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ANNUAL REPORT

VOTE33

 Houses | Security | Comfort



human settlements

Department:
Human Settlements
REPUBLIC OF SOUTH AFRICA

A **NATION** 
THAT **WORKS** FOR ALL





“

HOUSES, SECURITY and COMFORT

*Where Every Wall Shelters, Every Door
Protects, and Every Room Embraces You.*

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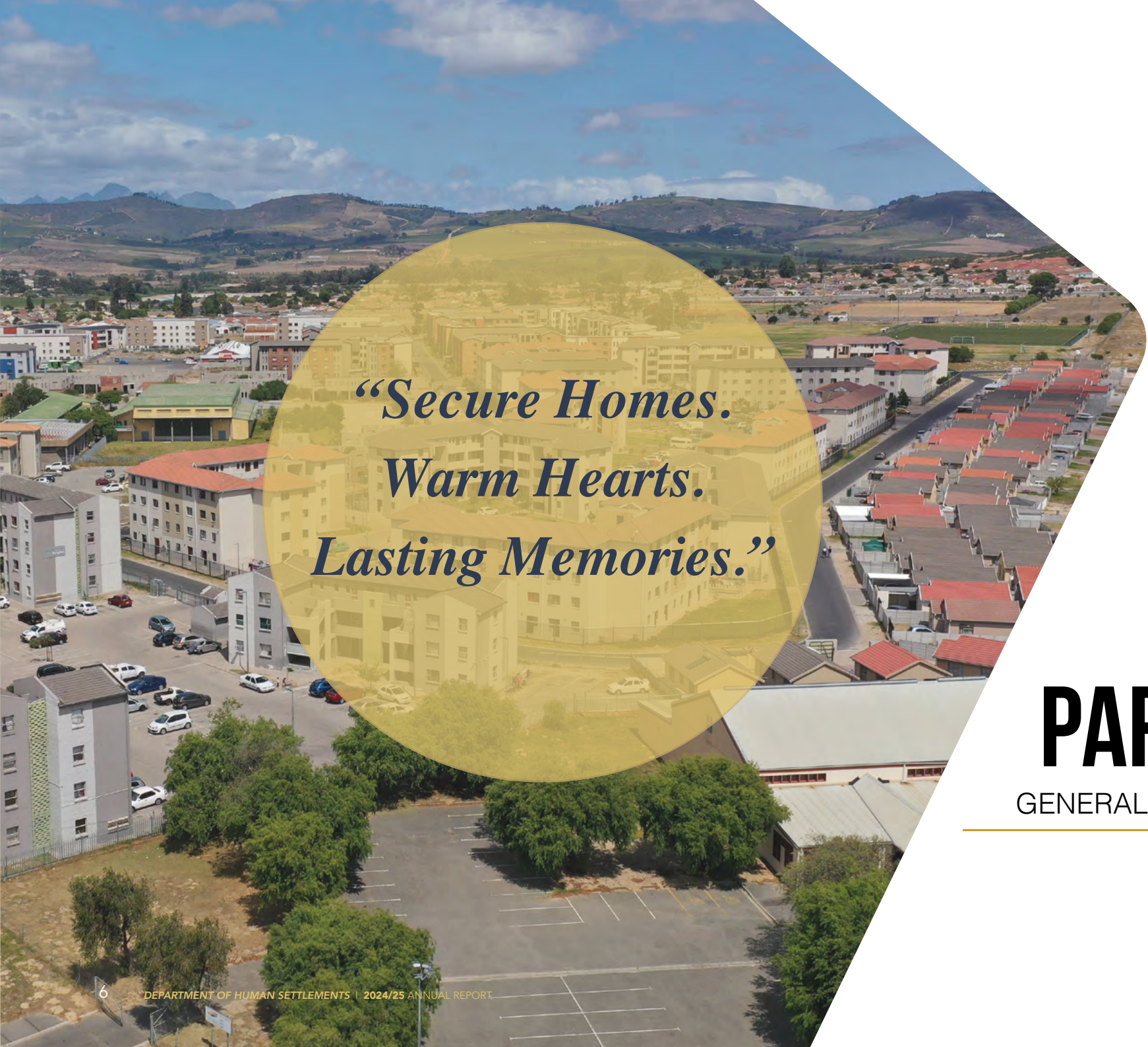
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An aerial photograph of a residential area, likely a township, featuring rows of small, uniform houses with red-tiled roofs. In the foreground, there is a large, empty parking lot with white markings. The background shows rolling hills under a blue sky with scattered clouds. A large, semi-transparent yellow circle is overlaid on the center of the image, containing the text.

*“Secure Homes.
Warm Hearts.
Lasting Memories.”*

PART A:

GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AC:	Audit Committee
ACFO:	Acting Chief Financial Officer
AGSA:	Auditor-General South Africa
AIPF:	Associated Institutions Pension Fund
APP:	Annual Performance Plan
B-BBEE:	Broad-based Black Economic Empowerment
CAE:	Chief Audit Executive
CEO:	Chief Executive Officer
CFO:	Chief Financial Officer
CLO:	Client Liaison Officer
CRM:	Client Relationship Management
DBC:	Departmental Bargaining Chamber
DMV:	Department of Military Veterans
DPSA:	Department of Public Service and Administration
EE:	Employment Equity
EHW:	Employee Health and Wellness
GEP:	Government Employees Pension
GEPF:	Government Employees Pension Fund
GPAA:	Government Pensions Administration Agency
GRAP:	Generally Recognised Accounting Practice
HATM:	HIV, AIDs and TB Management

HPM:	Health and Productivity Management
HR:	Human Resources
IA:	Internal Audit
ICT:	Information Communication Technology
IOD:	Injury on Duty
IT:	Information Technology
JE:	Job Evaluation
LAN:	Local Area Network
M&E:	Monitoring and Evaluation
MIS:	Management Information System
MTSF:	Medium-Term Strategic Framework
NDP:	National Development Plan
NSG:	National School of Government
NT:	National Treasury
OHSA:	Occupational Health and Safety Act
ORW:	Other Remunerative Work
PC:	Portfolio Committee
PDP:	Past Discrimination Pension
PFMA:	Public Finance Management Act
PMDS:	Performance Management Development System
PMO:	Project Management Office
PSC:	Public Service Commission
PSCBC:	Public Service Coordinating Bargaining Council
PSR:	Public Service Regulations

PSWMW:	Public Service Women Management Week
RMC:	Risk Management Committee
SAPS:	South African Police Service
SCM:	Supply Chain Management
SHERQ:	Safety, Health, Environment, Risk and Quality
SLA:	Service Level Agreement
SOP:	Standard Operating Procedure
SP:	Strategic Plan
SSA:	State Security Agency
TBVC:	Transkei, Bophuthatswana, Venda and Ciskei
TEPF:	Temporary Employees Pension Fund
WAN:	Wide Area Network
WM:	Wellness Management

MS THEMBISILE SIMELANE

MINISTER: DEPARTMENT OF HUMAN SETTLEMENTS



***“ Together, we
continue to build
towards the realisation
of a spatially just,
equitable, and
sustainable
South Africa. ”***

3. FOREWORD BY THE MINISTER

The 2024/25 financial year has been one of measured progress, resilience, and renewed commitment to our national priorities. Guided by the policy directives of the Sixth Administration and the 2019–2024 Medium-Term Strategic Framework (MTSF), the Department has remained focused on accelerating the delivery of sustainable human settlements and ensuring access to adequate housing for all South Africans.

Over the period under review, we strengthened partnerships with provinces, municipalities, and sector stakeholders, enabling tangible progress in delivering our key programmes. This includes advances in the upgrading of informal settlements, the expansion of social housing initiatives, and the implementation of catalytic projects designed to drive spatial transformation, integrated and sustainable development.

Of importance, is to drive spatial transformation initiatives aimed at restoring the dignity of the citizens and guarantee public value based on efficiency, outcome achievement, trust and legitimacy, and service delivery quality. We should demonstrate our unwavering commitment to the contribution toward the realisation of United Nations Sustainable Goals, with more emphasis on SDG 11.

However, we recognise that our journey has not been without challenges. Constrained fiscal resources, infrastructure backlogs, and capacity limitations across the sector remain pressing issues. These realities continue to demand innovative solutions and improved intergovernmental coordination to deliver on our constitutional mandate.

Looking ahead, our strategic focus is clear: we will consolidate the gains of the Sixth Administration while aligning seamlessly with the priorities of the Seventh Administration. Over the medium to long term, we aim to scale up investment in catalytic projects, strengthen governance frameworks, unlock private-sector partnerships, and enhance community participation to drive more inclusive and sustainable development outcomes. All these efforts will be undertaken in the spirit of the human settlements white paper adopted in early 2025 which among other seeks to advance the development of progressive policy and legislative framework for the attainment of integrated and sustainable human settlement with the vision to provide housing, safety and comfort for all taking into consideration the past injustices.

I wish to express my sincere appreciation to the Director-General, Deputy Minister, senior leadership, provincial and municipal partners, and the dedicated officials across the human settlements sector for their unwavering commitment to the transformation of our cities, towns, and rural spaces.

Together, we continue to build towards the realisation of a spatially just, equitable, and sustainable South Africa.



MS TM Simelane, MP

Minister for Human Settlements

29 September 2025

MS TANDI MAHAMBEHLALA

DEPUTY MINISTER: DEPARTMENT OF HUMAN SETTLEMENTS



**“True transformation
will be measured not
only in houses built,
but in integrated,
inclusive communities
where social cohesion
and opportunity
thrive.”**

4. FOREWORD BY THE DEPUTY MINISTER

The 2024/25 financial year has demanded of us not only delivery but decisive action, courage, and innovation. It is a year that reminded us that the struggle for human dignity through adequate shelter is far from complete, and that our responsibility as leaders is to accelerate change where inertia threatens progress.

As Deputy Minister, my focus has been on strengthening the people-centred dimension of our mandate. We cannot speak of sustainable human settlements if communities remain voiceless in decisions that shape their lives. This year, I prioritised direct engagements with residents of informal settlements, young people, women contractors, and social partners in order to ensure that their lived realities inform our policies and programmes.

In doing so, we advanced targeted empowerment initiatives, bringing women and youth into the housing delivery value chain, not as passive beneficiaries but as active agents of change. This work is not peripheral; it is central to transformation, because the human settlements sector must mirror the democratic and inclusive society we are striving to build.

We also intensified oversight on catalytic projects, insisting that they not only unlock land and infrastructure but also dismantle the apartheid spatial logic that continues to confine millions of South Africans to the margins. True transformation will be measured not only in houses built, but in integrated, inclusive communities where social cohesion and opportunity thrive.

I am proud that, despite fiscal pressures and institutional hurdles, our Department has remained unwavering in defending the Constitutional right to housing. Where capacity gaps have emerged, I have worked with provinces, municipalities, and entities to ensure accountability and to demand accelerated implementation. The people we serve cannot afford bureaucratic delays — they require urgency and commitment.

To the officials and partners who have withstood these pressures with dedication, I extend my appreciation. Yet let us be clear: much more lies ahead. The coming years must be defined by speed, equity, and innovation — because every delay means another family without security, another community without dignity.

As we close this reporting year, I reaffirm that my task as Deputy Minister is to ensure that the transformation of our human settlements is not abstract policy, but a lived reality. Our struggle has always been about restoring the humanity of our people — and in that struggle, there can be no retreat.

Ms T Mahambehla, MP

Deputy Minister of Human Settlements

29 September 2025

DR ALEC MOEMI

ACCOUNTING OFFICER: DEPARTMENT OF HUMAN SETTLEMENTS



“Advancing sustainable human settlements and restoring dignity to millions of South Africans.”

5. REPORT OF THE ACCOUNTING OFFICER

The 2024/25 financial year marks a pivotal point for the Department of Human Settlements as we deepen our commitment to building sustainable, integrated, and inclusive communities. This year was defined by both progress and challenges, where we balanced policy reform, operational delivery, and innovation within a constrained fiscal environment.

We concluded the year with 97.5% expenditure of our allocated R33.7 billion budget, spending R32.8 billion across our programmes. While this reflects responsible financial stewardship, we recorded underspending of R830.8 million (2.5%), largely attributable to:

- Delays in the upgrading of informal settlements and delivery of Temporary Residential Units (TRUs);
- Procurement bottlenecks, particularly within ICT infrastructure projects; and
- Constraints in filling critical vacancies pending finalisation of the new organisational structure.

Despite these challenges, we achieved significant policy milestones. The White Paper on Human Settlements (2024), approved by Cabinet in December 2024, sets a transformative policy agenda for spatial integration, inclusivity, and sustainability. It redefines the role of government and stakeholders in shaping settlements that prioritise dignity and resilience. Complementing this, the Housing Consumer Protection Act (2024) establishes stronger safeguards for beneficiaries and aligns regulation with evolving sector dynamics.

We have also made strides in digital transformation. The initiation of the National Digital Human Settlements Management System (NDHSMS) will, once operational, revolutionise

how we manage housing projects, beneficiary data, and grant utilisation — enabling real-time oversight and stronger accountability.

Looking ahead, our priorities remain clear:

- Accelerate the upgrading of informal settlements and improve emergency housing readiness;
- Resolve persistent title deed backlogs to strengthen security of tenure;
- Enhance grant monitoring and performance oversight; and
- Leverage public-private partnerships to unlock alternative financing, improve delivery, and foster innovation.

As we move into the next strategic cycle, the Department remains resolute in delivering on its Constitutional mandate: advancing sustainable human settlements and restoring dignity to millions of South Africans.



Dr Alec Moemi

Director-General: Department of Human Settlements

29 September 2025

OVERVIEW OF THE FINANCIAL RESULTS OF THE DEPARTMENT

Departmental receipts

The Department is not a trading entity. Its receipts are the results of administrative activities and include commission earned on the payroll withholdings, staff members' car parking fees, telephone usage refunds, garnishee orders and revenue from sale of assets. The Department does not render any direct services to the public, that's why there is no applicable policy on tariffs. There were also no free services rendered by the Department.

The following is a summary of the departmental receipts for the year under review:

Departmental Receipts: Table 1

	2024/25			2023/24		
	Estimate Amount	Actual Amount Collected	(Over)/Under Collection	Estimate Amount	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Departmental receipts						
Tax receipts	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licenses	-	-	-	-	-	-
Motor vehicle licenses	-	-	-	-	-	-
Sale of goods and services other than capital assets	272	274	(2)	239	237	(2)
Transfers received						-
Fines, penalties and forfeits						-
Interest, dividends and rent on land	140	383	(243)	110	842	(732)
Sale of capital assets						-
Transactions in financial assets and liabilities	1 234	1 037	197	743	781	(38)
Total	1 646	1 694	(48)	1 092	1 860	(768)

The Department over-collected in respect of Interest, Dividends and Rent on Land. The following are the reasons:

- **Interest, Dividends and Rent on Land.**

More than expected interest was earned on unspent grant funds deposited by provinces into the account of the Department. These funds were deposited without references and could not as a result be immediately transferred to the National Revenue Fund as the originator and the purpose of the deposit was not known.

- **Transactions in Financial Assets and Liabilities**

The Department overestimated the amount.

Bad debts are written off in terms of the Debtors Management Policy of the Department as well as in line with the Department's Financial Delegations. During the year under review, bad debts amounting to R62 535.68 were written off.

Programme Expenditure

Expenditure by Programme: Table 2

Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	578 820	462 299	116 521	503 414	463 541	39 873
Integrated human settlements planning and development	22 796 437	22 725 783	70 654	21 308 688	21 291 687	17 001
Informal settlements	8 880 222	8 275 937	604 285	8 470 186	8 013 495	456 691
Rental and social housing	887 473	877 955	9 518	917 849	911 582	6 267
Affordable housing	537 434	507 612	29 822	557 843	546 618	11 225
Total	33 680 386	32 849 586	830 800	31 757 980	31 226 923	531 057

The Department's total expenditure for the period ending 31 March 2025 was R32.8 billion, representing approximately 97.5% of the allocated funds. The underspending of R830.8 million which translates to 2.5% of the total adjusted allocation is explained below:

Reason for Underspending

Programme 1: Administration

The programme underspent by R116.5 million or 20.1% of adjusted allocation of R578.8 million. On current payments the under spending is due to following:

Compensation Of Employees (COE): Constrained compensation of employees' budget, which led to the implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. Delays in the completion of the Department's organisational structure also contributed to this under-expenditure. Although the Department made significant progress to finalise the organisational structure, the process could not be completed by the end of the 2024/25 financial year.

Goods and Services: The underspending on the programme on goods and services is as a result of the following:

- Spending for Marketing and Communications could not be recognised as expenditure at year-end. Although an advance payment was made to the South African Broadcasting Corporation (SABC) as per the Service Level Agreement (SLA), work by SABC was still in its initial stages and thus could not be recognised as expenditure by the end of the financial year. Expenditure will be recognised upon receipt of an invoice substantiated by the work completed.

- Delayed procurement processes for the Information, Communication, and Technology (ICT) infrastructure-enhancement installation contributed to the underspending.

Expenditure for capital assets: The underspending is primarily due to the non-delivery by year-end of ICT related equipment. In addition, some of the computer equipment's were procured towards the end of the financial year and got delivered in the new financial year.

Programme 2: Integrated human settlements planning and development.

The underspending amounts to R70.6 million or 0.3% of the adjusted allocation. On current payments the under spending is due to following:

Compensation of Employees:

Constrained compensation of employees' budget, which led to implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. Delays in the completion of the Department's organisational structure also contributed to this under-expenditure. Although the Department made significant progress to finalise the organisational structure, the process could not be completed by the end of the 2024/25 financial year.

Goods and Services:

Underspending is mainly attributable to delays experienced in procurement processes to appoint Project Resource Teams (PRT's) for the Title Deeds Restoration Programme and lower than anticipated expenditure for travel.

