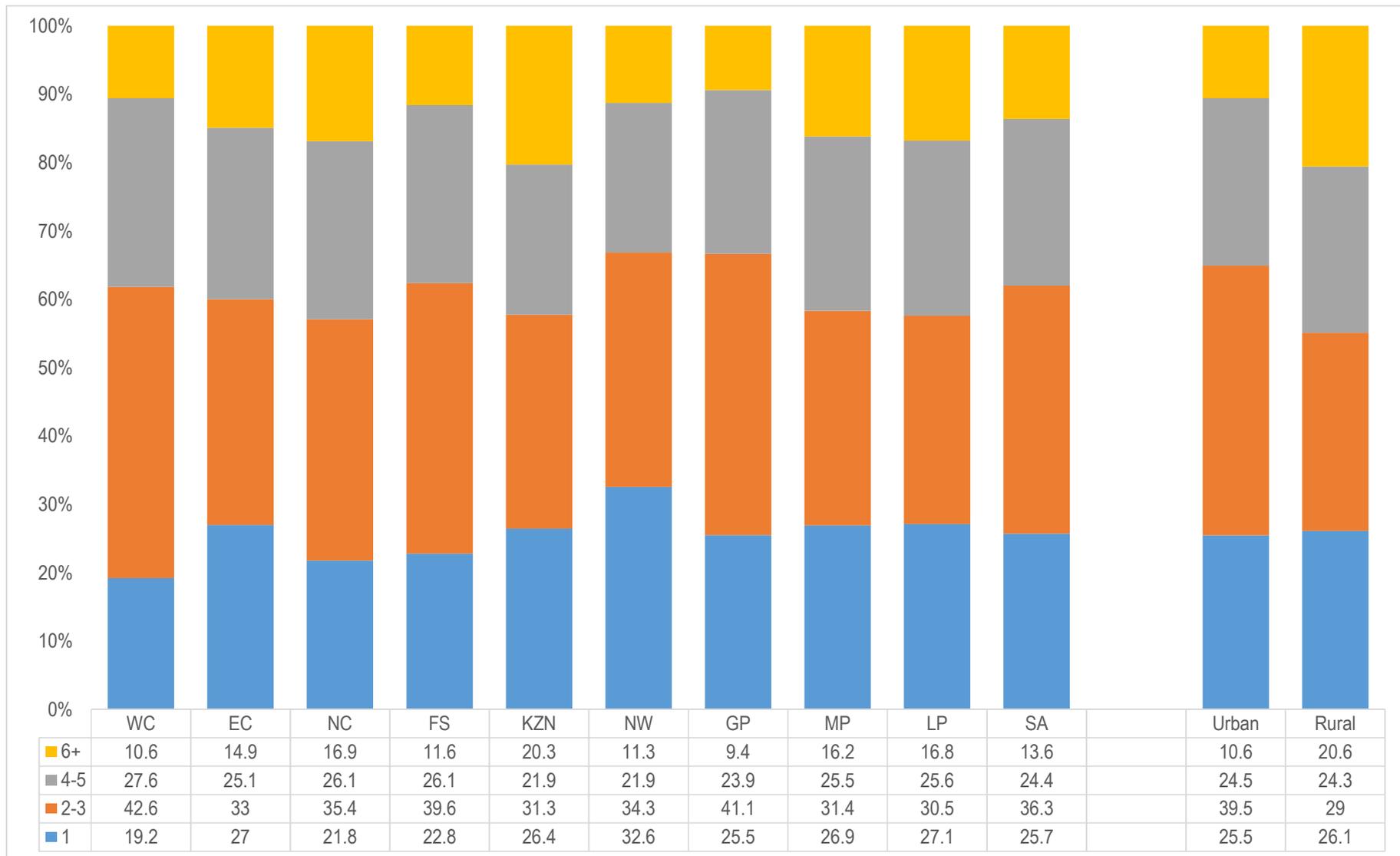
Department:  
Human Settlements  
PROVINCE OF KWAZULU-NATAL

