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Enquiries: Zara Nicholson:

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**Speech by Minister of Public Works and Infrastructure, Patricia de Lille, MP**

## **Mooikloof Residential Development must be the model demonstrating how we can reverse the legacy and apartheid spatial planning and truly integrate our cities**

*Note to editors: The following speech was delivered by Minister Patricia de Lille at the government launch of the Mooikloof Residential Development in Pretoria East on Sunday 4 October 2020. Read more below...*

His Excellency Honourable President Cyril Ramaphosa

Minister of Human Settlements Lindiwe Sisulu

Premier David Makhura

Head of Infrastructure Investment in the Presidency, Dr Kgosientsho Ramokgopa

City of Tshwane Administrator, Gilberto Martins

Stephen Brookes, CEO of Balwin Properties

Development partners and stakeholders

Ladies and gentlemen

Good morning, goeie more, dumelang, molweni, as-salaamu ailakum, shalom,

It is a great honour for me to be here today and to welcome the President, my fellow Cabinet Minister, the Premier and all guests to the Government launch of the Mooikloof Integrated residential development - one of the largest sectional title developments in the country.

This project makes me extremely excited as it ticks all the boxes of what we need to do to address the spatial and economic injustices that still exist as a result of the apartheid spatial planning legacy.

This Strategic Integrated Project not only promotes integration, corridor and transit node densification but also speaks to our mission to connect the missing link in housing in our country.

And that is the delivery of mixed-used, well located, affordable housing that will finally see us integrate our cities and bring people closer to decent housing and job opportunities.

This project is one of the infrastructure projects that has been borne out of an accumulation of a series of events and hard work behind the scenes of the Infrastructure Team.

The call from our President has been clear: implementation, implementation, implementation.

We have made great strides since May last year, at the start of the 6<sup>th</sup> administration when government was reconfigured with Infrastructure being added to the Department of Public Works.

Infrastructure is now for the first-time part of a department as we are attempting to deal with the fragmentation and backlog in infrastructure delivery once and for all.

On the 27<sup>th</sup> of May 2020, Cabinet approved South Africa's Infrastructure Investment Plan which not only focuses on immediate, medium and long term delivery through a comprehensive infrastructure project pipeline but also responds to the job losses, to stimulate the economy, focusing on rebuilding the construction sector.

The Infrastructure Investment Plan is purpose-driven and focused on immediate, medium and long term infrastructure implementation and investment across its lifecycle.

Infrastructure Investment will lead the economic growth and recovery efforts that will result in major job creation and address the essential infrastructure needs of communities in both our rural and urban areas.

When we now speak about infrastructure it is across its entire lifecycle, we are no longer only talking about new construction but also about maintenance and upgrading of our existing infrastructure.

We have been working on a new way of dealing with infrastructure where we assessed the shortcomings of infrastructure delivery in the past and looked at how we can take infrastructure delivery on a new trajectory where we get it done.

On the 23<sup>rd</sup> of June 2020, the President held the inaugural Sustainable Infrastructure Development Symposium where we announced the new way of working as it pertains to infrastructure, with the single point of entry for infrastructure projects, known as Infrastructure South Africa has been established.

The new way of dealing with infrastructure also means assessing infrastructure projects via the SIDS methodology and aligning them to the development needs of the country and the national 7 key priorities.

In short, the difference with infrastructure projects now is the application of the SIDS methodology to ensure projects are bankable, ready for implementation and to determine which projects had feasibility studies done.

Once we pulled all the infrastructure projects in the country together, the public and private sector worked together to see how we can improve on the implementation of infrastructure projects from the onset.

The next step was to ensure that we could fast-track major infrastructure delivery that is in accordance with the SIDS Methodology and this is through the use of the legislative tools in the Infrastructure Development Act of 2014, No 23 as amended, known as Strategic Integrated Projects (SIPs)

On the 24th of July 2020 we gazetted 62 Strategic Integrated Projects with Mooikloof being one and just over 2 months later here we stand at the Mooikloof project launch.

A lot has been said about the process of gazetting the Strategic integrated Projects but of particular interest to some of you may be to understand what is the benefit for infrastructure projects being gazetted as a Strategic Integrated Project and in this case Mooikloof.

Infrastructure Projects that are of economic significance and social importance are fast tracked if gazetted as SIPs. You might ask, what that means in reality is:

All processes relating to implementation of SIPs, including processes relating to any application for any approval, authorisation, licence, permission or exemption and processes relating to any consultation and participation now run concurrently instead of the usual process which is sequentially.

Schedule 2 of the Infrastructure Development Act then further spells out the shorter time frames, which cannot be deviated from, for processes such as submitting project applications and plans to the relevant authority for consideration and approval and the period for public consultation.

Essentially Strategic Integrated Projects follow an expedited decision making route and the SIP Steering Committee, which has now been established and is made up of senior officials from the key decision-making departments, is the driver of this process.

The process of gazetting infrastructure projects means implementation will be prioritised and we will assist with unblocking any snags whether technical, financial, legal or administrative that have hindered infrastructure delivery for so long for example - delays with water licences.

SIP Coordinators have been identified and they together with the private sector be expediting the implementation of these Infrastructure Projects, which have now been gazetted as SIPs.