Expenditure for Capital Assets:

The underspending is due to requests received towards the end of the financial year for Information, Communication and Technology (ICT) equipment from business units.

Programme 3: Informal Settlements

The Programme underspent by R604.2 million or 6.8% of the adjusted allocation.

Underspending is due to following:

Compensation of Employees:

Constrained compensation of employees' budget, which led to the implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. Delays in the completion of the Department's organisational structure also contributed to this under-expenditure. Although the Department made significant progress to finalise the organisational structure, the process could not be completed by the end of the 2024/25 financial year.

Goods and Services:

The programme underspending on goods and services is mainly due to lack of panels for the National Upgrading Support Programme (NUSP) and PRT's to develop appropriate disaster preparedness, risk reduction strategies and response initiatives for disasters. Furthermore, lower than anticipated expenditure for the provision of temporal accommodation to qualifying persons in cases of emergencies/disasters contributed to the underspending.

Expenditure for Capital Assets:

Underspending is primarily in relation to Emergency Housing. The budget and spending in Capital Assets is largely for the procurement and installation of Temporary Residential Units (TRU's) in case of emergencies or disasters.

Owing to the nature of the programme, provision of emergency housing and by extension the related expenditure is linked to disaster responses. As a result, service providers are appointed as and when emergencies/disasters occur. The Department appointed service providers timely. However, in some instances service providers failed to deliver on time.

Programme 4: Rental and social housing

The Programme underspent by R9.5 million or 1.1% of the adjusted allocation. Reasons for under spending are as follows:

Compensation of Employees:

Constrained compensation of employees' budget, which led to the implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. Delays in the completion of the Department's organisational structure also contributed to this under-expenditure. Although the Department made significant progress to finalise the organisational structure, the process could not be completed by the end of the 2024/25 financial year.

Goods and Services:

The programme underspending is mainly due to less than expected travelling and delays in the procurement processes.

Expenditure for Capital Assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

Programme 5: Affordable housing

The Programme underspent by R29.8 million or 5.5% of the adjusted allocation. Reasons for under spending are as follows:

Current Payments

Compensation of Employees:

Constrained compensation of employees' budget, which led to the implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. Delays in the completion of the Department's organisational structure also contributed to this under-expenditure. Although the Department made significant progress to finalise the organisational structure, the process could not be completed by the end of the 2024/25 financial year.

Goods and Services:

The programme underspending is mainly due to less than expected expenditure for travelling and delays in the procurement processes.

Expenditure for capital assets:

The underspending was mainly due to slow requests for Information, Communication and Technology (ICT) equipment from business units.

Virements and Rollovers

Rollovers

The following rollovers were approved:

- R17.8 million on Goods and Services for unpaid invoices and commitments relating to the outdoor media campaign.
- R90 million for commitments on Emergency Housing for Temporary Residential Units.

***R17.8 million
on Goods and
Service***

***R90 million
for Temporary
Residential Units***

Virements after Adjustment Budget Estimate

From	To	Amount	Reason
Programme 4: Rental and social housing	Programme 1: Administration	R11.4 million	Funds were vired from programme 4 to Programme 1 to fund shortfall on the outdoor media campaign.
Programme 3: Informal settlements	Programme 1: Administration	R4 million	Funds were vired from programme 3 to Programme 1 to fund the production and placement of adverts.
Programme 4: Rental and social housing	Programme 1: Administration	R25 million	Funds were vired from programme 4 Programme 1 to fund the lifestyle audit

Fruitless and Wasteful Expenditure –

There was no fruitless and wasteful expenditure in the year under review.

Strategic Focus of the Department over the Short- to Medium-Term

The following are the department's focus areas:

- Continue efforts of improving the Department's audit outcomes until the Department achieves a clean audit.

- Continue efforts to facilitate the provision of adequate housing to households through inter alia... prioritising unblocking of blocked projects.
- Operationalising the Human Settlements Bank to support both the construction industry and households.
- Find ways to enhance our responsiveness to housing emergency caused by various disasters.
- Accelerate the upgrading of informal settlements throughout the country.
- Accelerate the registration and issuing of title deeds for government subsidised housing sector.
- Strengthen the monitoring of human settlements projects and ensure that transferred funds are used for intended purposes.
- Strengthen the provision of technical support to Provinces and Metros.

PUBLIC PRIVATE PARTNERSHIPS

There were no private public partnerships during the year under review.

DISCONTINUED ACTIVITIES / ACTIVITIES TO BE DISCONTINUED

There were no discontinued activities during the period under review.

NEW OR PROPOSED ACTIVITIES

There were no new or proposed activities during the period under review.

SUPPLY CHAIN MANAGEMENT

- There were no unsolicited bids received during the financial year under review.
- The following processes, procedures and systems are in place to prevent irregular expenditure:
 - SCM Policy, Standard Operating Procedures, internal SCM Circulars, Financial Delegations, National Treasury Instruction Notes
 - Bid Committees (Specification, Evaluation and Adjudication) are in place and members are appointed in writing by the Accounting Officer or his delegate.
 - Approval for the creation of a purchase order is preceded by a check list to ensure compliance with prescripts.
 - When suspected irregular expenditure is identified, it is assessed, determined, investigated, and if needed, reported and recorded. Weaknesses in controls are identified and addressed out of this process.
- The following are the challenges experienced in SCM and how they were resolved:
 - The quality of the bid specifications or terms of reference (ToRs) have not always been in line with acceptable standards, The Department has thus continued to have all bid specifications or ToRs tabled before the Bid Adjudication Committee (BAC) for review and quality check. The BAC thus recommends the approval and advertisement of the ToR's by the Accounting Officer. Furthermore, every Bid Specification Committee and Bid Evaluation Committee meeting is supported by Legal Services and Supply Chain Management representatives for

guidance and advice. In addition, the department during the year under review continued the training of managers and staff members in collaboration with the School of Government.

- Late or non-submission of some projects for inclusion into the procurement plan as well as submission of non- prioritised projects This has necessitated amendments of the Department's Procurement Plan during the financial year. As part of resolving this, Branch Heads had to approve all projects from their Branches before they can be included on the Department's Procurement Plan.
- Attempts by a criminal syndicate posing as our department and sending out fake requests for quotations to service providers. A warning message was published on the Department's website and a media statement was issued to members of the public.

GIFTS AND DONATIONS RECEIVED IN KIND FROM NON-RELATED PARTIES

There were no gifts or donations received from non-related parties.

EXEMPTIONS AND DEVIATIONS RECEIVED FROM THE NATIONAL TREASURY

In respect of exemptions and deviations received from National Treasury, please refer to the table on procurement by other means.

EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent;
- The Annual Report is complete, accurate and is free from any omissions;
- The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury;
- The Annual Financial Statements (Part F) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury;
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information;
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements;
- The external auditors are engaged to express an independent opinion on the annual financial statements; and
- In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2025.



Dr Alec Moemi
Accounting Officer
Department of Human Settlements
Date: 29 September 2025

7. STRATEGIC OVERVIEW



MISSION



VISION



VALUES

7.1 Vision

A nation housed in sustainable Human Settlements.

7.2 Mission

To facilitate the creation of Sustainable Human Settlements and Improved Quality of Household Life.

7.3 Values

The core values guiding and regulating the department are based on the Constitution of the Republic of South Africa and supporting legislation and they include:

- Accountability
- Fairness and Equity
- Choice, Quality and Affordability
- Sustainability
- Innovation
- Batho Pele Principles

8. LEGISLATIVE AND OTHER MANDATES

The key pieces of legislation and policies are applicable and related to the provision of sustainable human settlements:

POLICIES	PURPOSE
A Comprehensive Plan for the Creation of Sustainable Human Settlements, 2004	Formalises the shift in the Department's approach from providing housing to developing sustainable human settlements and outlines a plan for the development of sustainable human settlements.
Gender-Responsive Planning, Budgeting, Monitoring, Evaluation and Auditing Framework (GRPBMEA)	Gender response contribution to assist South Africa to achieve its Constitutional vision of a non-sexist society, gender equality, empowerment and to ensure allocation of adequate resources for Women Empowerment and Gender Equality (WEGE).
Housing Code Version 2000	Sets out the National Housing Policy and procedural guidelines for effective implementation; reiterating that housing provision must be sustainable and avail a range of choices to contribute positively to a non-racial, democratic and integrated society.
Housing Code Version, 2009	Provides prescripts enabling the delivery of inclusive, sustainable, and well-planned housing solutions for people.
Integrated Urban Development Framework (IUDF), 2016	Provides a framework enabling spatial transformation by steering urban growth towards a sustainable growth model of compact, connected and coordinated cities and towns.
National Development Plan (NDP), 2012	Provides a long-term perspective and defines the country's desired destination and identifies the role of different sectors in eliminating poverty and reducing inequality by 2030.
National Spatial Development Perspective (NSDP), 2006	Provides a framework for a focused intervention by the State in equitable and sustainable development, guides infrastructure investment and represents a key instrument in the State's drive towards ensuring greater economic growth, buoyant and sustained job creation and the eradication of poverty
National Spatial Development Framework (NSDF), 2020	Aims to ensure equal access for all to services, amenities and opportunities that well-planned, well-functioning and well-managed urban and rural settlements offer.
National Youth Policy, 2020 – 2030	Provides a framework for strengthening the capacity of key youth development institutions and effects positive youth development outcomes at local, provincial and national levels.
Norms and standards for Rental Housing, 2023	Provides standards and norms for private and public rental that is aligned to the provisions of the 2014 Rental Amendment Act.
Revised Framework for the accreditation of secondary cities, 2023	Provides for a programme based incremental approach and revised procedures and processes for implementing the accreditation programme.
Revised Subsidy Quantum, 2023	The revised quantum takes into consideration additional elements such as rainwater harvesting devices and solar kits in some programmes.

POLICIES	PURPOSE
Signing of the record of understanding with Association of Mortgage Lenders (AML) in 1995	Commits parties to the national development agenda of promoting and scaling up housing delivery, based on legislative and compliance frameworks.
Social Housing Policy, 2005	Creates an enabling environment for the social housing sector to develop, grow, and deliver at scale.
Social Contract for the Development of Sustainable Human Settlements, 2014	A framework for partnerships and resource mobilisation recommitting stakeholders to accelerating the delivery of integrated human settlements as a key strategy for poverty alleviation.
White Paper on Housing, 1994	Provides a macro policy that creates an enabling environment for housing delivery.
White Paper on the rights of persons with disabilities, 2016	Provides the framework for a uniform and coordinated approach by all government departments and institutions in mainstreaming disability across all planning, design, budgeting, implementation and monitoring of services and development programmes.
White Paper for Human Settlements, 2024	Provides an overarching policy framework for the delivery of sustainable human settlements
LEGISLATION & REGULATIONS	PURPOSE
Administration of Estates Act of 1965 and Regulations of 2014	Provides laws and regulations relating to the liquidation and distribution of the estates of deceased persons, the administration of the property of minors and persons under curatorship, and of derelict estates and regulating the rights of beneficiaries under mutual wills made by any two or more persons, etc.
Architectural Profession Act of 2000	Provides for the setting up of the South African Council for the Architectural Profession and advocates that a person may not practice as a professional architecture without registration with South African Council for the Architectural Profession.
Broad-Based Black Economic Empowerment Act of 2003	Establishes a legislative framework for the promotion of black economic empowerment (BEE) and empowers the relevant Minister to issue codes of good practice and to publish transformation charters for key sectors.
Community Schemes Ombud Service (CSOS) Act of 2011	Provides for the establishment of the Community Schemes Ombud Service (CSOS); articulates the mandate and functions of the CSOS; regulates quality assurance; and provides a dispute resolution mechanism for community schemes.
Construction Regulations, 2014	Imposes stringent health and safety obligations and customers need to understand and comply with such obligations.
Disaster Management Act of 2002 (as amended), 2015; Disaster Management Regulations of 2023	Provides for an integrated and co-ordinated disaster management process, focussing on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery.
Disestablishment of South African Housing Trust Limited Act of 2002	Disestablishes the South African Housing Trust Limited; transfer its rights and assets to the National Housing Finance Corporation and vest its obligations and inabilities in the Government of the Republic of South Africa.
Division of Revenue Act	Provides for equitable division of revenue raised nationally among the national, provincial and local spheres of government for the financial year.
Engineering Profession Act of 2000	Provides for the registration of professionals, candidates and specified categories in the engineering profession, for the regulation of the relationship between the Engineering Council of South Africa and the Council for the Built Environment, and of matters connected therewith.

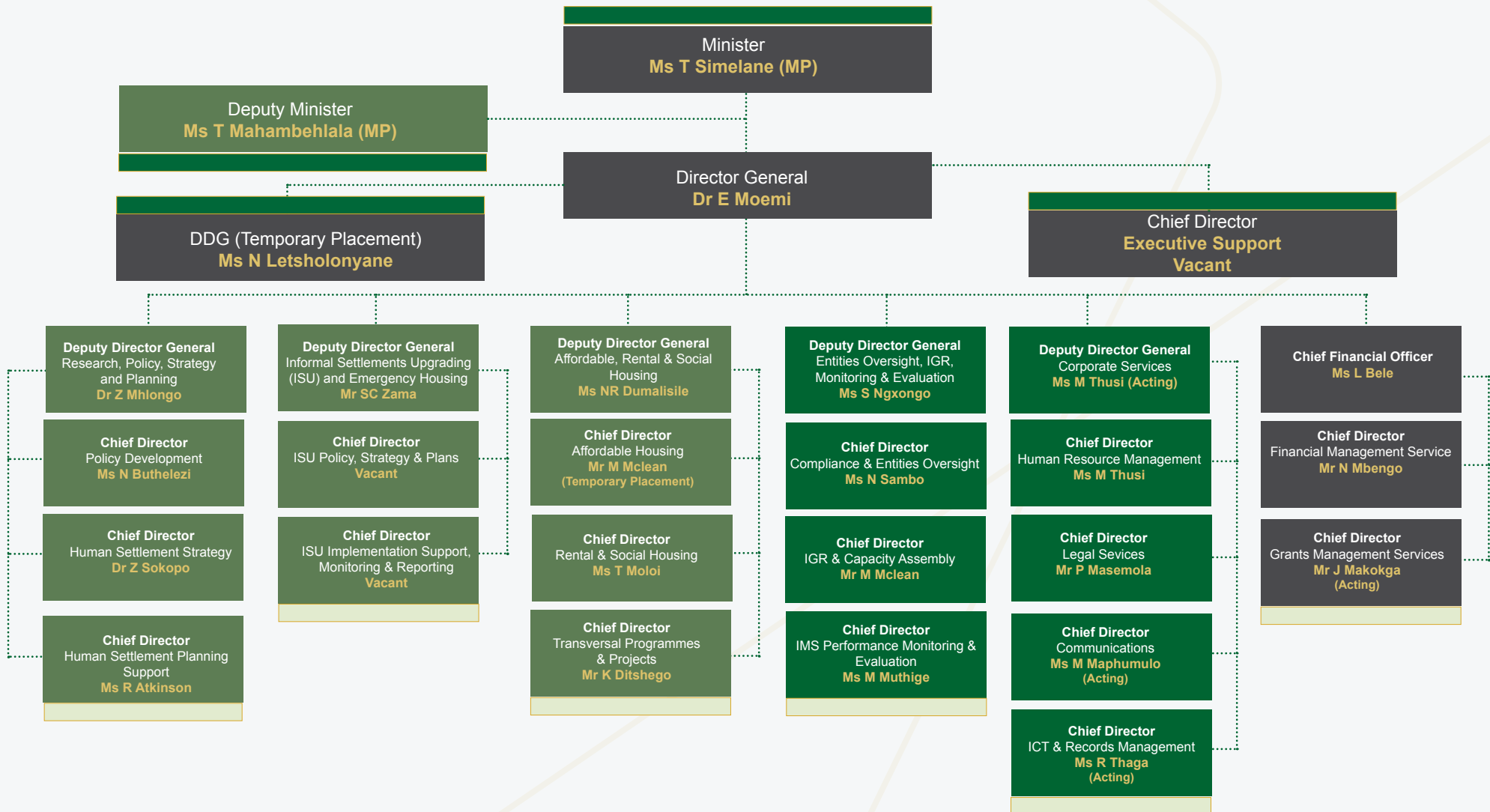
POLICIES	PURPOSE
Environmental Impact Assessment Regulations, 2014	Provides a procedure and criteria for the preparation, evaluation, submission, processing and consideration of, and decision on, applications for environmental authorisations for the commencement of activities, subjected to environmental impact assessment, to avoid or mitigate detrimental impacts on the environment, and to optimise positive environmental impacts, and for matters pertaining thereto.
The Expropriation Act 13 of 2024	Repeals the Expropriation Act of 1975; provides for the expropriation of property for a public purpose or in the public interest; regulates the procedure for the expropriation of property for a public purpose or in the public interest, including payment of compensation; and provides for the identification of certain instances where the provision of nil compensation may be just and equitable for expropriation in the public interest.
Geoscience Act of 1993 (as amended); 2010	Promotes research and the extension of knowledge in the field of geoscience and makes provision for the establishment of a Council for Geoscience and the management thereof by a Management Board.
The Geomatics Profession Act, 2013	Provides a framework for the transformation of the geomatics profession and establishes the South African Geomatics Council as an entity responsible for overseeing professional standards, registration, and ethical conduct.
Home Loan and Mortgage Disclosure Act (HLAMDA) of 2000	Promotes fair lending practices, which require disclosure by financial institutions of information regarding the provision of home loans.
Housing Development Agency Act of 2008	Provides for the establishment of an agency that facilitates the acquisition of land and landed property for purposes of creating sustainable human settlements.
Housing Development Agency Act Regulations, 2014	Regulates processes for the declaration of priority housing development area (PHDA); steps in to create a priority housing development plan; funding considerations; implementation of the protocol; and the implementation of the housing development and cooperation between the different State Departments.
Housing Development Schemes for Retired Persons Act of 1988 (as amended)	Regulates the alienation of certain interests in housing development schemes for retired persons; and to provide for matters connected therewith.
Housing Act of 1997 (as amended)	Recognises the constitutional right to housing and define the roles and responsibilities of national, provincial and local government in relation to housing.
Housing Consumer Protection Measures Act of 1998	Makes provision for the protection of housing consumers.
Housing Consumer Protection Measures, Bill 2023	Provides for the protection of housing consumers, the continuation of the National Home Builders Registration Council as the National Home Building Regulatory Authority that deals with, amongst others, the registration of home builders, enrolment of homes to be covered by the home warranty fund, etc
Infrastructure Development Act of 2014	Provides for the facilitation and co-ordination of public infrastructure development which is of significant economic or social importance to the Republic and ensure that infrastructure development in the Republic is given priority in planning, approval and implementation, etc
Intergovernmental Relations Framework Act of 2005	Establishes a framework for the national, provincial and local governments to promote and facilitate intergovernmental relations; and provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and matters connected therewith.