# REGIONAL CONTEXT

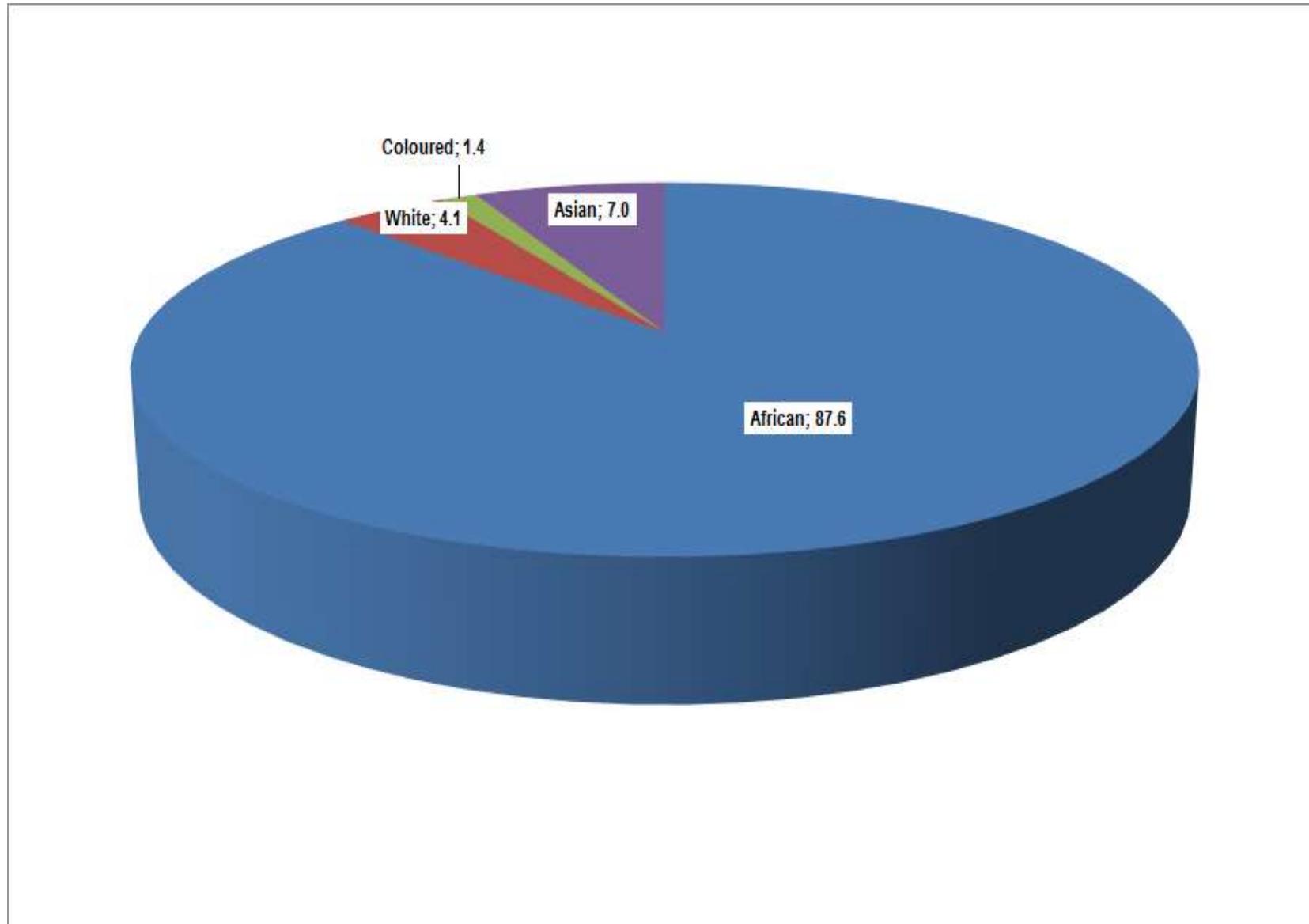


- KwaZulu-Natal is characterized by high levels of youth unemployment, youth-headed families, lack of skills, poverty, and Inequality. 4 of 11 Districts have 50% of unemployed youth. Amongst others, unemployment leads to:
- Drug abuse, criminal activities, human trafficking, prostitution, begging, teenage pregnancies, high rate of HIV & AIDS in young people
- Additionally, youth in rural areas are confronted with the following challenges:
  - Fewer opportunities for education and training
  - Smaller industrial base for employment and business opportunities
  - Fragmented services to support youth and people with disabilities economic empowerment

