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STATEMENT BY MINISTER OF PUBLIC WORKS AND INFRASTRUCTURE, PATRICIA DE LILLE

LUFHERENG HUMAN SETTLEMENTS DEVELOPMENT PROJECT IS A PRIME EXAMPLE OF HOW WE CAN INTEGRATE OUR CITIES WITH ALL THREE SPHERES OF GOVERNMENT WORKING TOGETHER

In line with my duties as Minister of Public Works and Infrastructure (DPWI) and Chairperson of the Presidential Infrastructure Coordinating Commission (PICC) Secretariat, today I conducted an oversight visit to the mixed use Lufhereng Human Settlements project in Soweto to view progress on this massive and important housing project.

I was joined by the Deputy Minister for DPWI, Noxolo Kiviet, Gauteng MEC for Human Settlements Urban Planning, Co-Operative Governance and Traditional Affairs, Lebogang Maile and MEC for Infrastructure Development, Tasneem Motara, the Mayoral Committee Member for Human Settlements in the City of Johannesburg,

Councillor Mlungisi Mabaso and the two councillors for the area, councillors Elliot Sithole and Theo Dhlamini.

The Lufhereng project commenced a few years ago with many beneficiaries already living in the development which caters for various housing typologies and income brackets.

The Lufhereng Human Settlements project was one of 62 projects gazetted by DPWI as a Strategic Integrated Project (SIP) on 24 July 2020 in terms of the Infrastructure Development Act which means that it will now follow an expedited path to delivery and is being monitored by a SIP steering committee to ensure that any delays and blockages are addressed speedily.

With this project gazetted under SIP 24, it will see all three spheres of government working together much closer to see this project being expedited and implemented at a faster pace.

Being gazetted as a SIP means this project has been prioritised by all three spheres of government with closer working relations to ensure that this project is implemented successfully.

While a project of this scale is complex and requires multi-year budgeting and implementation plans, I appealed to the implementing spheres of government and departments to work more closely together to unblock any impediments standing in the way of moving this project forward faster.

The Lufhereng project has been planned as a fully integrated and mixed-use suburb which will be the jewel in the west of greater Soweto; a destination of choice where families of various income levels and new homeowners will preferentially settle and obtain security of title to provide a safe and secure environment for their families; and investing in a high quality of housing products which will form the basis of personal wealth creation.

The Lufhereng development entails the following:

- Fully subsidized units (RDP and High Density – 12 200 units)
- Housing under the Finance Linked Individual Subsidy Program (FLISP) – 4 200 units
- Social Housing – 7 750 units
- Fully bonded units – 6 750 units
- 18 Educational facilities
- Commercial Development (Retail, offices, filling stations etc.) 420 000 m²
- Parks, recreational sites, Sport Centres etc. – 216 000 m², and
- Urban Agriculture – 940 000 m²

To date the following has been completed:

- RDP houses completed and transferred: 339
- RDP units in construction: 1 496
- FLISP units completed and transferred: 863
- FLISP units under construction: 190
- Social housing under construction: 407
- Bonded units construction and transferred: 117

The majority of the above construction phases started or the completion of housing units were achieved since the start of the 6th administration.

The Lufhereng integrated human settlements development project is being implemented by the City of Johannesburg and its appointed contractors. The City of Johannesburg appointed a Turnkey Developer and Implementing Agent.

A project of this size requires multi-year budgeting to plan, procure, finance and construct regional bulk infrastructure upgrades. As a result, the Lufhereng project is being planned, proclaimed, serviced and implemented in project phases.

While the housing phases are being implemented, the municipality and project team will secure finance and implement essential social services (such as schools, colleges, crèches, clinics, etc) and also to implement supportive land uses and amenities such as parks, community centres, public transport and churches.

In terms of black economic empowerment, the Lufhereng Development Company (Pty) Ltd is the appointed Turnkey Developer and Implementing Agent. The company consists of prominent companies who are individually and combined Level 1 BBB-EE accredited.

The project is being implemented in 10 phases over a number of years up to 2029.

Today, we engaged the project managers who informed us that so far 1 319 housing units of various typologies have been completed and are occupied by beneficiaries and around 2 093 housing units of which varying typologies are currently under construction.

The Lufhereng project is located within the City of Johannesburg to the West of Soweto and was classified as a mega housing project on 2 000 hectares of land secured by the City of Johannesburg for the western expansion of Soweto.

The project has the capacity to accommodate over 30 000 households in a wide variety of housing typologies and land tenure options. The main objective of the Lufhereng Project is to address the housing waiting list of people living in informal settlements and/or backyard dwellings in Soweto.

In his address to the Joint Sitting of Parliament on 15 October 2020 on South Africa's Economic Reconstruction and Recovery Plan, President Ramaphosa specifically referred to this project as a national priority.

The Lufhereng Project has an estimated project value of approximately R22, 3 billion and was prioritized as a SIP due to the far-reaching impact that it will have on poverty alleviation through job creation and vocational training, on creating quality basic services and to address social cohesion and a safe community.

To date this project has already provided job opportunities to thousands of people with a total of 7 244 jobs created so far. This is made up of 2 949 skilled artisan job opportunities and 4 750 unskilled job opportunities.

At full implementation in the following phases with the majority of construction which still remains, this project is expected to create thousands more jobs.

We must ensure that all stakeholders work closely with the local councillors and communities to ensure that communities closest to the site are provided with work opportunities in this important development.

Infrastructure South Africa (ISA), headed by Dr Kgosientsho Ramokgopa, which was established in August 2020, following approval by Cabinet is responsible for monitoring this project and assisting stakeholders to address any blockages – he will continue to report to myself as the Executive Authority for DPWI.

Today's oversight visit formed part of my duties to monitor progress of the 62 projects which were gazetted as SIPs as part of the Infrastructure Investment Plan approved by Cabinet on 27 May 2020.

Last year, DPWI gazetted 62 projects as SIPS with many of these projects currently underway as part of efforts to expedite much needed infrastructure development in communities and assist in reviving the struggling construction sector.

The Infrastructure Investment Plan is a credible pipeline of projects with projects from all three spheres of government, state-owned entities and the private sector.

The plan is also an integral part of the Economic Reconstruction and Recovery Plan (ERRP) announced by President Cyril Ramaphosa in October 2020 in which infrastructure development was identified as the flywheel to economic growth.

Over the next few weeks, I will be visiting more of the SIPs in various provinces to demonstrate how many projects are in construction and providing much needed relief for the construction sector and jobs for our people.

This integrated development is also an important effort to create inclusive communities for different income levels and to address the legacy of apartheid's spatial planning.

The need for integrated, well-located affordable housing is a major need in our cities and we need to work together and work faster to respond to this need and address urbanisation.

It is vital that we move with greater urgency - not only to respond to the housing backlog and waiting lists but also to get more people to work and provide work to the construction sector as part of our efforts to assist in the recovery and reconstruction of our economy.

As partners, all spheres of government, the private sector and communities all need to work together to get more families into this development which can be a flagship development showing how we can properly integrate our cities with mixed housing and economic opportunities located closer to one another.

ENDS

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