POLICIES	PURPOSE
The Land Survey Act of 1997	Provides a legislative framework for managing the process of land surveying ; sets up the office of the Chief Surveyor-General operating at a national level as well as Surveyors-General at the provincial level. Also outlines the duties of the surveyors that would oversee the demarcation of property boundaries .
Less Formal Township Establishment Act of 1991 (as amended)	Provides for shortened procedures for the designation, provision and development of land and for the establishment of township for less formal forms of residential settlement and to regulate the use of land by tribal communities for communal forms of residential settlement .
Local Government: Municipal Systems Act of 2000 (as amended)	Provides for mechanisms and processes necessary for municipalities to move progressively towards the social and economic upliftment of local communities and ensures universal access to essential services affordable to all.
Municipal Finance Management Act of 2003 (as amended)	Promotes a sound municipal financial management and for other institutions in the local sphere of government to ensure that all revenue, expenditure, assets, and liabilities are managed efficiently and effectively and establishes treasury norms and standards for local government.
National Building Regulations and Building Standards Act of 1977 (as amended)	Provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities; for the prescribing of building standards; and for matters connected therewith.
National Environmental Management Act of 1998 (NEMA)	Makes provision for cooperative environmental governance by establishing principles for decision-making on matters affecting the environment, institutions that promote cooperative governance and procedures for coordinating environmental functions exercised by organs of state.
National Health Act 61 of 2003	Provides a framework for a structured uniform health system, considerate of the obligations imposed by the Constitution and other laws on the national, provincial and local governments with regard to health services.
National Water Act of 1998	Ensures that South Africa's water resources are protected, used, developed, conserved, managed and controlled in a sustainable and equitable manner, for the benefit of the people.
Occupational Health and Safety Act of 1993	Provides for the health and safety of people at work or in connection with the use of plant and machinery and for the protection of people other than people at work from hazards arising out of or in connection with the activities of people at work
Planning Profession Act of 2002	Provides for the setting up of the South African Council for Planners; provides for different categories of planners and their registration of planners; authorises the identification of areas of work for planners; recognises certain voluntary associations; protects the public from unethical planning practices; maintains a high standard of professional conduct and integrity; and establishes disciplinary mechanisms and an Appeal Board
Prevention of Illegal Eviction and Unlawful Occupation of Land Act of 1998 (as amended)	Provides for the prohibition of unlawful eviction and further provides procedures for the eviction of unlawful occupiers.
Property Practitioners Act, 2019	Provides for the regulation of property practitioners; regulates the continuation of the Estate Agency Affairs Board (EAAB) in the new form of Property Practitioners Regulatory Authority (PPRA); and further provides for transformation of the property practitioners sector through the establishment of a transformation fund and a research centre on transformation.

POLICIES	PURPOSE
Property Practitioners Regulations, 2022	Regulates the affairs of property practitioners regarding transformation, regularisation, compliance, enforcement and dispute resolution; as well as training, conduct and consumer protection measures.
Public Finance Management Act of 1999 (as amended)	Regulates financial management in the national and provincial governments to ensure that all revenue, expenditure, assets, and liabilities of those governments are managed efficiently and effectively; and provides for the responsibilities of persons entrusted with financial management in those governments.
Rental Housing Act of 1999	Regulates the relationship between landlords and tenants and provides for dispute resolution.
Rental Housing Amendment Act, 2014	Amends the Rental Housing Act of 1999; provides norms and standards related to rental housing; introduces changes that impact the relationship between tenant and the landlord; and requires all municipalities to have a rental office and expands the powers of the Rental Housing Tribunal.
Restitution of Land Rights Act of 1994 as amended	Provides for the restitution of rights in land to persons or communities dispossessed of such rights in land after 19 June 1913 because of past racially discriminatory laws or practices and establishes a Commission on Restitution of Land Rights.
Sectional Titles Schemes Management Act of 2011	Provides for the establishment of body corporates to manage and regulate common property in sectional title schemes and the establishment of an advisory council to advise the Minister.
Social Housing Act, 2008	Provides for the establishment of the Social Regulatory Authority, to regulate social housing institutions (SHIs) and other Delivery Agents (ODAs).
Social Housing Regulations, 2011	Guides the accreditation of SHIs; provides a clear qualification criterion, compliance monitoring, and the investment criteria applicable in the sector.
Spatial Planning and Land Use Management Act of 2013 (SPLUMA)	Provides a framework for spatial planning and land use management, ensuring the system promotes social and economic inclusion.
Traditional Leadership and Governance Framework Act of 2003 (as amended) 2019	Regulates the institution of traditional leadership and its relationship with the state;
Unemployment Insurance Act of 1996	Establishes the Unemployment Insurance Fund and provides for the imposition and collection of contributions for the benefit of the Unemployment Insurance Fund.
Water Services Act of 1997	Regulates water boards as important water service providers and gives the executive authority and responsibility to the Minister of Human Settlements, Water and Sanitation to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.
Wills Act of 1953 (as amended); 1996	Consolidates and amends the law relating to the execution of wills



9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MINISTER

The table below outlines the entities that report to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Property Practitioners Regulatory Authority (PPRA)	Regulate, educate and transform the property practitioners industry	The PPRA is empowered in terms of the enabling legislation to raise fees and levies from property practitioners	Regulator
Home Builders Registration Council (NHBRC)	Provide housing consumers with warranty protection against defects in new homes, and to provide protection against any failure of builders to comply with their obligations in terms of the Housing Consumer Protection Measures Act, 1998 (Act 95 of 1998).	The NHBRC is empowered to raise registration and enrolment fees in terms of the enabling legislation	Regulator
Housing Development Agency (HDA)	Identify, acquire, hold, develop and release state, privately and communal owned land for residential and community development, enhance the capacity of organs of state including skills transfer to enable them to meet the demand for housing delivery, undertake project management services as may be necessary, assist organs of state with the upgrading of informal settlements, assist organs of state in respect of emergency housing solutions	Whereas the Department provides overhead and operational costs, the HDA also charges fees for development services rendered to public sector clients on a cost recovery basis	Service Delivery Agency
National Housing Finance Corporation (NHFC)	To mobilise funding into the human settlements space in partnership with a broad range of institutions, while also providing wholesale finance, and to act as a fund and risk manager and the implementing agent for the First Home Finance Programme	The Department provides NHFC with operational funding assistance and subsidy grant funding to implement the First home Finance Programme In addition, the entity has been appointed as the implementing agent for the Debt Relief Programme Other programme expenditure is funded by the entity from interest and fees derived from the lending activities	Development Finance Institution

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Social Housing Regulatory Authority (SHRA)	To regulate and support the social housing sector to accelerate the delivery of sustainable and financially viable social housing projects; responsible for the disbursement of institutional investment and capital grants to social housing institutions	The Department provides SHRA with operational grant funding, the Institutional Investment Grant and the Restructuring Capital Grant In addition, the entity has been appointed as the implementing agent for the Rent Relief Programme	Regulator
Community Schemes Ombud Service (CSOS)	To provide a dispute resolution service for community schemes, monitor and control the quality of all sectional title schemes governance documentation and to take custody of, preserve and provide public access to scheme governance documentation	Whereas the Department provides operational grant funding, CSOS is empowered through enabling legislation to generate funding from levies and fees for services rendered based on cost recovery as well as from interest derived from investments	Regulator





**“Dignity Starts
at Home — *Safe,
Comfortable
Housing for All.*”**

PART B:

PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA report has been incorporated following the auditing process. See page 246 for AGSA report.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The Department operated under a service delivery environment that had constraints which meant that the demand for housing and human settlements services exceeded the supply, the acquisition of land had to follow the provisions of the Housing Act of 1997 which provide roles and responsibility for the three spheres of government in respect of housing development. Housing provision is a concurrent function between national and provincial government while Human Settlement Development and Management remains the responsibility of local government.

During the year under review, the Department continued to determine policy, including norms and standards, set delivery goals, monitor housing development programme, provide administrative support to provinces and capacitated municipalities. And, where it was unable to purchase the land on reasonable terms through negotiation with the owner, the municipalities pursued expropriation of any land required for the purposes of housing development in terms of relevant national housing programmes. Permission from the MEC to expropriate such land before the notice of expropriation was published in the Provincial Gazette.

The Department also undertook oversight function over its six entities to deliver on their mandates. To that end, the Department collaborated with:

- The National Housing Finance Cooperation (NHFC) to deliver on the affordable housing market through developers, contractors and provide first home finance subsidies to households in the qualifying income bracket;
- The Property Practitioners Regulatory Authority (PPRA) to involve property practitioners in the human settlements value chain;
- The Community Schemes Ombuds Services (CSOS) to deal with disputes in the registered community scheme;
- The Social Housing Regulatory Authority (SHRA) to deliver the social housing using the current funding model that include debt/loan, equity and grants;
- The National Home Builders Registration Council (NHBRC) to address quality assurance in terms of units that are constructed; and
- The Housing Development Agency to acquire land and landed property and encourage Provinces to engage municipalities to ensure that they are supported to prepare Housing chapters of the IDP that have land acquisition plan that will enable for expropriation of land where feasible. The land plan has over the years been made part of the grant frameworks for the Annual Division of Revenue.

During the 2024/25 financial year, the Department further partnered with academic institutions, private sector, provinces and municipalities in developing the White Paper for Human Settlements, review of the Housing Act, drafting programmes of the Code and also hosted symposia to enable focused discussions on various topics relating to human settlements development. The symposia served as a platform for discussing and consolidating critical mechanisms that are contained in the Cabinet approved White Paper for Human Settlements and provided inputs for developing the provisions of the Human Settlements Bill and its regulations/ code.

The Department operated under an evolving environment wherein South African Courts have made a number of judgements, Chapter Nine institutions such as South African Human Rights Commission, Public Protector and Commission on Gender Equality issued reports and orders that impact of housing and human settlements provision. The environment changes were also experienced throughout as sector departments were also making amendments in their policies, legislation and regulations. Worth noting were the amendments within the Department of Labour and Employment which proposed some percentage adjustments to South Africa's national minimum wage for 2025 and which amendments were published in the government gazette on 18 December 2024 in line with the processes outlined under the National Minimum Wage Act (NMWA), No. 9 of 2018.

The Department continued to monitor developments in the country in terms of macro factors such as economic growth, employment and to update its National Needs Register to record the demand for housing and work with the Rental Tribunal in dealing with rental matters. At the end of the period under review STATSSA reported that South Africa's unemployment rate escalated sharply to 32.9% in the first quarter of 2025, thus signaling rather challenging times ahead for the youth whose situation anticipated to be 10% worse than 10 years ago.

The Bureau of Economic Research (BER) report of the University of Stellenbosch for the period that ended in March 2025 also showed growth in tender prices, as measured by the Bureau of Economic Research Building Cost Index (BER-BCI). The figures show that the growth in tender prices accelerated. The table below provides the details:

Period	2023	2024
BER BCI	9.5%	10.5%

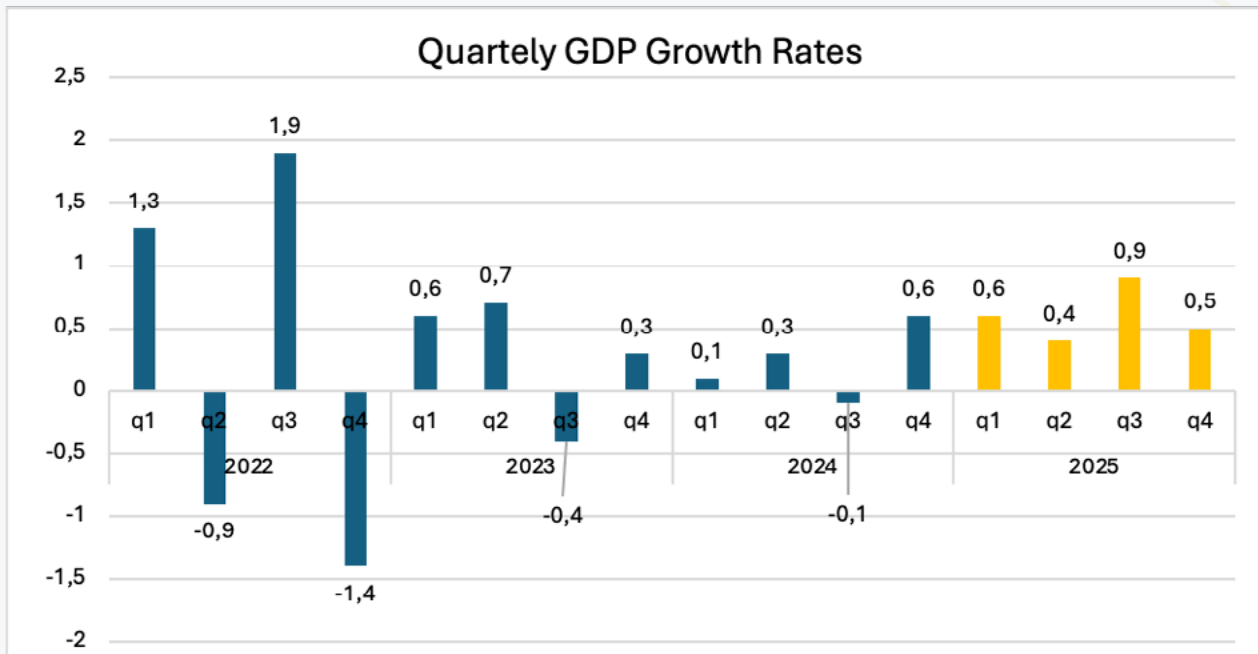
Source: Source: Stats SA, BER

The sector identified several challenges, including, amongst others, the increase in construction costs; variation orders in respect of certain projects; construction mafias; increase in number of disasters; inadequate provision of bulk infrastructure in some of the areas; failed ability to maintain existing bulk infrastructure in some cities; lack of coordination; weak intergovernmental and inter sphere coordination; well-located land being expensive and not made available for the development of sustainable human settlements; shrinking budget allocations; title deeds challenges which include conveyancing fees; delays in planning approvals; family disputes amongst qualifying beneficiaries; estates that are not reported to the Magistrates courts; outdated estate regulations; missing beneficiaries; as well as outstanding proclamation and township establishment.

In the outeryears, the Department intends to resolve some of these challenges by engaging the various role players, initiating private public partnerships, signing a memorandum of agreements and partnership agreement, engaging the academia, reviewing the subsidy quantum, drafting new and revised programmes and policies to support implementation.

External Service Delivery Environment

From 2022 to 2024 South Africa has been on the verge of a recession where the it experienced four negative economic performance during the period. Forecasted growth for the entire 2025 is below a percentage point. The actual economic performance recorded a 0.1% decline in the first quarter of 2025 compared to the previous quarter. PwC South Africa's economic outlook of January 2025 forecasts economic growth of between 0.5% (downside scenario) and 1.3% (upside scenario) in 2025. Challenging issues raised for poor economic performance in the 2024/25 financial year include loadshedding; strikes (NUMSA in steel); effects of Covid 19; floods and fuel prices.



Source: Statistics South Africa, 2025a

Unemployment Rate

In the first quarter of 2025, South Africa's official unemployment rate increased to 32.9%, representing a rise of one percentage point compared to the previous quarter. The expanded unemployment rate increased to 43.1%, up from 41.9% in the previous quarter. This remains a significant concern, as youth unemployment rate reached 46.1% increase in the first quarter of 2025, a 9.2% increase compared to the first quarter of 2015 (Statistics SA, 2025b). High levels of unemployment are an indication that many South Africans will continue to depend on government for support including housing.

Inflation Outlook and the Cost of Living

Inflation is defined as the rate at which price of goods increase. According to Statistics South Africa's historic data, the inflation outlook has remained reasonably low lately compared to early periods of the 70s, 80s and early 90s where inflation recorded double digits with the high of 20.5% reached in 1986. During the period of democratic government, double digit inflation was experienced from August 2002 and March 2003 (08 months) with the highest inflation of 12.9% and again between March and November 2008 (09 months) with highest inflation of 13.77% (Statistics SA, 2025c). Even though the rate of inflation remains low, over time it has had a significant impact. The Inflation Adjustment Calculator shows that a basket of items one could buy with R1000 in January 2001 will require R 3506.99 in January 2025. Which means, with R1000 in January 2025 one could buy goods equivalent to R285.14 in January 2001. The above shows that over the period of 24 years, prices had increased by 250.7% with an annual increase of 5.4%. Annual consumer price inflation was 2.8% in April 2025, up from 2.7% in March 2025.

Performance of the Construction Sector

In 2024, performance of the construction industry remained subdued owing to reduced economic activity as well as a sizable decrease in activities such as additions and alterations and high inflation amongst others. However, there were signs of improvement in some indicators, like increased buildings completed and sales of building materials. While the FNB/BER building confidence index (first quarter 2025) showed a slight increase, overall sentiment remained subdued. Despite these headwinds, forecasts for 2025 suggest a potential rebound with an annual increase of around 4.8%, driven by investments in renewable energy and infrastructure.