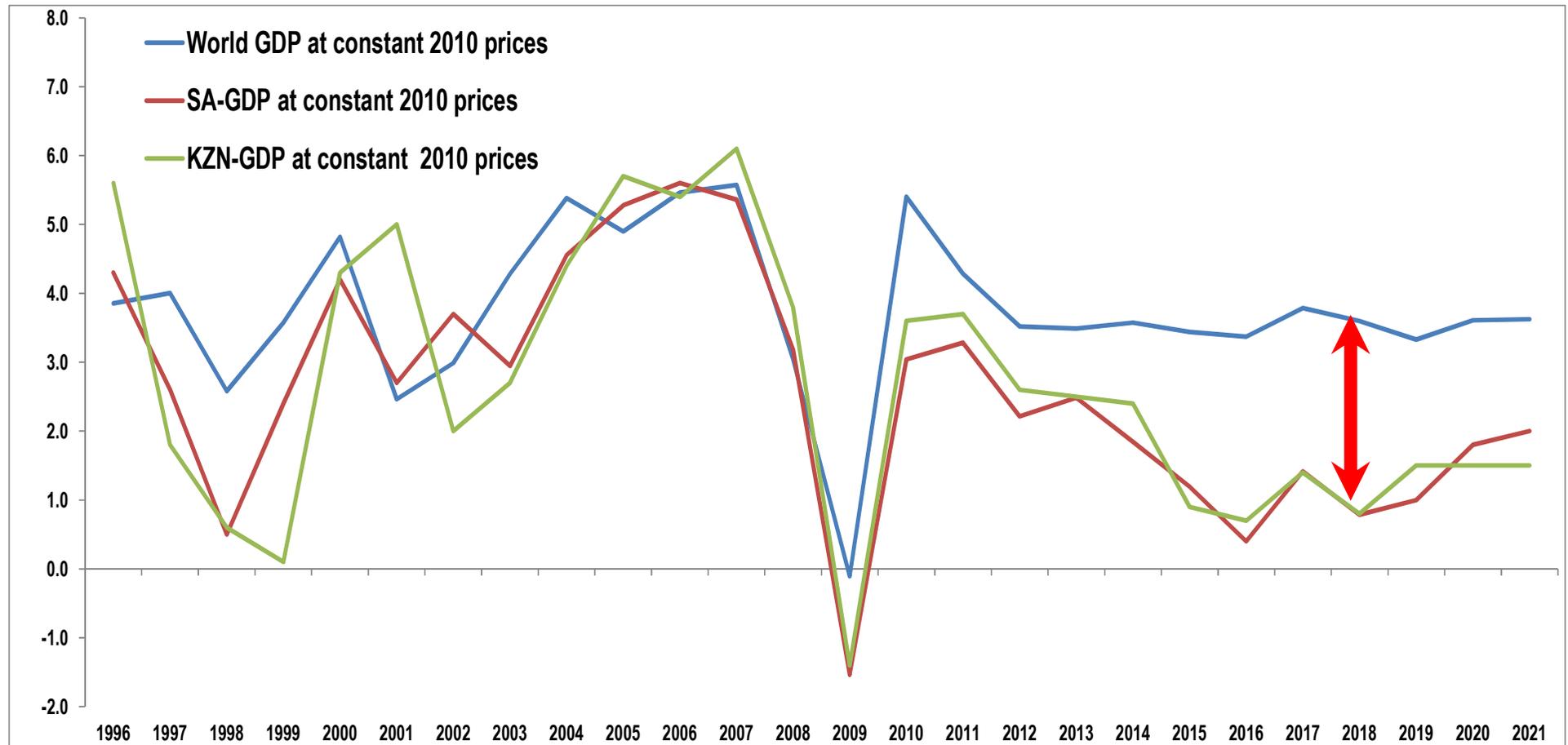
# Percentage of households of different sizes by province and rural/urban status, 2018