Government's role in this project through the SIDS methodology and the Infrastructure Investment Plan has been to unblock barriers which in this case was government infrastructure investment for bulk infrastructure in order to get the project going.

Alternative funding solutions are being developed in collaboration with the City of Tshwane, the Development Bank of South Africa and the Infrastructure Fund for bulk infrastructure, with the Mooikloof Mega City Development being one of the first SIPs being targeted in this approach.

This bulk infrastructure unlocks additional residential units for the greater Mega City, which in turn creates jobs in construction as well as operational jobs once the development is completed.

This is the Infrastructure Investment Plan in action as it is premised around the concerted efforts for government and the private sector to work in partnership because government cannot do it alone.

If we are to truly respond to the socio-economic needs of our people and pull our country from the economic recession then we must work together - we have no other option.

In terms of what is required from government in this partnership, now that we have put this project through the SIDS methodology, we have been able to gazette it as a SIP and this means fast-tracked processes as outlined earlier.

We are determined to integrate our cities and living spaces, and Mooikloof must be a testament to that with the delivery of mixed-used, well located, affordable housing.

This is the first step that will see us integrate our cities and reversing the legacy of apartheid spatial planning.

Spatial injustice affects people's lives in every way as too many people still live on the outskirts of our cities, far away from work opportunities, far away from decent housing and have to spend a substantial amount of time and money to get to work each day.

The City of Tshwane is the centre of government with many government departments based here so each day many civil servants and others like nurses and policemen and women having to travel far distances to get to work because they cannot afford to live closer to work.

The first phase of the Project consists of approximately 14 500 sectional title units with prices ranging from R499 000 – R799 000 excluding VAT.

The project value for the initial 14 500 units is approximately R10 billion with massive job creation benefits which the President will speak to.

The GAP housing component of the development is ideally suited for state employees such as police officers, health workers, civil and administrative staff as well as parastatal employees, who will be well accommodated in this high value and quality development.

A study was done in 2018 to understand and quantify the market available for the proposed Mooikloof development offering sectional title units within an affordable lifestyle security estate.

Since the study was conducted in 2018, population and sectional title stock in this area has seen a 5% growth in target population, adding only 40,000 households to the total market that lives between Midrand and Mabopane and can afford the product - from either a purchase or renting perspective.

The 2018 analysis considered the product to be affordable to households earning an income of R8000 plus per month.

With the intervention of government and the on-boarding of Finance Linked Individual Subsidy Programme (FLISP) initiatives and partnerships, the development is now targeting 15,000 units in the initial phases – growing to up to 50,000 in the longer term.

The FLISP allows qualifying beneficiaries to reduce their initial mortgage loan amounts with the banks or augment the shortfall between the qualifying loan and total house price bringing the eventual home loan instalment to an affordable amount over the loan period.

This applies to the affordable or GAP market segment of individuals who earn between R3501 to R22 000 per months.

FLISP is a once-off subsidy for first time homeowners who find it hard to qualify for a full bond from banks due to their income bracket.

This subsidy will vary between R28 000 and R121 000 depending on the value of the property and what the individual qualifies for.

It is a dream come true for our country that government employees, such as teachers, nurses, police, health workers, civil and administrative staff will be able to live in decent, well located housing, in integrated communities in our cities.

This integrated development will demonstrate that Gap Housing and upmarket housing can co-exist - that is true integration.

Mr President, with the implementation of the Infrastructure Investment Plan projects, there will now be a greater emphasis on social facilitation and consulting communities about projects.

Infrastructure South Africa will work together with communities and developers to conduct a social facilitation programme for the implementation of projects.

The community participation and engagement process have been followed for the approval processes and are now about to commence for the Mooikloof development with the community, government and the developer as they relate to the construction phase.

I want to impress on all stakeholders to work hand in hand every step of the way because it is only by fostering partnerships and working together with communities that we will see this development become a success.

We must also remember our collective responsibility to drive greater transformation in the construction industry through the employment of black and women-owned companies.

We must realise the power of empowerment as we know what sticking to status quo has done to our economy.

We must shift gears, we must empower more black owned and women-owned companies and distribute more evenly the skills and opportunities which these projects bring about.

This great effort will require all hands on deck - hands from the private sector and from the public sector as well as the hands of ordinary South Africans all working together towards a common goal.

As government and the private sector we have a collective responsibility to address the socio-economic needs of our country especially the needs of the most vulnerable.

Ladies and gentlemen, looking forward we need to go back to the Batho Pele principles and simply put people first.

When we work with the principles of Ubuntu and humanity and remember the needs of our people then we will find the right amount of motivation to get things done.

Let us see this bricks stacking up here.

Let us see jobs being created here and

Let us come back here soon to showcase this as a flagship project demonstrating the will of government and the private sector to work together to not only deliver affordable, well located housing but also to spur on economic growth and job creation.

Thank you all and I wish everyone well for the project. Let's get to work and deliver. Mr President, Khawuleza!

God bless.

ENDS

Media enquiries:

Zara Nicholson: Media Liaison Officer to Minister of Public Works and Infrastructure: Patricia de Lille (MP)

Contact: 021 402 2284

Mobile: 079 416 5996

[Zara.Nicholson@dpw.gov.za](mailto:Zara.Nicholson@dpw.gov.za)