Building Plans Passed and Completed

According to Statistics South Africa (2025), the value of buildings reported as completed (at current prices) increased by 0,9% (R94,4 million) in the first quarter

of 2025 compared with the first quarter of 2024. Increases were reported for non-residential buildings by R687.8 million and residential buildings by R120.6 million. A decrease of R713.9 million was reported for additions and alterations (Statistics South Africa, 2025). The value of building plans passed (at current prices) increased by 1,3% (R272,9 million) in the first quarter of 2025 compared with the first quarter of 2024. Increases were reported for non-residential buildings (R952.3 million) and additions and alterations (R425.4 million). A decrease was reported for residential buildings (R1 104.8 million). These are indications that activities in the construction sector will continue to increase marginally. However, activities in the residential buildings are expected to decline soon.

Construction Costs Escalations

The January 2025 BER-BCI report shows an annual input cost escalation estimated at 12.8% from 2023 until the end of 2025. Building costs index BER-BCI was recorded at 20.0% during the period (BER, 2025). This is an indication that there were more work opportunities for companies during the year 2023 and 2024. This also suggests that competition in tendering was limited and as a result companies could gain some profit margins.

Interest Rates

During the 2024/25 financial year, interest rates declined from 11.75% in September 2024 to 11.00% in February 2025. These interest rate cuts made borrowing more affordable for consumers and businesses.

Level of Indebtedness

The Global Debt Monitor for quarter 2 of 2024, which includes data for developed and emerging economies, shows that developed markets have significantly more debt than emerging markets, both in aggregate (\$210.5 trillion for developed vs \$101.3 trillion for emerging) and as a ratio of GDP (376.8% of GDP for developed vs 245.2% of GDP for

emerging). South Africa is amongst the countries whose GDP is growing slower than debt. The report shows that in total South Africa's debt rose to another record high of \$699 billion in quarter 2 of 2024, which is equivalent to 177.1% of GDP and up from 141% of GDP at the beginning of 2014. This places South Africa as the 12th most indebted emerging market. Since the beginning of 2014 almost all the increase in South Africa's debt as a ratio of GDP is attributed to higher government debt which has risen from 42% of GDP at the beginning of 2014 to around 75% of GDP in the middle of 2024. South Africa's household debt was measured at a manageable 34.2% of GDP in the middle of 2024 (STANLIB, 2024). This is an indication that raising funding through debt for the country's development is becoming more limited.

Debt to Income Ratio

According to DebtBusters' Debt Index providing a detailed insight into the financial health of South Africans seeking debt counselling. The debt service ratio is higher, where consumers need 68% of their take-home pay to service debt – a significant increase from previous quarters which is at the highest level since 2017. Notably, households with a take home monthly salary of R35 000 or more need to use 74% of their income towards debt repayments, and their total debt to annual net income ratio is 187%. Those taking home R5 000 or less a month use 75% of their income towards debt repayments. It is further noted that the median debt-to-annual-income ratio is 113%, indicating that consumers are still experiencing the effects of interest rate increases that began in November 2021, and – despite some respite – remain elevated. What is compounding the problem according to Sager, The Executive Head at DebtBusters, is that “an income growth – while better than in years past – is still behind expense growth”. Factors contributing to the problem are that “since 2016, electricity tariffs increased by 135%, petrol price increased by 72%, and inflation's compounded impact is 44%,”. He further pointed out that “even though financial strain remains a challenge, but on the bright side, people are feeling more optimistic about it” (DebtBusters, 2024).



2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The tables below highlight the Service Delivery Plan and the achievements to date.

Main Services and Standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Monitor progress on the registration of title deeds	Citizens	Implement a basic manual record-keeping system for tracking the progress of title deeds restoration	Implement a digital monitoring system to streamline and centralise data related to the title deeds restoration program	The DG approved the TOR for advertisement

Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Professional standards - public servants:		
10% professionally registered officials	50% professionally registered officials	29% professionally registered officials
60% of officials signed the Code of Conduct	100% of officials signed the Code of Conduct	90% of officials signed the Code of Conduct
0% of employees signed a pledge on Article 7 of the Public Service Charter, 2013	100% of employees signed a pledge on Article 7 of the Public Service Charter, 2013	69% of employees signed a pledge on Article 7 of the Public Service Charter, 2013
The extent to which professional standards set by the DPSA/NSG, based on the Batho Pele principles, have been met on each service provided by the Department of Human Settlements e.g.	The extent to which professional standards set by the DPSA/NSG, based on the Batho Pele principles, have been met on each service provided by the Department of Human Settlements, e.g.	The professional standards set by the DPSA/NSG, based on the Batho Pele principles, have been met on each service provided by the Department of Human Settlements
80% compliance with confidentiality/secretcy	100% compliance with confidentiality/secretcy	100% compliance with confidentiality/secretcy
0% of employees wearing nametags	100% of employees wearing nametags	100% of officials were provided with nametags

Current/actual arrangements	Desired arrangements	Actual achievements
80% of employees adhere to the dress code – neatness/ presentation and cleanliness	100% of employees adhere to the dress code – neatness/ presentation and Cleanliness	Officials keep a desirable dress code in a manner that enhances the reputation of the Department as per the Code of Conduct.
Professional standards - public servants:		
80% Compliance with the Occupational Health & Safety Act (OHSA)	100% Compliance with the Occupational Health & Safety Act (OHSA)	80% Compliance with the Occupational Health & Safety Act (OHSA)
90% of offices clean	100% of offices clean	100% of offices clean
80% Signage-friendly buildings/ Offices	100% Signage-friendly buildings/ Offices	100% Signage-friendly buildings/ Offices
80% Status of ablution facilities (Availability, Cleanliness and Functionality)	100% Status of ablution facilities (Availability, Cleanliness and Functionality)	100% Status of ablution facilities (Availability, Cleanliness and Functionality)
Access Standard		
80% physical access at a reasonable distance from each service points	100% physical access at a reasonable distance from each service points	Not Applicable
80% access Virtually/Electronically	100% access Virtually/Electronically	100% access Virtually/Electronically
60% disability-friendly	100% disability-friendly	100% disability-friendly
90% elder persons-, pregnant-,and frail persons-friendly	100% elder persons, pregnant-, and frail persons-friendly	100% elder persons-,pregnant-, and frail persons-friendly
90% Local languages accessibility	100% Local languages accessibility	Draft Language to be presented at EMT in Q1 of the 2025/2026 financial year.
100% Convenience of the Department of Human Settlement operating hours	100% Convenience of the Department of Human Settlements operating hours	100% completion of the convenience of the DHS operating hours in various platforms.

Current/actual arrangements	Desired arrangements	Actual achievements
Information Standard		
0 sites displaying operating times	2 sites displaying operating times	The project to display operating hours at two departmental sites is currently in progress.
90% ease of access to information of the services provided by the Department of Human Settlements	100% ease of access to information of the services provided by the Department of Human Settlements	100% ease of access to information of the services provided by the Department of Human Settlements Information available on electronic and printed Human Settlements Information Guide. Exhibitions and Mall activations present one on one engagements with the public to provide information.
90% availability of a step-by-step process to be followed when accessing information from different platforms/avenues	100% availability of a step-by-step process to be followed when accessing information from different platforms/avenues	90% Information available on electronic and printed Human Settlements Information Guide.
60% of departmental information updated	100% of departmental information updated	100% of departmental information updated
Redress Standard		
80% cases successfully resolved within 90 days	100% cases successfully resolved within 90 days	93% cases successfully resolved within 90 days
Consultation Standard		
0% of consultation when developing/ reviewing a policy due to the nature of complaints received and identified policy problems	100% of consultation when developing/ reviewing a policy due to the nature of complaints received and identified policy problems	100% of consultation when developing/ reviewing a policy due to the nature of complaints received and identified policy problems
0% of consultation when developing an SDIP/intervention strategy	100% of consultation when developing an SDIP/ intervention strategy	100% of consultation when developing an SDIP/ intervention strategy

Current/actual arrangements	Desired arrangements	Actual achievements
Openness and transparency standards		
90% of openness on accountability decision-making process of the Human Settlements Department.	100% of openness on the accountability decision-making process of the Human Settlements Department. Approved Annual Report published on the departmental website	100% of openness on the accountability decision-making process of the Human Settlements Department
90% of disclosure on how the Department of Human Settlement financial resources are utilised.	100% of disclosure on how the Department of Human Settlement financial resources are utilised.	100% of disclosure on how the Department of Human Settlement financial resources are utilised
	Approved Annual Report published on the departmental website	Annual Report published on the departmental website
4 of Performance Information sessions held per annum in each district/province that Department of Human Settlements is responsible for	9 of Performance Information sessions held per annum in each district/province that Department of Human Settlements is responsible for	1 Performance Information session held.
Service Standard		
0% Service Charters displayed	50% Service Charters displayed	Not Applicable
0% sites with the listed Department of Human Settlements services provided Service charter on a displayed Service Charter	50% sites with the listed Department of Human Settlements services provided on a displayed Service Charter service charter	Not Applicable
50% set turn-around times by each service/product provided by the department of Human settlements (with the latter informed by the locally applicable circumstances) is outlined	100% set turn-around times by each service/product provided by department of human settlements (with the latter informed by the locally applicable circumstances) is outlined	Not Applicable
0% outlined cost for each service provided	50% outlined cost for each service is provided	Not Applicable
0% quality standards of each service are provided	50% quality standards of each service are provided	Not Applicable

Current/actual arrangements	Desired arrangements	Actual achievements
Value for money		
80% service recipients that will be serviced in a given year	100% of service recipients that will be serviced each year	Not Applicable
0% of set efficiency (cost saving/ resource utilisation rate) level that to be achieved in a given year	100% of set efficiency level to be achieved in a given year	Not Applicable
80% economy levels that should be benefited by the service recipients (by reducing their cost access/travel burden)	100% economy levels that should be benefited by the service recipients (by reducing their cost access/travel burden)	Not Applicable

Service Delivery Information Tool

Current/actual information tools	Desired information tools	Actual achievements
Information Display sites	2 sites displaying operating times	The project to display operating hours at two departmental sites is currently in progress.
Information access	100% ease of access to information of the services provided by the Department of Human Settlements	100% ease of access to information of the services provided by the Department of Human Settlements Information available on electronic and printed Human Settlements Information Guide. Exhibitions and Mall activations present one on one engagements with the public to provide information.
Information platforms/avenues	100% availability of a step-by-step process to be followed when accessing information from different platforms/avenues	90% of information available on electronic and printed Human Settlements Information Guide.
Information update	100% of departmental information updated	100% of departmental information updated

Complaints Mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Footprint Presidential Hotline	Call Center Walk-ins Information sessions 100% cases successfully resolved within 90 days	93% cases successfully resolved within 90 days

2.3 Organisational Environment

The Department is in the process of finalising its organisational structure, with the Macro-structure having been drafted during the year under review. Following the recent finalisation of the 2025-2030 Strategic Plan, the draft Macro-structure will undergo a review to ensure alignment with the strategic priorities, particularly regarding human resource capacity in the new financial year. This review is integral to implementing the principle that the organisational structure should be aligned with the Department's strategy. The review of the organisational structure is aligned with the Department of Public Service and Administration (DPSA) Directive on the Development of Organisational Structures. It is anticipated that the review, including the placement of officials within the costed/reviewed/approved structure, will be completed during the 2025/2026 financial year.

The placement of staff on the approved structure will be followed through the filling of vacancies on the revised structure in line with a recruitment plan and the Department's Compensation of Employees (CoE) Budget.

Although the Department was implementing the Control Measures Aimed at Assisting Executive Authorities in Managing Fiscal Sustainability During the Process of creating and filling vacant posts in Departments, the Department has successfully maintained the achievement of its Employment Equity target of 56% female representation at

SMS level, as at 31 March 2025. The Department has also continued its commitment to reasonable accommodation for employees with disabilities, providing assistive devices, and achieving 2% of the 3% target for employing people with disabilities.

During the year, the Department undertook a skills audit project in collaboration with the National School of Government and the Human Sciences Research Council (HSRC), in response to the Presidential proclamation directing the Infrastructure Departments to conduct skills audit. To date, a draft competency framework has been developed, and the skills audit is expected to be completed by November 2025. The findings from the skills audit will inform the Department's Workplace Skills Plan for 2026/2027 and beyond.

For 2025/26 financial year, training priorities will be aligned with the strategic priorities of the Department, as well as the current and future Public Service Skills and Competencies Needs outlined in the report from the Public Service Education and Training Authority (PSETA).

To further ensure that the Department is supported to deliver on its Strategic Plan and Annual Performance Plan, the Department initiated the process for digitalisation of Human Settlements processes. The digitisation project is aimed at developing an

advanced, comprehensive, integrated technological online platform that facilitates the efficient and effective management of various aspects of human settlements, including housing, infrastructure, services, and community developments designed to streamline and enhance the management of housing subsidies, national housing initiatives, project tracking and beneficiary list management. The Terms of Reference were developed for the National Digital Human Settlements Management System (NDHSMS). Consultation sessions were held with the relevant stakeholders within the sector for inputs and buy-in.

2.4 Key policy developments and legislative changes

The Department gazetted the White Paper for Human Settlements following its approval by Cabinet on 4th December 2024. The introduction of the 2024 White Paper for Human Settlement serves to replace the 1994 Housing Policy which is outdated and remains inconsistent with fundamental sector reforms, structural shifts and legislative frameworks and can as a consequence not respond adequately to the current underlying human settlements challenges.

The Cabinet approval of the White Paper on Human Settlements, marks a significant milestone in the country's journey towards creating sustainable, inclusive, and equitable communities. The White Paper aims to provide an overarching policy framework for the delivery of sustainable human settlements, addressing the lessons learned from past experiences and incorporating the principles of spatial integration, inclusivity, and synergistic approaches.

The policy places considerations towards fiscal reforms, functional shifts, roles, implementing agencies responsibilities as well as government's responsiveness to the Constitutional mandate towards ensuring realisation of the right of access to adequate housing. The objectives are to contextualise policy, provide for necessary institutional governance, give effect to the new review of the current legislative framework, and foster robust stakeholder engagement and coordinated action across sectors and jurisdictions.

Furthermore, the 2024 White Paper pursues creation of an enabling environment for development of integrated and sustainable human settlements. It does that by setting out new vision, objectives, theory of change, key policy statements, and functions and responsibilities of stakeholders towards integrated sustainable human settlements. It advocates for the realisation of the vulnerable section of the population housing needs, in that is anchors to promote the prioritisation of vulnerable people, special and marginalized groups. The policy further promotes that the indigent, elderly, women, child-headed families, people with disabilities and military veterans are prioritised.

During the year under review, the Housing Consumer Protection Act No. 25 of 2024 was assented to by the President on 20 December 2024 and published in the Government Gazette on 29 January 2025. The Department is currently drafting the regulations that will operationalise the Act.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Medium-Term Strategic Framework of 2019-2024 has three outcomes for the human settlements sector, namely:

- Spatial transformation through multi-programme integration in priority development areas.
- Adequate housing and improved quality living environment.
- Security of tenure.

In addition, five-year targets or outputs were defined through the Medium Term Development Plan (MTDP). The Department further drafted an implementation framework that defines activities, outputs as well as roles and responsibilities to enable effective implementation of the MTDP targets and assist in the achievement of outcomes by informing planning, implementation support and monitoring.

There were no amendments to the revised Strategic Plan for the period under review.

Spatial Transformation Outcome

During the period under review, the Human Settlements sector advanced spatial transformation through identifying various spaces throughout the country to catalyse the changes needed to transform the apartheid spatial form. This included ensuring that development plans for the identified spaces were completed. The process of completing the development plans required extensive consultation and intergovernmental relations protocols. However, none of these were undertaken by the national department, including the Housing Development Agency that is its service provider. Limited oversight regarding this process resulted in the uneven implementation of the development plan. The Department noted that, in some cases, the development plans were poorly completed, without the necessary aspects required for a credible development plan – for example, there were development plans that did not entail spatial vision, infrastructure plans, land acquisition plan, land development plan, implementation plans, etcetera. In some instances, there is a noticeable limited understanding the housing needs in the various areas. The Department will continue to play oversight role to ensure that the outcome of spatial transformation is realised in the next MTSF.

Adequate Housing Outcomes

The Department noted that housing projects are still completed without understanding the need for as well as assessing the availability of infrastructure. Of concern is that houses that do not have the necessary basic services such as water, sanitation and energy facilities represent a transgression of human rights. In the outer years, the Department will monitor availability of stormwater drainage and streets within settlements. During the period under review the Department noted that over 60% of targets under this outcome were met, however this still yielded 0% achievement of the actual outcome. The Department will strengthen oversight on undertaking of feasibility studies as a requirement prior to land development.

Security of Tenure Outcome

This outcome focuses on various forms of tenure, and includes title deeds. However, within this outcome, the human settlement sector selected to focus on title deeds, particularly the backlog that existed prior to the 2019-2024 MTSF. While some progress in addressing historical matters on title deeds has been made during the period under review, there are several qualitative indicators that are still to be addressed before set targets are achieved. The Department will continue to address land development planning issues prior to the development of housing units, new housing development as these contribute to the title deeds backlog.

General Assessment

The Department's general assessment is that the envisaged outcomes were not achieved during the period under review. This relates to the fact that the set targets for the 2019-2024 MTSF were not met by the sector. This was mainly attributed to the budget cuts that were implemented across government.

Notable is that in instances where achievement of targets was reported, this was however not translated into the achievement of outcomes. For example, there are cases where houses were completed, but no water, sanitation and energy facilities have been provided. The Department further faced challenge of acquiring information from the Provinces in relation to reticulation and other supporting infrastructure required in a settlement. In the upcoming year, the Department will strengthen the planning and reporting processes to realise achievement of human settlements sector outcomes.