# POPULATION BY RACE IN KZN, 2018



# Global economic performance SA & KZN , 1996 to 2021



# Sector contribution to SA & KZN, 1996, 2006 & 2018

	South Africa			KwaZulu-Natal		
	1996	2006	2018	1996	2006	2018
<b>Primary sector</b>	<b>15.6</b>	<b>12.0</b>	<b>9.7</b>	<b>9.8</b>	<b>5.9</b>	<b>6.4</b>
Agriculture	2.8	2.2	2.4	4.9	3.8	4.7
Mining	12.9	9.8	7.3	4.9	2.1	1.7
<b>Secondary sector</b>	<b>19.6</b>	<b>19.6</b>	<b>17.8</b>	<b>25.3</b>	<b>25.2</b>	<b>22.2</b>
Manufacturing	14.0	14.1	12.3	18.6	19.0	16.1
Electricity	3.1	2.7	2.1	3.3	2.9	2.0
Construction	2.4	2.8	3.4	3.4	3.4	4.1
<b>Tertiary sector</b>	<b>54.8</b>	<b>59.0</b>	<b>63.4</b>	<b>55.1</b>	<b>59.7</b>	<b>62.6</b>
Trade	12.3	13.4	13.7	11.9	14.0	14.2
Transport	6.1	8.2	8.7	8.6	10.9	11.5
Finance	13.9	18.1	20.4	12.2	15.7	17.0
Community services	22.5	19.3	20.6	22.4	19.1	20.0

# Sector contribution to employment in SA & KZN, 1996, 2006 & 2018

	South Africa			KwaZulu-Natal		
	1996	2006	2018	1996	2006	2018
<b>Primary sector</b>	<b>16.3</b>	<b>12.3</b>	<b>8.1</b>	<b>11.1</b>	<b>10.8</b>	<b>5.3</b>
Agriculture	10.1	8.5	5.3	10.4	10.4	4.9
Mining	6.1	3.8	2.8	0.7	0.4	0.4
<b>Secondary sector</b>	<b>23.1</b>	<b>19.8</b>	<b>18.8</b>	<b>27.2</b>	<b>21.5</b>	<b>20.4</b>
Manufacturing	15.4	12.5	10.3	19.3	15.1	12.3
Electricity	0.7	0.5	0.6	0.6	0.4	0.3
Construction	7.0	6.8	7.9	7.2	6.0	7.7
<b>Tertiary sector</b>	<b>60.7</b>	<b>67.9</b>	<b>73.1</b>	<b>61.7</b>	<b>67.7</b>	<b>74.3</b>
Trade	16.4	22.4	21.5	17.7	22.5	20.9
Transport	4.0	4.6	5.4	4.9	5.5	6.2
Finance	14.1	14.7	16.9	13.1	12.7	14.5
Community services	17.3	17.3	21.4	17.7	17.8	23.9
Households	8.8	9.0	7.9	8.3	9.2	8.8

Source: IHS Markit, 2019



## Factors contributing to slow economic performance continued

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- Structure of the South African economy remains insufficiently diversified
- **Inefficient public monopolies imposing high cost structure for network infrastructure such as electricity and transport**
- Disappointing export performance and exports that are concentrated in minerals and metals products
- **Highly concentrated industrial structures, limited competition and high barriers to entry**
- Low levels of labour intensive growth
- A severely skills constrained economy
- Poor educational outcomes that perpetuate inherited disadvantage
- **Spatial fragmentation of the urban landscape and high travel costs**