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4.1 Programme 1: Administration

4.1.1 Purpose:

To provide strategic leadership, management, and support services to the Department.

Sub Programme: Departmental Management

Purpose: To strategically lead, manage, and oversee all operations and support services required for effective and efficient implementation of the DHS's core functions.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department has achieved improvement through implementation of its approved Risk Management Function (RMF) Charter, Risk Appetite Framework, including defined tolerance levels for key strategic risks. The Risk Management collaborates with Internal Audit on the Combined Assurance activities. The Department convenes the Risk Champions Forum (RCF) which supports the Risk Management Committee (RMC) responsible for reviewing effectiveness of risk management systems, chaired by external Independent Chairperson and have other members with blended skills. These collective initiatives contributed to a 100% achievement of the approved risk management implementation plan.

During the financial year under review, the Department remained 100 percent compliant with necessary prescripts relating to the submission of quarterly and annual performance reports. The Department received an unqualified audit opinion for the 2023/24 financial year, also in the non-financial performance information. Further as an institution with concurrent function, the Department remained compliant with

the development, review and oversight on implementation of sector standardised indicators.

Sub Programme: Corporate Services

Purpose: To oversee the provision of corporate support services to the Department.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Despite cost-containment measure the department has surpassed the 50% mark for women at the Senior Management Service (SMS) level.

The Department worked closely with SITA and the proposal for the design, development, and implementation of a National Digital Human Settlements Management System (NDHSMS) was finalised, this will be implemented in a phased approach with a focus on how citizens can view the status of their applications for housing and disaster assistance in real-time and how the outcome thereof will be communicated to the citizen.

To further strengthen digital transformation initiatives in the Department, the ICT digital initiatives form part of the Department's 2025-2030 Strategic Plan to address digital transformation in the offering of human settlements services and be citizen centric.

The Communication Services – through its provision of media services, public information, marketing and corporate communications for the Department and Ministry – was able to achieve 100 % of the annual targets as set out in the approved annual operational performance plan for the year under review.

We set out to achieve the objective of creating a two-way communication between the Department and stakeholders as well as the rest of the South African citizens through marketing, public information and media services. The approved annual communication plan that touched on integrated marketing and communication tools and strategies was implemented. This included the awareness and visibility campaigns that were implemented to educate and inform stakeholders and citizens of the Department's and

its entities' programmes and services. These campaigns included a six-month national multimedia campaign that was rolled out between March- August 2024, celebrating the gains of the Department and sector over the past 30years; the broadcast campaign focusing on housing delivery to women; radio campaign to commemorate women's month; and stakeholder and community outreach programmes through izimbizo and exhibitions. The Department went out to various government departments to educate and inform government workers of the Human Settlements programme – First Home Finance.

The Department utilised different media platforms to profile and unpack different housing programmes and policy pronouncements. These included project launches, announcement of interventions to assist the missing middle through the First Home Finance and communicating MINMEC decisions and government interventions during disasters.

The Department also utilised the media to communicate the objectives of its participation at the world fora a such as World Urban Forum and World Economic Forum Summit.

The work of the Communications Services is continuous and ongoing as many people still need to have access to information on the various housing typologies and programmes of the Department and entities. To support this, the Department also produced a human settlement information guide - an easy-to-read booklet on all Human Settlements programmes. This information guide is available in all official languages. For further inclusivity, sign language interpreters are retained in all izimbizos and community engagements.

Through its comprehensive initiatives including surpassing gender equity targets at the Senior Management Service level, driving digital transformation with the automation of administrative business processes , achieving all annual communication and outreach targets, and implementing inclusive, multi-platform campaigns to inform and engage citizens the Corporate Services Branch has significantly contributed towards the outcome of a functional, efficient, and integrated government. These outputs, indicators, and actual achievements demonstrate the Branch's role in enhancing service delivery, promoting

transparency, and fostering greater stakeholder and citizen involvement in the Department's programmes and services.

Sub-Programme: Financial Management

Purpose: To manage and facilitate the provision of financial management services.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Sub-Programme: Grant Management

Performance of the Human Settlements Conditional Grants- 2024/25 Financial Year

The Department administered four grants during the period under review with two each under Provinces and Metropolitan Municipalities. The allocations to Provinces and Metros were undertaken in line with the sector's approved allocation formula and the tranches were transferred after approval of the business plans. The conditional grant funds were utilised in line with the grants' purpose, outputs/outcomes and conditions as stated in the conditional grant frameworks. The frameworks which serve as a guideline to utilisation of conditional grant funds, were agreed upon by the sector after several engagements within the sector to ensure that a common agreement and understanding with the aim of achieving the sector's set MTDP goals.

Provincial Grants

The total voted funds for Provinces amounted to R16.9 billion which comprised Human Settlements Development Grant (HSDG) with an allocation of R13.655 billion and Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) with R3.251 billion. The total voted funds for HSDG increased to R14 billion after approval of R347 million of approved rollover funds and ISUPG on the other hand increased by R270 million of approved rollover to R3.5 billion. The National Treasury implemented sections 18 and 19 of the Division of Revenue Act (Dora) which governs the stopping and reallocations of grant funds respectively.



A total of R550 million was stopped in terms of section 18 (R50 million-Free State, R300 million-Gauteng and R200 million-Western Cape) under HSDG during the financial year and reallocated in terms of section 19 to KwaZulu Natal (R100 million), Limpopo (R200 million) and Mpumalanga (R250 million). Under ISUPG, an amount of R250 million (R150 million -Gauteng and R100 million- Western Cape) was stopped and reallocated to Eastern Cape (R50 million), Free State (R50 million) and North West (R150 million). The grants were transferred in line with the approved payment schedules and into the registered primary accounts of the provinces.

As at 31 March 2025, Provinces reported an expenditure of R13.995 billion under the HSDG which equates to 99% of the total available funds whilst the ISUPG reported an expenditure of R3.518 billion which also equates to 99% of the total available funds.

Municipal Grants

The combined total voted funds for Metropolitan Municipal Grants amounted to R13.2 billion which comprised the Urban Settlement Development Grant (USDG) with an allocation of R8.705 billion and Informal Settlements Upgrading Partnership Grant for Metros with R4.515 billion. The total voted funds for USDG increased to R8.795 billion after approval of R90 million of approved rollover funds and ISUPG on the other hand increased by R4.5 million of approved rollover to R4.520 billion. The National Treasury invoked sections 18 and 19 of the Division of Revenue Act (DoRA) which governs the stopping and reallocations of grant funds respectively.

A total of R299.5 million under USDG was stopped (R67 million-Nelson Mandela Bay, R65 million-Mangaung, R63 million- City of Ekurhuleni, R34 million-City of Johannesburg and R70 million- City of Tshwane) during the course of the financial year and reallocated to Buffalo City (R90 million), eThekweni (R159 million) and City of Cape Town (R50 million). The grants were transferred in line with the approved payment schedules and into the registered primary accounts of the Municipalities. Under ISUPG Metros, a total amount of R224 million was stopped in terms of section 18 of DoRA from Buffalo City (R69 million), Mangaung (R69 million), City of Ekurhuleni (R56 million) and City of Cape Town (R31 million). The funds were reallocated in terms of section 19 of

DoRA to City of Tshwane (R90 million) and eThekweni (R134 million).

The Metros have, as at 31 March 2025, reported an expenditure of R4.680 billion under the USDG which equates to 53% of the total available funds whilst the ISUPG reported an expenditure of R2.391 billion which also equates to 56% of the total available funds.

Sub-Programme: Financial Management

The unit ensures effective, efficient and economic utilisation of financial resources in line with financial prescripts through the development and effective implementation of financial systems, policies, frameworks and procedures. This entails budget planning and expenditure monitoring, Supply Chain Management and administration of financial transactions.

Assessment of the Provincial and Municipal business plans

During the 2024/25 financial year, the Department managed four grants within the Human Settlements portfolio. This included nine Provincial Human Settlements Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG) Business Plans, as well as eight Urban Settlements Development Grant (USDG) and associated ISUPG Business Plans. In line with the grant framework timelines, the Provincial HSDG and ISUPG and Metro USDG and ISUPG Business Plans were assessed and approved for the 2025/26 financial year.

The Department undertakes rigorous assessments of all business plans to ensure alignment with the Medium-Term Development Plan (MTDP) targets and the priorities identified through Ministerial and Members of Executive Council (MinMEC) engagements. To support this process, a Business Planning Assessment Committee was established, comprising key programme managers who provided inputs across departmental programmes and Ministerial priorities. The Committee conducted technical and project readiness assessments to determine whether critical planning elements were in place.

To facilitate effective implementation, the Department develops a national consolidated business plan for each of the grants. These consolidated plans serve as strategic

instruments, offering detailed project-level information and comprehensive programmatic planning that integrates efforts across provincial, district, and municipal levels. They also highlight planned investments within Priority Human Settlements and Housing Development Areas (PHSHDAs) and provide essential data to support implementation of the District Development Model (DDM).

In accordance with the Housing Act and the Human Settlements Grant Frameworks, provinces are required to submit Multi-Year Development Plans. All business plans must be aligned with Provincial Annual Performance Plans and relevant Municipal Integrated Development Plans (IDPs), ensuring strategic coherence and integrated planning across all spheres of government.

Major Achievements

The Department achieved a reduction in the number of findings by the Office of the Auditor General. The total number of findings decreased from thirty- two (32) to twenty-one (21).

The late payment of invoices was eliminated. The Department received a clean financial statements audit for the 2024/25 financial year.

- Migration from a manual travel booking systems to computerised system.. This took effect with the appointment of a new Travel Management Company with an implementation of an online booking system for travel and accommodation.

Challenges

One of the biggest challenges the unit faced is the partial implementation of the procurement plan.

- Provinces failed to finalise the devolution and /or transfer of the Housing Board properties by 31 March 2025 as directed by the Minister and resolved by Minmec. Instead provinces requested a two year extension which the Minister granted
- Delays in the completion of the organisational structure

R8.705 billion and Informal
Settlements Upgrading Partnership
Grant for Metros with ***R4.515 billion***.

Table 2.4.4.2:

Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Chief Directorate: Executive Support								
Functional, efficient, and integrated Government	Compliant statutory reports	Percentage compliance with statutory tabling and prescripts	74% compliance with statutory prescripts	90% compliance with statutory prescripts	100% compliance with statutory prescripts	92% compliance with statutory prescripts	-8% compliance with statutory prescripts 1 out of 12 compliance activities was not achieved	Provinces did not meet the approved MTDP targets and priorities announced at the sector wide strategic planning session.
Functional, efficient and integrated Government	MTEF Human Resource Plan	Approved MTEF Human Resource Plan	New target	New target	Approved MTEF Human Resource Plan	Approved MTEF Human Resource Plan	None	Not Applicable
	ICT Strategy & plan	Reviewed ICT Strategy & plan	100% Implementation of the annual ICT Implementation Plan	100% Implementation of the annual ICT Implementation Plan	Reviewed ICT Strategy & plan	Reviewed ICT Strategy and Plan	None	Not Applicable
Functional, efficient, and integrated Government	Report on the approved annual ICT implementation plan	Percentage Implementation of the approved annual ICT implementation plan	100% Implementation of the annual ICT Implementation Plan	100% Implementation of the annual ICT Implementation Plan	100% Implementation of the approved annual ICT implementation plan	100% Implementation of the approved annual ICT implementation plan	None	Not Applicable
Chief Directorate: Grant Management								
Functional, efficient, and integrated Government	Annual Financial Statements free from errors and misstatements	Unqualified audit opinion with no material findings	2021/22 unqualified audit opinion with no material findings	2022/23 unqualified audit opinion with no material findings	2023/24 unqualified audit opinion with no material findings	2023/24 unqualified audit opinion with no material findings	None	Not Applicable

Programme: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate Housing and improved quality living environment	A gazetted Human Settlements Grants Frameworks	Human Settlements Grants Frameworks Approved	Approved 2023/24 Human Settlements Grants Framework	2024/25 Human Settlements Grants Framework Approved	2025/26 Human Settlements Grants Frameworks Approved	2025/26 Human Settlements Grants Frameworks Approved	None	Not Applicable
Adequate Housing and improved quality living environment	Quarterly assessments conducted on performance of Human Settlements Grants (HSDG and ISUPG)	Number of quarterly assessments conducted on performance of human settlements grants (HSDG and ISUPG)	8 quarterly assessments conducted on human settlements grants (HSDG & ISUPG)	8 quarterly assessments conducted on performance of both human settlement's grants (HSDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (HSDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (HSDG and ISUPG)	None	Not Applicable
Adequate Housing and improved quality living environment	Quarterly assessments conducted on performance of Human Settlements Grants (USDG and ISUPG)	Number of quarterly assessments conducted on performance of human settlements grants (USDG and ISUPG)	8 quarterly financial performance analyses conducted on ISUPG	8 quarterly assessments conducted on performance of both human settlement's grants (USDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (USDG and ISUPG)	8 quarterly assessments conducted on performance of both human settlements grant (USDG and ISUPG)	None	Not Applicable
	Assessments on set aside allocations for designated groups (HSDG and USDG)	Number of quarterly assessments on set aside allocations for designated groups (HSDG and USDG)	0 report on the set aside for designated groups	2 quarterly assessments on set aside allocations for designated groups (HSDG and USDG)	4 quarterly assessments on set aside allocations for designated groups (HSDG and USDG)	4 quarterly assessments on set aside allocations for designated groups (HSDG and USDG)	None	Not Applicable

Linking performance with budgets

Programme 1 Administration : Expenditure						
Sub- Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	62 732	60 689	2 043	59 230	57 762	1 468
Departmental Management	68 699	55 391	13 308	69 575	66 040	3 535
Corporate Services	341 650	248 828	92 822	268 766	238 160	30 606
Property Management	38 538	38 317	221	41 412	41 409	3
Financial Management	67 201	59 074	8 127	64 431	60 170	4 261
Total	578 820	462 299	116 521	503 414	463 541	39 873

Strategy to overcome areas of under performance

The Department will further ensure that all the Business Plans are submitted timeously for the approval for the financial year 2025/26.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Not applicable

4.2 Programme 2: Integrated Human Settlements Planning and Development Programme

4.2.1 Purpose:

Manage the development of policy, planning and research towards the development of sustainable and integrated human settlements, oversee the delivery of the integrated residential development programme, provide public entity oversight and coordinate intergovernmental partnerships with stakeholders.

Sub-Programme: Macro Sector Planning

Purpose: To manage the development and evaluation of macro strategy and planning frameworks for human settlements

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Medium-Term Strategic Framework (MTSF) Priorities

The 2024/25 reporting period marks the fifth year of the MTSF 2019-2024 period. With this consideration, it is important for the department to highlight the sector's achievements in its contribution to the 2019-2024 Medium-Term Strategic Framework.

MTSF Outcome	Output Indicator	2020/21	2021/22	2022/23	2023/24	2024/25
Spatial transformation through multi-programme integration in priority development areas	94 integrated implementation programmes prepared	7 completed	49 completed	42 completed	14 Completed	10 Completed
	Invest in 94 priority development areas (PDA's)	45 PDAs	103 PDAs	85 PDAs	79 PDAs	56 PDAs
	Rezone 100% of land acquired in 2014 - 2019 that falls within the PDAs for human settlement development	During the 2021/22 FY the HDA was expected to rezone about 16.3395ha of land to reach the MTSF target of 30% for 2021/22 financial year, however, 0% was rezoned during this period	0	1 Ha of land was rezoned despite numerous challenges	18,68ha of land acquired in 2-14-2019 in PDAs was rezoned.	177.1588ha of land acquired in 2-14-2019 in PDAs was rezoned.

1. 2024/25 Outputs, Output Indicators, Targets and Actual Achievements

In the year under review, the Department was responsible for performance indicators detailed in the succeeding session in line with the approved 2024/25 Annual Performance Plan.

1.1 Integrated implementation programmes for Priority Human Settlements and Housing Development Areas (PHSHDAS)

The objective of this target for the MTSF period was to determine the programmatic interventions in each PDA informed by the Municipal Spatial Development Framework (SDF) and Integrated Development Plans (IDPs). The target was to prepare 94 integrated implementation programmes for each of the PDAs between 2019-2024.

The target for the 2024/25 financial year was 10 integrated implementation programmes for PDAs. In implementing this target, the department oversees the process and the HDA is responsible for procurement and provides support to provinces and municipalities. Accordingly, 10 plans of integrated implementation programmes for PDAs were developed, cumulatively resulting in a total of 122 for the MTSF period.

1.2 An analysis on investments towards spatial transformation through multi programme integration in Priority Human Settlements and Housing Development Areas.

The focus on Priority Development Areas is premised on cooperative and collaborative public sector investment, with keen interest in further leveraging private investment against defined targets and objectives for a designated geographical area. Therefore, the objective of this target was for the National Department to determine the scope of funding allocation from the Human Settlements Development Grant and the Informal Settlements Development Grant directed towards the Priority Development Areas (PDA)s.

The total HSDG expenditure by Provinces in the Priority Development Areas (PDA)s for the

2024/25 financial year was R1,762,431,306 (12,91%) which is significantly lower than the planned expenditure (R3 553 055 901) given the impact of budget cuts during the financial year. Additionally, the total investment in PDAs through the Provincial Informal Settlements Upgrading Partnership Grant for the 2024/25 financial year was R620 722 851 representing 19.09% of the total ISUPG allocation of R3 250 994 000.

It should be noted that the average planned allocations from 2021/22 to 2025/26 from all four grants has been 35.75%. This includes the preliminary allocations in 2025/25 USDG and ISPUG Metro business plans. This is in line with the Department's intention to ensure that the financial resources at its disposal are allocated in the Priority Development Areas (PDAs).

Owing to the influence of several major factors—including budget cuts, instability within municipalities, shifting political priorities at the provincial level, the impact of construction mafias, varying approaches to each grant, administrative decisions, and executive discretion—performance trends over the period may reflect fluctuations in the reported percentages.

1.3 An analysis on rezoning of land acquired during 2014-2019 within Priority Development Areas (PDAs)

The objective of this target was to ensure that all land acquired by the HDA as well as provinces and municipalities during the period 2014-2019 was rezoned for human settlements development.

Between 2014 and 2019, a total of 1,786.29 hectares of land was acquired within the Priority Development Areas (PDAs). By the end of the 2023/24 period, 1,463 hectares (81%) of this land had been rezoned. During the 2024/25 reporting period, an additional 177.16 hectares were successfully rezoned, bringing the cumulative total of rezoned land to 1,640 hectares.

The Department is committed to continue to engage the respective provinces to allocate funding and commence with rezoning through IGR arrangements.

1.4 Assessment of the Provincial and Municipal business plans

During the 2024/25 financial year, the Department managed four grants within the Human Settlements portfolio. This included nine Provincial Human Settlements Development Grant (HSDG) and Informal Settlements Upgrading Partnership Grant (ISUPG) Business Plans, as well as eight Urban Settlements Development Grant (USDG) and associated ISUPG Business Plans. In line with the grant framework timelines, the Provincial HSDG and ISUPG and Metro USDG and ISUPG Business Plans were assessed and approved for the 2025/26 financial year.

The Department undertakes rigorous assessments of all business plans to ensure alignment with the Medium-Term Development Plan (MTDP) targets and the priorities identified through Ministerial and Members of Executive Council (MinMEC) engagements. To support this process, a Business Planning Assessment Committee was established, comprising key programme managers who provided inputs across departmental programmes and Ministerial priorities. The Committee conducted technical and project readiness assessments to determine whether critical planning elements were in place.

To facilitate effective implementation, the Department develops a national consolidated business plan for each of the grants. These consolidated plans serve as strategic instruments, offering detailed project-level information and comprehensive programmatic planning that integrates efforts across provincial, district, and municipal levels. They also highlight planned investments within Priority Human Settlements and Housing Development Areas (PHSHDAs) and provide essential data to support implementation of the District Development Model (DDM).

In accordance with the Housing Act and the Human Settlements Grant Frameworks, provinces are required to submit Multi-Year Development Plans. All business plans must be aligned with Provincial Annual Performance Plans and relevant Municipal Integrated Development Plans (IDPs), ensuring strategic coherence and integrated planning across all spheres of government.

Sub Programme: Macro Policy and Research

Purpose: To undertake research and develop policy that promotes spatial transformation and integration.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Policy

During the 2024/25 financial year, the Department finalised the development of the White Paper for Human Settlements which was approved by Cabinet. The White Paper serves as the policy foundation towards the review of the current Housing Act review and the Housing Code, thereby enabling the development of Human Settlements Act and the Code. The Department further initiated work around the review of the Housing Act together with the review of the Housing Act. These could not be finalised during the financial year under review as their finalisation was dependant on the approval of the White Paper for Human Settlements. Moreover, during the financial year, the Department undertook various consultative sessions with sector stakeholders, primarily the National Policy and Research Task Team (NPRTT) on various policies. The Department further achieved development of four research reports in line with the Research Strategy and Research Agenda. The research reports serve as an important instrument to influence the policies of the Department. As part of the function of Strategy, the Department undertook various consultative sessions with sector stakeholders towards the draft Medium Term Development Plan (MTDP) for the Human Settlements sector. The Department also assessed the Business Plans of the Provinces and the Metros during the financial year. The approval of the final Business Plans experienced delayed approval owing to the change in administration..

- **White Paper for Human Settlements:** The White Paper for Human Settlements was approved by Cabinet on Wednesday, 04 December 2024, and gazetted in the government gazette on 31 January 2025 with copies distributed in line with the Housing Act requirements. The White Paper is a significant milestone in South Africa's journey towards creating sustainable, inclusive, and equitable communities. It aims to



provide an overarching policy framework for the delivery of sustainable human settlements, addressing the lessons learned from past experiences and incorporating the principles of spatial integration, inclusivity, and synergistic approaches.

- **The review of Housing Act:** During the year under review, the Department updated the report on the housing act review that had been developed. The report was tabled at the meeting of the National Policy Task Team that was held on 10 December 2024. The Housing Act review report was then aligned to the Cabinet approved White Paper for Human Settlements and complemented by inputs received from the symposium held on 25 and 31 March 2025 which focussed on the topic of titling, tenure security and provision of section 10 a and b of the Housing Act. The Housing Act review is a critical milestone that will contribute to the repeal of the Housing Act of 1997, and this will be further be implemented in the new financial year.
- **The review of Housing Code:** The Department revised the incremental housing interventions which include but are not limited to programmes such as the emergency housing assistance programme, informal settlements upgrading programme, integrated residential development programme and operational capital programme. The Housing Code review will entail programmes prescripts, guidelines and business processes and will be used by provinces and accredited municipalities to achieve sustainable human settlements in partnership with key role players. The programme of the code will provide guidance to the allocation of human settlements grants and will be finalised in the upcoming financial year.

Research

During the 2024/25 financial year, four key research reports were produced from the Human Settlements Research Agenda.

1. **Research Report on the investigation on countries addressing urbanisation challenges through human settlements development.** A research report investigated how various countries are addressing urbanisation challenges through human settlements development. This study provides comparative insights that can inform local strategies for managing rapid urban growth.

2. **Benchmark Report on the approaches for addressing informal settlements.**

A benchmark report was developed on the approaches for addressing informal settlements. The report offers a review of best practices and policy innovations that support improved living conditions in informal areas.

3. **Research report on global development around climate change resilient practices and technologies.**

Another research report explored global developments in climate change–resilient practices and technologies. It highlights innovative approaches that enhance the resilience of housing and infrastructure in the face of climate challenges.

4. **Research report on international strategies for social and affordable housing development.**

The fourth report examined international strategies for the development of social and affordable housing. It outlines frameworks and interventions that support access to adequate housing.

Sub-Programme: Public Entity Oversight

Purpose: To provide regulatory, strategic and governance oversight of various public entities. This sub-programme also oversees compliance with and performance against legislated mandates and responsibilities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Entities Oversight

During the year under review, the Department monitored the financial and non-financial performance of its entities against the Annual Performance Plan and the Medium-Term Strategic Framework (MTSF) targets. 4 Performance Monitoring Reports were produced as planned. The performance of the entities is integral to the performance of the Department and the sector. Key achievements reported during the year under review, are the rezoning of 10.11% of 1786.1527 hectares of land acquired during the 2014-2019 period falling within Priority Development Areas



(PDAs), 46 Informal Settlements supported for upgrading to Phase 3, the completion of 10 integrated implementation programmes for PDAs and the issuing of 1 827 title deeds by the HDA, the disbursement of 6 200 First Home Finance Subsidies through the NHFC, leveraging R1.6 billion from the private sector in the process, and the delivery of 1 364 social housing units by the SHRA. Engagements were held through the quarterly Sector Performance Reviews, providing entities with the opportunity to account where underperformance was observed and were required to outline proposed corrective actions to improve performance.

In response to government's agenda to prioritise women, youth and persons with disabilities, the Department facilitated the inclusion of designated group procurement expenditure output indicators in the entities' Annual Performance Plans targeting 40% procurement expenditure on businesses owned by women and 26% for business owned by youth and persons with disabilities. The majority of the entities, namely CSOS, HDA, NHBRC, PPRA and SHRA were able to reach the 40% procurement expenditure target on women. However, the achievement of the procurement expenditure target for youth and persons with disabilities proved to be more challenging, and was only achieved by HDA, NHBRC and PPRA. In this regard, the Department advised the entities to establish a database of designated group suppliers who can be invited to respond to bids and to have engagements with the Department of Women, Youth and Persons with Disabilities in order to identify ways to improve performance in this regard.

In addition, the Department monitored progress with the implementation of risk and compliance plans as well as the audit action plans during quarterly Risk and Compliance Management Forum meetings. Interventions were initiated through improvement plans where necessary to address underperformance. Key interventions are the development and implementation of the enabling legislation compliance and risk management monitoring for entities as well as individual engagements by the Department with entities to provide guidance on the development and implementation of compliance and risk management plans.

To strengthen governance within Entities, the Department facilitated the appointment of the boards of the PPRA, NHBRC and the SHRA during the reporting period. On 4 December 2024, Cabinet concurred with the appointment of the non-executive members to serve on the Boards and Councils of the entities subject to security clearance and qualification confirmation.

Furthermore, to ensure good governance, National Treasury appointed the Executive: Strategy and Organisational Performance to serve as the Acting Accounting Authority of CSOS in accordance with section 49(3) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) until the Board becomes functional.

Worth noting is that the Department experienced executive authority transition towards the end of the financial year wherein the newly appointed Minister Simelane re-initiated the call for the nomination of persons to serve on the Boards and Councils of the entities in February 2025. The objective was to identify suitable candidates to be appointed on the Board of the NHFC as well as to fill vacancies on the Boards and Councils of other public entities including the CSOS. It is anticipated that this process will be finalised by end of July 2025.

During the period under review, the Department facilitated the tabling of entities Annual Reports by the statutory date of 30 September 2024. In relation to performance planning, the Department facilitated the development of the entities 2025-30 Strategic Plans and 2025/26 Annual Performance Plans in line with the requirements of the DPME Revised Framework for Strategic Plans and Annual Performance Plans and the 2024-29 Medium Term Development Plan (MTDP). The approved plans for all the entities will be tabled in Parliament by 4 April 2025.

Sub Programme: Monitoring and Evaluation

Purpose: To monitor and report on housing and human settlements programmes and projects in terms of the national housing code.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Department has the mandate to monitor and verify the performance of all National Human Settlements Programmes and Projects in the nine Provinces and eight Metropolitan Municipalities. During the year under review the Department managed to monitor all the projects that incurred expenditure as per the Housing Subsidy System (HSS). The purpose of monitoring is to keep track of progress made in the implementation of projects and programmes with reference to activities and outputs against the targets as per the approved Business Plans.



Desktop analysis was performed on all projects that incurred expenditure that were funded through the Human Settlements Development Grant (HSDG) and the Urban Settlements Development Grant (USDG). The desktop analysis was followed up by the physical verification exercise, projects were verified on the ground.

The physical verification exercises elicited the following key findings:

Human Settlements projects performance is highly affected by the Construction Mafias. On several projects, contractors are being stopped on-site, halting progress due to disputes with local business forums demanding a portion of the project. Provinces and municipalities have since escalated this matter to the law enforcement agencies.

There are also community protest action and illegal invasions. Contractors face intimidation from alleged community members, often due to slow project progress. Illegal invasions before project development and completion are a challenge, as invaders must be removed before work can continue. Provinces and municipalities are embarking on rigorous community consultations before the commencement of projects and during projects implementation.

Because of the country-wide water infrastructure challenges, provinces experienced challenges regarding the provision of water. In instances where local municipalities could not supply water to contractors, this forced them to buy or fetch water elsewhere. Going forward, the municipalities will prioritise the provision of water infrastructure before projects commencement.

There is also inadequate bulk infrastructure and lack of maintenance thereof in local municipalities which lead to issues such as blocked sewer lines, posing health hazards for communities. Children often play in these spillages, and upgrades to treatment plants are not prioritised. Municipalities are shifting the focus into prioritisation and funding of bulk infrastructure to mitigate against this challenge.

Delays in electricity connections result in illegal connections, posing risks to the communities. In this instance municipalities are encouraged to align the planning processes for infrastructure development and provision across various sectors.

Occasional shortages of specific building materials, such as steel, affect the building industry. In rural areas, the high cost of transporting materials from major towns to sites is a significant burden for contractors. Provinces are embarking on the identification and partnering with material suppliers to mitigate against this challenge.

The inclement weather, geology geo-structures and other natural phenomenon are affecting performance on site. The provinces and municipalities are enlisting this risk as a major factor in the project planning process.

There are still cases of poor performing contractors that delay projects performance. Provinces and municipalities have a process in place to identify poor performing contractors and intervene timeously to ensure projects perform in line with the projected timelines.

There are however projects that are performing well hence the performance recorded below.

HSDG projects:



PROVINCE	Projects in the Approved Business Plan	Projects Under Implementation (with expenditure 2024/25)	Total Number of Verified Projects 2024/25 FY
EC	435	179	30
FS	183	58	22
GP	112	112	31
KZN	557	209	28
LP	216	125	19
MP	297	203	23
NC	45	10	7
NW	517	95	34
WC	146	96	16
TOTAL	2 508	1 087	210

USDG Projects:

METRO	Business Plan Projects	Under Implementation	Incurred Expenditure	Total number of projects verified 2024/25 FY
BCM	48	72	51	17
NMB	90	86	66	21
MAN	86	89	37	11
COE	96	193	23	16
COJ	87	67	52	16
COT	80	86	69	12
ETM	88	118	79	15
CCT	96	114	95	17
TOTAL	671	825	472	125

During the period under review, the Department completed the Design and Implementation Evaluation of the Priority Human Settlements and Housing Development Areas (PHSHDAs). The PHSHDAs aim to transform South Africa's urban landscape by addressing apartheid spatial inequalities and promoting inclusive development. The programme leverages housing delivery to restructure urban areas, enhance livelihoods, and ensure equitable access to economic and social infrastructure. The evaluation assessed the alignment of PHSHDAs

with national spatial transformation goals and the effectiveness of the programme's design and implementation.

The evaluation revealed critical insights into the operational effectiveness of PSHSDAs and the alignment of the programme with spatial transformation objectives. The evaluation recommended improvements in coordination and collaboration across the three spheres of Government, effective and efficient capacity building and resource allocation, improved monitoring and evaluation, stakeholder engagement and community involvement, as well as clarity and alignment of objectives.

During the period under review the Department also monitored and assessed and mapped the Restructuring Zones applications that were received from Emfuleni Local Municipality in Gauteng Province, Polokwane Local Municipality in Limpopo Province and Mangaung Metropolitan Municipality in the Free State Province.

The Department also monitored and mapped the HSDG expenditure performance, projects with delivery of site and units nationally. At the end of the financial year, 38 957 sites were serviced and 38 453 houses/units were delivered, this represents 151,2% against the annual target for serviced sites, and 105,2% against the target for houses/units.

During the reporting period the Department maintained an average of 98% Housing database availability which enabled the sector to draw reports on a project level to determine actual expenditure and delivery during the reporting period related to their areas of responsibility. The systems were also made available for users who were tasked to work overtime and over weekends to ensure that households can register their need for adequate shelter at their most convenient time on the National Housing Needs Register (NHNR).

The Department also initiated the development of the Geographic Information Systems (GIS) Strategy, to serve as a roadmap for advancing the effective use of GIS in the Human Settlements Sector. The Strategy aims at providing a structured framework to enhance spatial planning, decision-making, and service delivery while driving continuous progress towards a more data-driven and efficient future.

Sub-Programme: Capacity Building and Sector Support

Purpose: To improve intergovernmental coordination and provide sector-specific technical capacity to provinces and municipalities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

For the financial year under review, the department had set a target of Sixty (60) Intergovernmental relations activities in various areas of its operation and delivered seventy-nine, (79) cumulative programmes as per the annual output, translating to an overachievement of the number of activities delivered in a particular year. In this period, the department convened various stakeholder engagements with provincial departments, NGOs/CBOs and attended to several community interventions through stakeholder engagements, performance assessment meetings, IGR meetings and Izimbizo as an effort to solicit their contribution towards the goal of Human Settlements Development. However, in terms of the specific areas of delivery, there was one quarterly activity, MinMec meeting, that was not achieved – owing to national elections that took place on the 29th of May 2024. There were three (3) quarterly MinMec meetings that were convened, against the target of four (4). The reason for the underachievement in this area was as the result of the national general elections that took place on the 29th of May 2024. The MinMec meetings serve as the cornerstone for the monitoring of provincial performance by the Executive Authority. Further, the department organized and convened provincial and metropolitan performance assessments meetings between the Minister and specific MECs together with their respective accounting officers.

This was done as a mechanism for the Executive Authority to play her oversight responsibility over provinces and metropolitan municipalities. Finally, the department had also received and processed several cases of service delivery from various communities through different means including correspondences, Izimbizo and others – requesting the department's intervention on housing matters. Many of these cases were issues raised by vulnerable groups. The matters were processed through the inter-governmental structures for resolution and to address the imperatives of security of tenure and providing sustainable housing solutions. These interventions have been implemented in an effort at bridging the gap between government and citizens of the Republic of South Africa on matters of service delivery in general.



Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Chief Directorate: Policy Development								
Spatial Transformation through multi programme integration in Priority Development Areas	Investment towards spatial transformation through multi programme integration in Priority Development Areas	An analysis on investments towards spatial transformation through multi programme integration in Priority Development Areas	2 analysis reports on the total human settlements allocation in PDAs were completed, however, sector investments could not be verified	2 reports on monitoring Human Settlements allocations to PDAs	An analysis on investments towards spatial transformation through multi programme integration in Priority Development Areas	An analysis on investments towards spatial transformation through multi programme integration in Priority Development Areas	None	Not Applicable
Adequate housing and improved quality living environment	2024-2029 Human Settlements MTSF priorities and targets	2024-2029 Human Settlements MTSF priorities and targets developed	New target	Draft 2025-2030 MTSF developed	2024-2029 Human Settlements MTSF priorities and targets developed	2024-2029 Human Settlements MTSF priorities and targets developed	None	Not Applicable
Adequate Housing in improved quality living environment	White Paper for Human Settlements	White Paper for Human Settlements developed	9 Policies developed	1 policy approved Policy Foundation for Housing and Human Settlements	White Paper for Human Settlements developed	White Paper for Human Settlements developed	None	Not Applicable
Adequate Housing in improved quality living environment	Reviewed Housing Act	Housing Act reviewed	New target	New target	Housing Act reviewed	Review of Housing Act not finalised. There was a dependency on the approval of the White paper	Reviewed Housing Act	Target was dependent on the approval of the White Paper.