# THE NEED FOR SOCIAL COMPACTS

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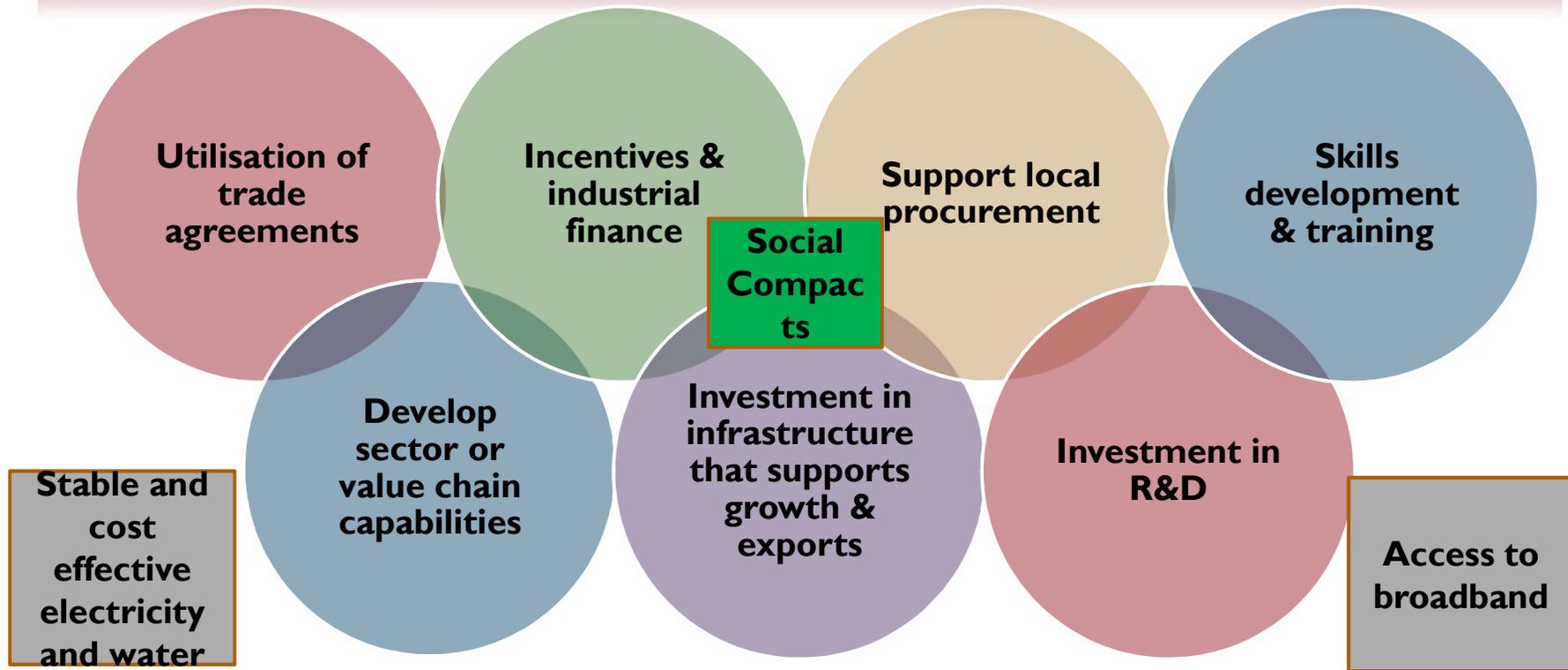
## IMPORTANT ISSUES FOR CONSIDERATION

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- There is value in having fewer priority sectors for concentration of efforts - distinguish between business as usual & new efforts
  - Having clear-cut & targeted outcomes is essential
  - Every sector is different and thus Plans must be adaptable & changed if they do not work
  - Understand and address factors essential for setting up & scaling up operations to achieve outcome
  - Understand and address costs imposed by regulation and inefficiency
  - Need to plan for the opportunities and import challenges that will arise from the World's largest Free Trade Area, the AfCFTA
  - Social Compacting is a critical factor for success
- 



## Successful Industrial Policy works with a Combination of Levers



Underpinned by a supportive and stable macro-economic framework



# TRANSFORMATION OBJECTIVES

Improve the grading status of contractors in targeted categories and grades

Increase the number of black women, disabled, and youth-owned companies in targeted categories

Improve the performance of contractors in terms of quality, employment practices, skills development, safety, health and the environment