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate Housing in improved quality living environment	Reviewed Housing code	Housing code reviewed	New target	New target	Housing code reviewed	Review of Housing Code not finalised. There was a dependency on the approval of the White paper	Reviewed Housing code	The target depended on the approval of the White paper
Adequate Housing in improved quality living environment	Report on the investigation on countries addressing urbanisation challenges through human settlements development. Report on the investigation on approaches to address informal settlements.	Number of reports produced from the Research Agenda	New Target	Research Agenda approved	4 reports produced from the Research Agenda	4 reports produced from the Research Agenda	None	Not Applicable
Chief Directorate: Compliance & Public Entities Oversight								
Adequate Housing in improved quality living environment	Entities' performance monitored	Number of entities' performance monitored	4 reports on entities performance monitored	4 reports on monitoring entities performance	6 entities' performance monitored	6 entities' performance monitored	None	Not Applicable
Chief Directorate Sector Information Management System (IMS) & Performance Monitoring and Evaluation								
Adequate Housing in improved quality living environment	Reports on monitoring of projects as per approved business plans	Number of reports on monitoring of projects as per approved business plans (HSDG)	4 Reports on monitoring of projects as per approved business plans	4 Reports on monitoring of projects as per approved business plans	4 Reports on monitoring of projects as per approved business plans (HSDG)	4 Reports on monitoring of projects as per approved business plans (HSDG)	None	Not Applicable
Adequate Housing in improved quality living environment	Reports on monitoring of projects as per approved business plans	Number of reports on monitoring of projects as per approved business plans (USDG)	4 Reports on monitoring of projects as per approved business plans	4 Report on monitoring of projects as per approved business plans	4 Report on monitoring of projects as per approved business plans (USDG)	4 Reports on monitoring projects as per approved business plans (USDG)	None	Not Applicable

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate Housing in improved quality living environment	Evaluation study report	Number of evaluation studies completed	Draft report on evaluation study completed: Implementation evaluation of the Operational Capital Programme (OPSCAP)	1 Evaluation study not completed: Design and Implementation of the Evaluation of the Priority Human Settlements and Housing Development Areas Programme (PHSHDA)	1 Evaluation study completed: Design and Implementation evaluation of the Priority Human Settlements and Housing Development Areas (PHSHDAs)	1 Evaluation study completed: Design and Implementation evaluation of the Priority Human Settlements and Housing Development Areas (PHSHDAs)	None	Not Applicable
Adequate Housing and improved quality living environment	Intergovernmental relations programmes implemented	Number of intergovernmental relations programmes implemented	4 reports on Intergovernmental Relations Programmes implemented	49 intergovernmental relations programmes implemented	60 intergovernmental relations programmes implemented	77 ¹ intergovernmental relations programmes were implemented	17 intergovernmental relations programmes were implemented, however, 1 MinMec did not take place in Quarter 1 as planned	The MinMec planned for the first quarter was not convened due Executive Authority changes.

¹ The overall target is categorised into five elements with different sub targets. As stated below, each element should have been achieved for the overall target to be achieved. Because only three out of four planned MinMec meetings were held the overall target was not achieved.

Intergovernmental Relations Programmes	Annual Target	Annual output	Comment
Quarterly Provincial and Municipalities Performance Review Sessions	4	4	Achieved
Quarterly MinMec meetings	4	3	Not achieved
Quarterly Technical MinMec meetings	4	4	Achieved
Ministerial Outreach Initiatives implemented	24	37	Overachieved
Ministerial community interventions implemented	24	29	Overachieved

Linking performance with budgets

Programme 2 Integrated Human Settlements Planning and Development: Expenditure

Sub- Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management for Integrated Human Settlements Planning and Development (IPDP)	4 090	3 457	633	3 534	2 955	579
Macro sector planning	22 466	15 648	6 818	19 241	17 006	2 235
Macro policy and research	52 646	40 314	12 332	50 765	48 693	2 072
Monitoring and evaluation	66 210	51 130	15 080	51 759	49 218	2 541
Public entity oversight: (HDA, CSOS, EAAB, NHBRC)	254 591	254 591	-	243 649	243 649	-
Grant management: (HSDG, USDG, TRG)	22 360 549	22 360 549	-	20 850 859	20 850 859	-
Capacity building and sector support: (PMU, Title Deeds programme)	35 885	94	35 791	88 881	79 307	9 574
Total	22 796 437	22 725 783	70 654	21 308 688	21 291 687	17 001

Strategy to overcome areas of underperformance

Post the approval of the White Paper for Human Settlements, the Department will advance the finalisation of the review of the Housing Act and the Housing Code in the new financial year. The Department will further ensure that all the Business Plans are submitted timeously for the approval for the financial year 2025/26.

During the period under review, one (1) planned activity was not achieved. Specifically, only three (3) quarterly MinMec meetings were convened, falling short of the target of four (4). This underachievement was due to the national general elections held on 29 May 2024, which impacted the scheduling of the meetings.

To mitigate the risk of similar shortfalls in the future, the department has developed an annual schedule of MinMec meetings. This schedule has been communicated to provincial MECs and metropolitan municipalities. It has been carefully planned to consider national and interdepartmental events that may affect the timely and successful convening of MinMec meetings. The Department through the IGR function will strengthen inter departmental coordination and partner with civil society for community-level outreach and awareness campaigns tailored to women and youth, and people living with disabilities.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See annexure A for provincial audited standardised indicators

4.3 Programme 3: Informal Settlements

4.3.1 Purpose of the Programme:

Provide policy, planning and capacity support for upgrading informal settlements, and oversee implementation of the Informal Settlements Upgrading Programme in terms of Volume 4, Part 3 of the 2009 Housing Code

Sub Programme: Capacity Building and Sector Support

Purpose: To improve intergovernmental coordination and provide sector-specific technical capacity to provinces and municipalities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

1. Overview

The Republic of South Africa is a signatory to the United Nations Millennium Development Goals (SDGs), which provide for the significant improvement in the lives of at least 100 million slum dwellers. In addition to these conventions, South Africa adheres to the following declarations under the UN Habitat programme: The Vancouver Declaration on Human Settlements (1976), the Istanbul Declaration on Cities and Other Human Settlements (1996) and the Habitat Agenda (1996), the focus of which is to address the plight of persons without adequate housing. The Upgrading of Informal Settlements Programme is consistent with the above international conventions with its primary objective being to cater for the special development requirements of informal settlements.

2. Policy Prescript

2.1. Policy Intent

The key objective of this programme is to facilitate the structured in situ upgrading of informal settlements as opposed to relocation to achieve the following complex and interrelated policy objectives:

- **Tenure Security:** to enhance the concept of citizenship, incorporating both rights and obligations, by recognising and formalising the tenure rights of residents within informal settlements;
- **Health and Security:** to promote the development of healthy and secure living environments by facilitating the provision of affordable and sustainable basic municipal engineering infrastructure to the residents of informal settlements. This must allow for scaling up in the future; and
- **Empowerment:** to address social and economic exclusion by focusing on community empowerment and the promotion of social and economic integration, building social capital through participative processes and addressing the broader social needs of communities.

3. About Informal Settlements Upgrading

- **Outcome statements:** Adequate housing in improved quality living environment
- **Strategic goal:** The creation of sustainable and integrated human settlements that enable improved quality of household life
- **Grant purpose:** To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements.

4. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The Informal Settlements Upgrading Programme 2024-2025 Annual performance focused on:

- a) Providing support to 9 Provinces and 8 Metros for planning in the upgrading of informal settlements and monitoring and reporting progress of the Informal Settlements Upgrading projects.
- b) Re-blocking of 8 informal settlements in Free State, Gauteng and Western Cape.
- c) Assessing and Categorising 50 informal settlements.

The targets were implemented through the following interventions:

4.1 Provision of support to the provinces on implementation of ISUPG

A sample of informal settlements were selected from the 2024/25 Business Plans and were monitored, wherein progress reports were developed for each project site visits. In total, **75** informal settlements were visited during the 2024/25 financial year and among those some projects were visited more than once to track/monitor progress. The Department visited Phase 3 infrastructure projects where contractors were installing permanent municipal engineering services i.e. water, sewer reticulation, electricity, roads and storm water drainage/management.

4.2 Provision of support to the metros on implementation of ISUPG

A sample of informal settlements were selected from the 2024/25 Business Plans and where monitoring was conducted, progress reports were developed through project site visits. In total, **67** informal settlements were visited during the 2024/25 financial year and among those some projects were visited more than once to track/monitor progress. The

Unit visited Phase 3 infrastructure projects where contractors were installing permanent municipal engineering services i.e. water, sewer reticulation, electricity, roads and storm water drainage/management.

4.3 Assessment and Categorisation of Informal Settlements

During the year under review, a total of 121 informal settlements were assessed and categorised in North West during the development of Provincial Informal Settlements Upgrading Strategy. Informal Settlements will be assessed across other provinces in the future.

4.4 Re-blocking of Informal Settlements

The Department re-blocked nine informal settlements during the period under review in Gauteng (3); Western Cape (2); Free state (4). Informal Settlements will be re-blocked across other provinces in the future..

Some challenges in the implementation of the UISP in the provinces were addressed. During the interactions with provinces and municipalities the following are often discussed: reporting, expenditure to date, expenditure drivers/interventions to accelerate expenditure, possible non-performance/roll over and other technical issues contributing to delays in non-expenditure. Some details in terms of **key challenges** identified are as follows:

- **Planning** – lack of compliance with planning standards and regulations.
- **Construction** –high water table on site and theft of construction material.
- **Procurement** – outstanding supply chain matters regarding the appointment of contractors.
- **Labour disputes** – agreements of the hourly rate of payment for workers.

Remedial Actions:

- **Planning** - communication with the relevant municipality is done on the encroachment issues such as electricity poles on the road.

- **Construction** - HDA to assist some of the Metros.
- **Procurement** – plans are underway to address outstanding appointments of contractors.
- **Labour** - the contractor is in negotiation with the community on disputed labour payment matters. And extension of the contract to deal with outstanding work (Evidence: Monitoring Progress Report).

The following projects were visited during 2024/25 financial year:

EASTERN CAPE	
1.	<i>Humansdorp – Polar Park (Kwanomzamo)</i>
2.	<i>Humansdorp Donkerdorp 234</i>
3.	<i>Mount Ayliff – Chitwa</i>
4.	<i>Mount Frere – Silvercity 1125</i>
5.	<i>Mbizana Highlands 830</i>
6.	<i>Jeffreys Bay No R10</i>
7.	<i>Queenstown-Mlungisi Cementry 150 & Queenstown-Gauteng 250</i>
8.	<i>Queenstown-Nomzamo 100</i>
9.	<i>Queenstown-Polar Park 143</i>
10.	<i>Queenstown- Silvertown 300</i>
11.	<i>Engcobo- Ndevu 250</i>
12.	<i>Engcobo-Emaxelegwini 300</i>

FREE STATE	
13.	<i>Raymond Mhlaba and Mooidraai (Zamdela Ext 18)</i>
14.	<i>Slovopark (Majwemasweu Ext 5)</i>
15.	<i>Phomolong Ext 5 & 6</i>
16.	<i>Intabazwe Ext. 2</i>
17.	<i>Roleleathunya Ext 6</i>
18.	<i>Manyatseng Ext 1</i>
19.	<i>Winburg Ext 17,18 & 19</i>
20.	<i>Brandfort (Slovo Park -Majwemasweu Ext.5)</i>
21.	<i>Hennenman (Baipheing -Phomolong Ext.5 & 6)</i>
22.	<i>Manyatseng Ext.5</i>
23.	<i>Raymond Mohlaba and Mooidraai (Zamdela X18)</i>
GAUTENG	
24.	<i>Munsieville (Pangoville Informal settlement)</i>
25.	<i>Soul City</i>
26.	<i>Dan Tloome for relocation of Jabulani, Bekkersdal and Baipei Informal Settlements</i>
27.	<i>Video Informal Settlement</i>
28.	<i>Pikoko Informal Settlement</i>
29.	<i>Tshepiso North Ext 3</i>

KWA-ZULU NATAL	30. <i>Itembe</i> 31. <i>Ntuzuma</i> 32. <i>Inyoni</i> 33. <i>Empangeni</i> 34. <i>Thubalethu</i> 35. <i>Dumisane Makhaye Village</i> 36. <i>Etete Project</i> 37. <i>Inyoni Phase 4</i> 38. <i>Steve Biko</i>
LIMPOPO	39. <i>Design and Construction of Internal Engineering Services (Variation) (Phamela 643 sites) Game Farm</i> 40. <i>Phagameng Ext 13</i> 41. <i>Siyandani Giyani Project</i> 42. <i>Giyani Ext F</i> 43. <i>Mopani/Giyani Muni./Lumar/Geotech/ Services (365)22/22</i> 44. <i>Design and Construction of Internal Engineering services for 100 Sites(T2-TECH)</i> 45. <i>Bela-Bela X25 - Design and Construction of Internal Engineering Services</i> 46. <i>Bela-Bela X25 - Design and Construction of Internal Engineering Services 110 Sites – Bela-Bela X25 Waterberg</i> 47. <i>Bela-Bela X25 - Design and Construction of Internal Engineering Services 141 Sites – Bela-Bela X25</i>

MPUMALANGA	48. <i>Msholoji Development – Sizampilo – 3220</i> 49. <i>Msholoji Development – Tiger – 740</i> 50. <i>Empumelelweni Ext 8</i> 51. <i>Ackerville Ext 17 – 242</i> 52. <i>Kwa-Guqa Ext 15 -100</i> 53. <i>Empumelelweni Ext 9</i> 54. <i>Kwa Guqa Ext 10</i> 55. <i>Kinross Ext 34</i> 56. <i>Kinross Ext 33</i>
NORTHERN CAPE	57. <i>Lerato Park (Phase 6) Civils</i> 58. <i>Goutrou (Hopetown)</i> 59. <i>Grobblershoop</i> 60. <i>Gamakor</i> 61. <i>Ivory Park 1175 Civils</i>
NORTH WEST	62. <i>Wolmaransstad Ext.19</i> 63. <i>Popo Molefe</i> 64. <i>Kanana Ext 17</i> 65. <i>Mbeki Sun 2000</i> 66. <i>Bloemhof Ext.11 & 12</i> 67. <i>Wolmaranstad Ext.17</i>

WESTERN CAPE	68.	<i>Khayelitsha</i>
	69.	<i>Bonnievale, Boekenhoutskloof</i>
	70.	<i>Goniwe Park/Joe Slovo/Protea Heights</i>
	71.	<i>Mosselbay</i>
	72.	<i>Kayamandi Zone O</i>
	73.	<i>Theewaterskloof: Villiersdorp Destiny Farm: 2305 Services</i>
	74.	<i>Malmesbury De Hoop/Phola Park</i>
	75.	<i>Overberg: Overstrand: Hermanus Masakhane 1569 Sites: UISP - Ph 1: 1569 Sites</i>
METROPOLITAN MUNICIPALITIES PROJECTS VISITED		
BUFFALO CITY MUNICIPALITY	76.	<i>Ilitha Sportsfield</i>
	77.	<i>Ginsburg</i>
	78.	<i>Mdantsane NU2 (WWTW)</i>
	79.	<i>Reeston Khayelitsha Roads</i>
	80.	<i>Cambridge West</i>
	81.	<i>Mdantsane Infill (Matsheni Park)</i>
	82.	<i>Refurbishment of Mdantsane network floods damages</i>
	83.	<i>Mdantsane Infill (Khayelitsha)</i>
84.	<i>Mdantsane Infill- Empilisweni</i>	

CITY OF EKURHULENI	85. <i>Birchleigh North Ext 4</i>
	86. <i>Clayville</i>
	87. <i>Tembisa X25</i>
	88. <i>Winnie Mandela 1 – 7</i>
	89. <i>Duduza Reservoir (Siyahlala)</i>
	90. <i>Tamboville Overflow</i>
	91. <i>Harry Gwala (Wattville)</i>
	92. <i>Home Seekers (Chief Albert Luthuli Ext 4)</i>
	93. <i>Brakpan North (State Mine)</i>

ETHEKWINI MUNICIPALITY	94. Kloof Ext 15 & 21 95. Banana City 96. Kloof Ext.15 & 21 97. Ntuzuma G Infill 98. Namibia Stop 8 Housing Project 99. Burlington Heights Greenfield Housing
CITY OF CAPE TOWN	100. Greenville 101. Khayelitsha 102. Kalbaskraal Informal Settlement 103. Mfuleni Ext 1 104. Enkanini Informal Settlement 105. Bosasa Link – Mfuleni 106. Sheffield Road Housing Project 200 units 107. Enhanced Basic Services: Princessvlei

CITY OF JOHANNESBURG	108. Vezunyawo 109. Fleurhof Development 110. Volgespruisfontein 231 – IQ 111. Tshepisoong 112. Zandspruit 113. Kya Sands 114. Block M (Or Tambo) 115. Meriting Informal Settlement 116. Drieziek Taxi Rank
CITY OF TSHWANE	117. Booyens Ext 1 118. Andeon Ext 37 119. Zithobeni Ext 8 & 9 120. Zithobeni Heights 121. Kameeldrift Ext. 37 & 42 122. Portion 172,173,177 Kameeldrift 298-JR 123. Block M (Or Tambo) 124. Meriting Informal Settlement 125. Drieziek Taxi Rank 126. Itereleng/Mooiplats 127. Ga-Rankuwa Zone 4 and 5 128. Ga-Rankuwa Zone 14

MANGAUNG	129. <i>Caleb Motshabi</i> 130. <i>Dewetsdorp</i> 131. <i>Botshabelo Section T</i> 132. <i>Sonderwater</i> 133. <i>Soutpan</i> 134. <i>Jacob Zuma</i>
NELSON MANDELA BAY	135. <i>Church Village/Ekuphumuleni Stofile</i> 136. <i>Duna park</i> 137. <i>Warmer Arlington</i> 138. <i>Motherwell NU2</i> 139. <i>Mabandla 22K</i> 140. <i>Booysens Park Main</i> 141. <i>Vastrap</i> 142. <i>Vistarus</i>
Total number of projects visited in 2024/25 Financial Year	142

4.5 Key challenges with regards to Planning and Implementation of ISUPG in the Province and Metros

- Some challenges experienced include late submission of procurement plans, readiness of projects in the procurement and understanding of the Informal Settlements Upgrading Partnership Grant Framework and Upgrading of Informal Settlements Programme. The basic understanding of the programme and what the grant can buy remains a challenge. This includes the utilisation of chemical toilets and informal settlements perpetually in Phase 2.
- Allocation of budget for projects that are not categorised as informal settlements (i.e., projects which must not be funded from the Informal Settlements Upgrading Grant Business Plan).
- Lack of planning and poor performance of appointed service providers/contractors which results in Provinces and Metros not being able to spend the allocated budget.
- Late appointment of contractors/service providers which also results in poor performance of Provinces and Metros.