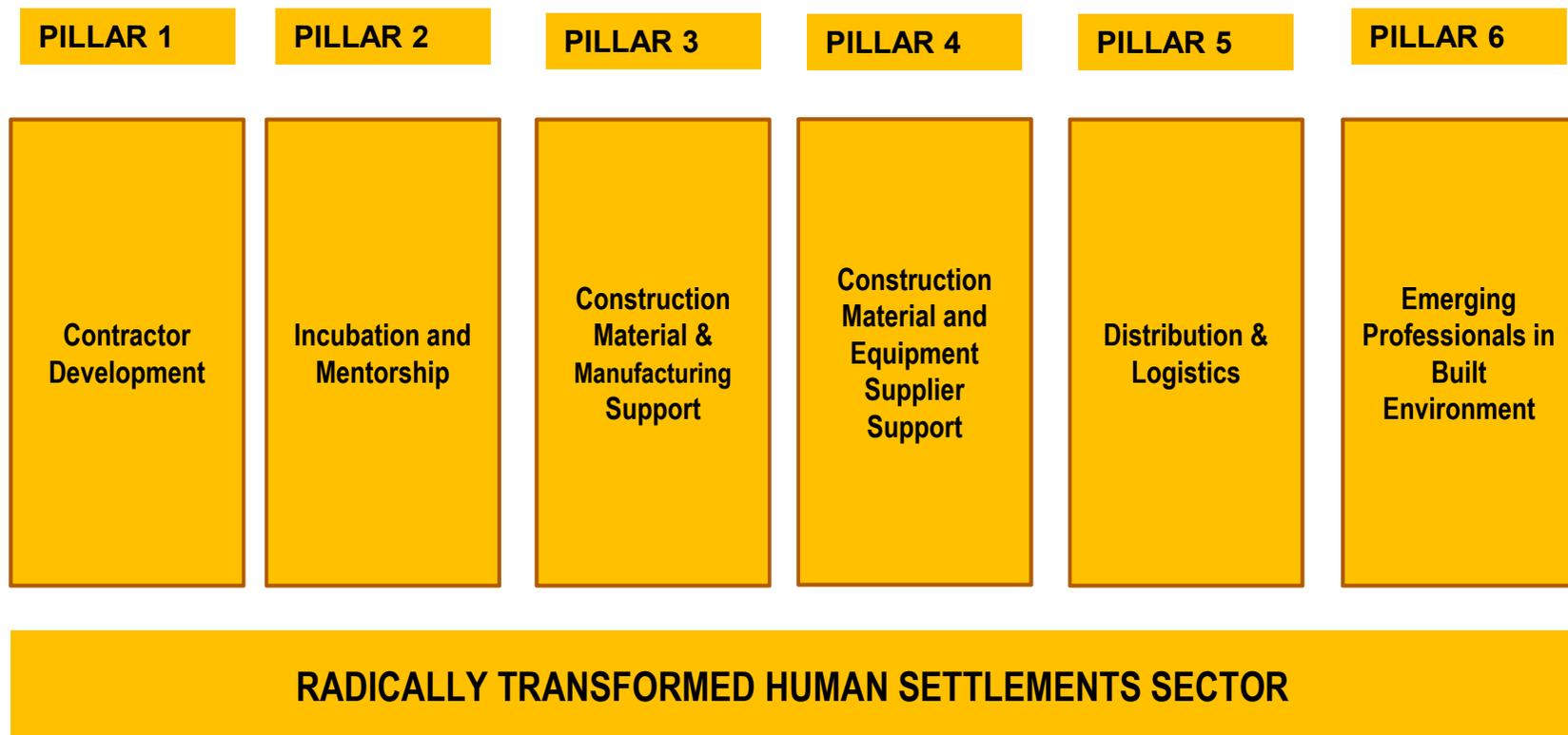
Improve the business management and technical skills of these contractors

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# Radical Economic Transformation

# RADICAL ECONOMIC TRANSFORMATION

- ▶ PPFMA Regulation of 2017 – 30% of the HSDG must be awarded to designated groups
- ▶ The following 6 pillars are identified areas of economic transformation within the infrastructure sector in general and human settlements sector in particular:



# TRANSFORMATION TARGETS (MTSF PERIOD)

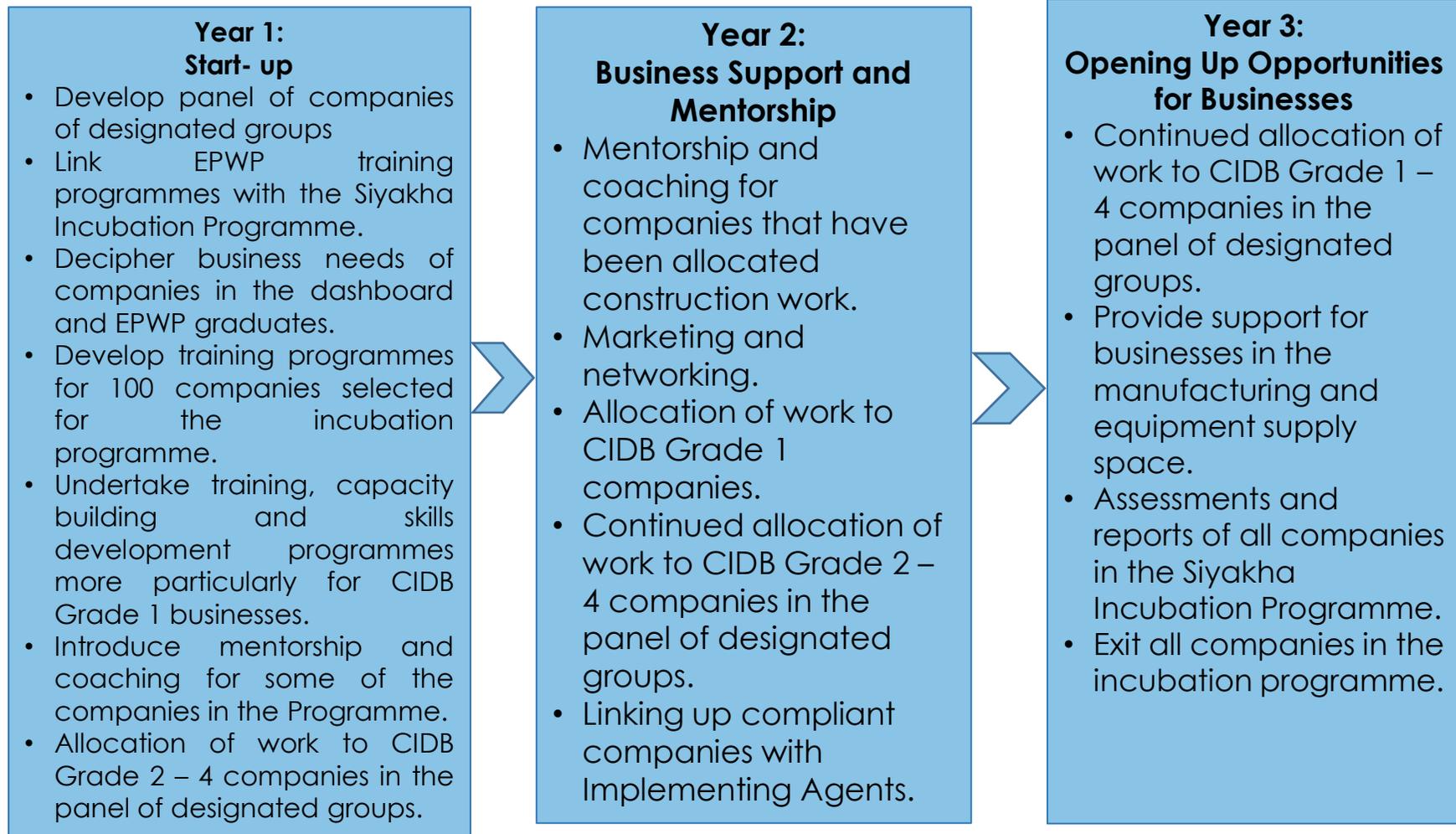
<b>Empowerment of Designated Groups</b>			
<b>Designated Group</b>	<b>Deliverable/ Target</b>	<b>Timeframe</b>	<b>Budget (est.)</b>
Women-Owned businesses	77	2020-2024	R1 265 645 477,65
Youth-owned businesses	56	2020-2024	R860 638 924,80
People with Disability Businesses	25	2020-2024	R384 213 805,71
Military veterans-owned businesses	18	2020-2024	R279 428 222,34
<b>TOTAL</b>	<b>175</b>		<b>R2 789 926 430,50</b>

- The target is based on appointments, including repetitive appointments and not necessarily the number of individual companies to be appointed
- The department is currently finalizing the panel of the designated groups to ensure that these can benefit through the 30% sub-contracting process.
- The Siyakha Incubation Programme will also be launched in November 2019 for targeted procurement to emerging businesses within the human settlements value chain.



# SIYAKHA INCUBATION PROGRAMME

- The Siyakha Incubation Programme will be implemented over a period of **three (3) years**. During this period, the main will be to ensure growth of emerging companies of the different categories of designated groups more particularly women, youth and people with disabilities.





## SIYAKHA INCUBATION PROGRAMME (2019 – 2020 FY)

Outputs	Performance Indicators	Source documents	Baseline 2018/19	Annual target	Quarterly Target 2018/ 2019			
					Q1	Q2	Q3	Q4
Panel of companies of designated groups	Dashboard of companies of designated groups	List of companies	New indicator	1	-	-	-	1
Incubation Programme	Number of trained and capacitated companies on CIDB Grade 1.	Training certificates	New indicator	100	-	-	-	100
	Number of companies trained on project management	Training certificates	New indicator	100	-	-	-	100
	Number of companies trained on financial management	Training certificates	New indicator	100	-	-	-	100
	Number of companies Emerging Home Builder Programme	Training certificates	New indicator	100	-	-	-	100

- For this financial year, a total amount of **R4.5M** has been set aside to undertake capacity training activities as part of Phase 1 of the Incubation Programme
- The panel of companies of designated groups will increase number of youth owned companies into the departmental system, and thereby making it easy to ensure their participation in the sector.



**human settlements**

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# SKILLS DEVELOPMENT THROUGH EPWP (2019 – 2020 FY)



Houses, Security & Comfort for All



Umuntu Ngumuntu Ngekhaya



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## EXPANDED PUBLIC WORKS PROGRAMME

- The department creates work opportunities through its service delivery housing projects implemented in all the districts.
- The instrument that is used to drive job creation is Expanded Public Works Programme.
- Since the first year of phase III the Department has been contributing towards job creation as tabled below.
- To make a meaningful contribution to the employment programme the Department introduced Skills Development Programme funded through the Incentive Grant.



## WORK OPPORTUNITIES CREATED FROM 2014/15 TO 2018-19

Financial year	Work Opportunities	Youth	Youth %
2014/15	6 656	4 259	64%
2015/16	1 143	690	60%
2016/17	6 654	4 330	65%
2017/18	9226	5858	63%
2018/19	7491	4613	61%
Total	31 170	19 750	63%



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## EPWP GRANT FOR 2019/2020 FINANCIAL YEAR

For this year, a total amount of **R15,09M** is budgeted for the EPWP programme.

Of this amount, a total of R13.4M (80%) is allocated for capacity training and skills development programmes which is inclusive of mentorship services to young people in various districts throughout the province.

These training programmes will be in the following trades (NQF level 3):

- Bricklaying and Plastering
- Carpentry
- Roofing.
- Projects where students will be placed are indicated in the table below.



## EPWP SKILLS DEVELOPMENT PROGRAMME 2019/20

PROJECT NAME	LOCAL MUNICIPALITY	NO OF LEARNERS
<b>Bhidla</b>	Nkosazana Dlamini-Zuma	20
<b>Hlokozi</b>	Ubuhlebezwe	30
<b>Gudlucingo</b>	Ubuhlebezwe	20
<b>Mause</b>	Okhahlamba	30
<b>Shayamoya</b>	Inkosi Langalibalele	30
<b>Mazakhele Phase 2</b>	UMuziwabantu	20
<b>UMzumbe Cluster C</b>	Umzumbe	30
<b>Phongolo</b>	Phongolo	30
<b>Charlestown</b>	Newcastle	30
<b>Macambini</b>	Mandeni	30
<b>Thubalihle</b>	UMsunduzi	20
<b>Isithebe</b>	Mandeni	30
<b>Phoenix Ward 48 ) Marrarianridge</b>	eThekwini	30
<b>Total</b>		350



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# CHALLENGES

- ▶ This is new mandate which was previously had no budget.
- ▶ Need for clear implementation strategy of the PPPFA Regulations
- ▶ No dedicated database of companies owned by youth, women, people with disabilities and military veterans
- ▶ Existing policy directives not conducive for achieving economic transformation objectives.



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## FUTURE DIRECTIONS

- ▶ Clear economic empowerment strategy for all designated groups
- ▶ Clear material supply strategy
- ▶ Public-Private Partnerships (incl. Cooperatives, community based organisations, civic bodies, etc. )
- ▶ Funding model for emerging businesses
- ▶ Business and technical support for cooperatives



**human settlements**

Department:  
Human Settlements  
PROVINCE OF KWAZULU-NATAL

**THANK YOU**



**Houses, Security & Comfort for All**

**Umuntu Ngumuntu Ngekhaya**