Major highlights towards the achievement of the outcomes

In the 2024/25 financial year, the Department focused on “providing support to nine provinces and eight metros for the upgrading of informal settlements to Phase 3 of UISP.”

The set target was *“Support provided to nine provinces and eight metros in the Upgrading of Informal Settlements to Phase 3 of UISP”*.

As at the end of the year under review, the Department supported various informal settlements at various stages of upgrading while others are at implementation stage wherein permanent infrastructure is installed and others are in the process of being formalised.

EMERGENCY HOUSING AND DISASTER RELIEF

During the year under review, the Department responded to various national-wide disasters. The interventions mainly included the following:

Restoration: provision of new building materials to households whose shacks were destroyed by the disaster.

Temporary Relocation: provision of Temporary Emergency Accommodation (**TEA**) for households displaced by the disaster.

Rebuilding: construction of Temporary Residential Units (**TRUs**) to replace destroyed mud houses and completely damaged formal houses.

Repairs: repair partially damaged formal houses based on structural assessment reports conducted by the National Home Builders Registration Council (**NHBRC**) assessment reports.

The weather patterns have seen an increase in violent inclement weather that affects vulnerable communities, especially in rural settings where mud houses are the predominant feature. Due to heavy rainfall and hot and sunny weather, the mud structures are being affected drastically which then implies that those structures are not safe to live in, hence the provision of TRU's has become necessary to mitigate such.

During the 2024/25, service providers were appointed to construct temporary residential units in various provinces, building material kits/packages and deliver them to victims of shack fires. And the National Home Builders Registration Council (NHBRC) appointed to carry out structural assessments to formal houses that were damaged by inclement weather and bills of quantities being developed to effect repairs to damaged houses.

The Department developed the Emergency Housing Framework which was discussed at MINMEC during the fourth quarter and will be finalised in the new financial year. In keeping with service delivery targets, the Emergency Housing Unit has engaged with all service providers who are constructing temporary residential units nationally. These engagements centred around the progress on the construction of TRU's, challenges faced by service providers and delivery dates of TRU's to the beneficiaries.

During 2024/25, the Emergency Housing Unit also participated in the Human Settlements Portfolio Committee interventions in the Stellenbosch Municipality and is assisting the Municipality to provide interventions to residents of Ghiff Informal Settlements as well as residents of Khayamandi. Presentations on interventions were made to the Portfolio Committee while some are being submitted to the Director-General's office.

1. ANNUAL PERFORMANCE PLAN TARGETS:

1.1 Provincial emergency housing response & mitigation plans developed for 9 provinces

During the year under review, the Department developed Emergency Housing Response and Mitigation Plans for all provinces.

The main purpose of the Disaster Management and Mitigation Plans are to enable the National Department to:

- Provide a structured and streamlined process and procedure to effectively respond to disaster events.
- Establish communities, housing developments, beneficiaries and informal settlements most vulnerable and at risk of disasters.
- Provide temporary sheltered accommodation for persons evacuated or made temporarily homeless.
- Restore normality to the affected community within a reasonable timescale, dependent on the seriousness of the incident.
- Focus on strengthening community capacities by creating awareness.

1.2 Disaster Awareness Session

The Department hosted disaster awareness sessions during 2024/25. An all-encompassing comprehensive response and mitigation plans were developed and will be approved for implementation in the new financial year.

The following stakeholders participated in the Disaster Awareness programme:

1. National Department of Human Settlements Emergency Housing Unit;
2. Mpumalanga Department of Human Settlements
3. Limpopo Department of Human Settlements
4. Western Cape Department of Infrastructure
5. KZN Department of Human Settlements
6. National Disaster Management Center (apology tendered)
7. South African Weather Services
8. Northern Cape Disaster Management Centre
9. Free State Disaster Management Centre
10. Eastern Cape Disaster Management Centre
11. Sedibeng District Municipality
12. Capricorn District Municipality
13. Lejweleputswa District Municipality

2. KEY CHALLENGES

The Department faced the following challenges when responding to emergency housing situations:

1. The areas and affected households are geographically scattered.
2. Inclement weather conditions cause delays with regards to assessments and subsequently the implementation.
3. Delays in municipalities/provinces providing beneficiary lists.
4. Slow delivery of TRU's by service providers.
5. Unavailability of building material beneficiaries.
6. Duplication of names in beneficiary lists



Programme: Informal Settlements

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Human Settlements Sector Planning Support								
Adequate Housing in improved quality living environments	Support provided to Provinces on the implementation of ISUPG.	Number of Provinces provided with support on the implementation of ISUPG.	9 Provinces and 8 Metros were supported for planning in the upgrading of informal settlements through the assessment of the draft Provincial Business Plans and giving feedback to provinces, however, the Business Plans were not approved.	Provinces and metros not fully provided with support in the upgrading of informal settlements with permanent engineering services	9 Provinces provided with support on the implementation of ISUPG.	9 Provinces provided with support on the implementation of ISUPG.	None	Not Applicable
Adequate Housing in improved quality living environments	Support provided to Metros on the implementation of ISUPG.	Number of Metros provided with support on the implementation of ISUPG	9 Provinces and 8 Metros were supported for planning in the upgrading of informal settlements through the assessment of the draft Provincial Business Plans and through feedback to provinces, however, the Business Plans were not approved.	Provinces and metros not fully provided with support in the upgrading of informal settlements with permanent engineering services	8 Metros provided with support on the implementation of ISUPG	8 Metros provided with support on the implementation of ISUPG.	None	Not Applicable

Programme: Informal Settlements								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate Housing in improved quality living environments	Informal settlements re-blocked.	Number of Informal Settlements re-blocked	New Target	New Target	8 informal settlements re-blocked	9 informal settlements re-blocked	1 more informal settlements was reblocked	The Tokyo informal settlement was erroneously left out of the record of reporting. The Informal Settlements was also re-blocked during the year under review. This represents an over achievement of the target and was initially understated.
Adequate Housing in improved quality living environments	Informal Settlements assessed	¹ Number of Informal Settlements assessed	New Target	New Target	50 informal settlements assessed	121 informal settlements assessed	71 more informal settlements were assessed	Even though there is an overachievement of the target, The Department could not provide sufficient evidence to support the achievement

Programme: Informal Settlements

Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate Housing in improved quality living environments	Provincial Emergency housing response & Mitigation plans	Number of provincial Emergency housing response & mitigation plans developed	New Target	New Target	9 Provincial Emergency housing response & mitigation plans developed	6 Provincial Emergency housing response & mitigation plans developed	-3 Provincial Emergency housing response & mitigation plans developed	Provincial emergency housing response & mitigation plans for 3 provinces developed but not approved.
Adequate Housing in improved quality living environments	Disaster Awareness Sessions	Number of Disaster Awareness Sessions conducted	New Target	New Target	4 Disaster Awareness Sessions conducted	3 Disaster Awareness Sessions conducted	-1 Disaster Awareness Sessions conducted	The Emergency Housing Unit sent letters and reminders for stakeholder engagement and there was no positive response from the listed specified provinces

Linking performance with budgets

Programme 3 Informal Settlements : Expenditure

Sub- Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management for Informal settlements programme	5 256	2 604	2 652	4 629	3 494	1 135
Grant management: (ISUPG, emergency housing)	8 812 997	8 257 511	557 907	8 437 894	7 993 889	444 005
Capacity building and sector support: (NUSP)	65 969	15 822	43 726	27 663	16 112	11 551
Total	8 884 222	8 275 937	604 285	8 470 186	8 013 495	456 691

Strategy to overcome areas of under performance

The Informal Settlements Upgrading and Emergency Housing acknowledges the under performance which was as a direct result of concentrating on a large number of disaster response initiatives as well as the limited capacity. As a remedial measure, not only does the Branch intend on enhancing the capacity sought, the Branch also intends on establishing solid pre-disaster risk reduction measures through developing and implementing preparedness plans as well as the mitigation strategies which will routinely be inclusive of efficiently conducting disaster awareness sessions.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See annexure A for provincial audited standardised indicators



4.4 Programme 4: Rental and Social Housing Programme

4.4.1 Purpose:

Promote the provision of affordable rental housing and develop capabilities in the rental housing sector through intergovernmental collaboration and evidence-based research.

Sub-Programme: Capacity Building and Sector Support

Purpose: To improve intergovernmental coordination and provide sector-specific technical capacity to provinces and municipalities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

During the 2024/25 financial year, the Rental Housing Programme had four targets. The first two targets focused on Social Housing Programme which allowed the Department to provide support and play oversight to the Social Housing Regulatory Authority (SHRA). The MTDP priorities for Social Housing included the delivery of Social Housing units through the CCG which is administered by the SHRA using the accredited Social Housing Institutions and Other Delivery Agents (ODAs). The target for the period under review was to deliver 2 699 units.

There were a number of challenges experienced in the rental housing space and there were also areas of excellence in which we observed better cooperation between stakeholders. During the period under review the sector through the SHRA managed to only deliver 1 364 (51% of the annual target) of the planned 2 699 units, and only 1 364 (51%) were delivered during the year under review. The non-achievement of the target is largely attributed to the following challenges: delays in project approval and contracting; difficulty in securing debt by some of the delivery agents (SHIs) therefore delaying financial closure for a number of projects that could have contributed to delivery of units. As at the end of 2024/25 financial year the Social Housing pipeline managed by the SHRA remained healthy and demonstrate potential to deliver in excess of thirty thousand units in the foreseeable future. This is subject to, amongst other things, securing of debt funding and legislative compliance and technical requirements, including availability of bulk services.

Delivery of 1 364 units during the year under review means that there was a variance 1 335 units. It is therefore envisaged that the Department working with the SHRA will consider all efforts to ensure that the shortfall is recovered during the second year and the remainder of the MTDP period. In respect CCG quantum, it must be mentioned that there are projects that are struggling to complete construction due to the fact that those projects were approved under the old quantum. The Department will consider all available avenues to safe those projects that are affected by the policy constraints on quantum adjustments despite the price escalations in the construction space.

In respect of tenanting the SHIs managed to tenant at least 2 661 units of the planned 2 257 units as reported by the SHRA.

As part of the approved MTDP priorities the focus will be on approving all projects within the Restructuring Zones and improved rental collection. Worth noting is that all approved and funded projects are within restructuring zones and collection rates as reported by the SHRA has improved except for challenges experienced by the Municipal Owned Entities (MOEs) that continue to lag in terms of rent collection compared to Other Delivery Agents (ODAs). The Department continues to provide implementation support for both Rental programmes. At the minimum the Department coordinate quarterly National Rental Housing Task Teams (NRHTT) meetings and the quarterly CRU Reference Group meetings which were held in all quarters and the planned site visits to projects under construction and projects with challenges were undertaken as planned.

With reference to the Community Residential Units programme, the sector target was to deliver 1 021 units during the year under review, however target was not achieved across the sector. As part of its oversight role, the Department provided support by conducting site visits, providing implementation support to other oversight bodies as it extended its oversight role to the provinces. In addition to the delivery challenges, the Department also noted challenges in respect of property management of the existing stock across the country. To address these challenges, the Department initiated intervention to appoint a service provider to assess the programme's feasibility and initiatives to explore any possible involvement of the SHRA within the existing legislative prescripts.

During the period under review the Department supported the Minister in launching a number of social housing projects including the Grand Central Social Project in Gauteng, Conradie Park Social Housing in the Western Cape. The Hull Street project, Marapong CRU,

G Hostel, Dark and Silver City Hostels both Bottom and Top sites were also visited by the National Council of Provinces (NCOP) as part of its oversight mandate. G Hostel, Dark and Silver City Hostels both Bottom and Top sites as well as Glebelands Hostel were also visited by the Portfolio Committee. Some of the Social Housing projects with newly completed units were visited by the officials as part of Departmental oversight; these projects included the Devland Gardens (GP), Goodwood Station (WC), Riverside View (GP) and Benoni (GP), these were in addition to Ministerial visits and launches.

While there are areas of concern in both the delivery of Social Housing and CRU, there is room for improvement and Department commits to continue to engage with the implementing agents in the sector i.e. the SHRA and the provinces respectively.

In respect of the Housing tribunals as directed by the provisions of the Rental Housing Act 50 of 1999, the Department ensured that all provinces have duly established Rental Housing Tribunals that were supported through monitoring their performance and the provision of capacity development. The following achievement were realised during the period under review:

- Development of a standardised reporting template for all Rental Housing Tribunals.
- Four quarterly meetings held to monitor the performance of Rental Housing Tribunals, and to provide feedback on analysed performance gaps. The quarterly meetings were attended by crucial stakeholders including Magistrates, the Development Action Group, Public Protector (provinces), Legal Aid South Africa and the South African Human Rights Commission.
- Partnerships established with the Social Housing Regulatory Authority and Community Schemes Ombud Service, which culminated into the rollout of the Training of Rental Housing Tribunals, Social Housing Institutions and Officials Managing Public Rental Stock on Compliance and Tenant Management.

Areas of concern and interventions:

- Provinces such as the Free State and North-West Provinces took in excess of four (4) months to gazette vacancies and appoint members of their respective Rental Housing Tribunals- Accordingly, provinces will be encouraged to commence with their recruitment processes before the tenure of the sitting Tribunal comes to an end.
- Partnerships were built and put into practice, albeit not documented. Going forward, all partnerships will be expressed in writing via Memoranda of Agreement.
- Rental Housing Tribunals vary notably, in so far as it relates to capacity and submitting credible performance information. Rental Housing Tribunals will receive training on Residential Property Management, training on packaging and submitting performance information. We shall also develop a Verification Framework which will lay the ground for verifying the performance information submitted by all Rental Housing Tribunals.

All the efforts articulated above including the construction of Social Housing units in well located areas within the approved restructuring zones will directly contribute to access to adequate housing and improved quality living for household that earns between R 1850 to R 22 000 per month. Access to such opportunities would not have been possible without government interventions through Rental Housing programmes. The Rental Housing tribunals are set up to ensure amongst other things that the rights and obligations of both the tenants and landlords are protected and enforced for suitability of the rental space. The implementation support provided is a direct contribution to the progressive realisation of the right to Housing as espoused in section 26 of the Constitution of the Republic of South Africa.

Programme: Rental and Social Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Human Settlements Sector Planning Support								
Adequate Housing in improved quality living environments	Support provided on the implementation of Rental Housing Programme	Percentage support provided on the implementation of Rental Housing Programme	National Rental Housing Plan developed	4 reports on the monitoring of the Rental Housing Programme	100% support provided on the implementation of Rental Housing Programme	100% support provided on the implementation of Rental Housing Programme	None	Not applicable
Adequate Housing and improved quality living environment	Support provided to the SHRA for the oversight regulation of the tenanted Social Housing Stock	¹ Percentage support provided to the SHRA for the oversight regulation of the tenanted Social Housing Stock	National Rental Housing Plan developed	4 reports on the monitoring of the Rental Housing Programme	100% support provided to the SHRA for the oversight regulation of the tenanted Social Housing Stock	100% support provided to the SHRA for the oversight regulation of the tenanted Social Housing Stock	None	Not applicable
Adequate Housing and improved quality living environment	Support provided to the 9 Provincial Rental Housing Tribunals	Percentage support provided to the 9 Provincial Rental Housing Tribunals	New Target	New Target	100% support provided to the 9 Provincial Rental Housing Tribunals	100% support provided to the 9 Provincial Rental Housing Tribunals	None	Not applicable
Adequate Housing and improved quality living environment	Support provided to 5 provinces on the implementation of the CRU Programme	Percentage support provided to 5 provinces on the implementation of the CRU Programme	National Rental Housing Plan developed	4 reports on the monitoring of the CRUs Programme	100% support provided to 5 Provinces on the implementation of the CRU Programme	100% support provided to 5 Provinces on the implementation of the CRU Programme	None	Not applicable

¹ There is an error in the TID of Percentage support provided to the SHRA for the oversight regulation of the tenanted Social Housing Stock, which refers to a business plan instead of the Annual Performance Plan.

Actual achievement must be reported in relation to the performance information reflected in the originally tabled Annual Performance Plan (In the instance where a department did not re-table the Annual Performance Plan in the financial year under review) OR in relation to the performance information reflected in the re-tabled Annual Performance Plan.

Linking performance with budgets

Programme 4 Rental and Social Housing: Expenditure

Sub- Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management for Rental and Social Housing Programme	4 480	3 697	783	4 073	3 137	936
Public Entity Oversight: (SHRA)	864 090	864 090	-	897 654	897 654	-
Capacity Building and Sector Support	18 903	10 168	8 735	16 122	10 791	5 331
Total	887 473	877 955	9 518	917 849	911 582	6 267

Strategy to overcome areas of under performance

Not applicable

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See annexure A for provincial audited standardised indicators

4.5 Programme 5: Affordable Housing Programme

4.5.1 Purpose of the Programme:

Facilitate the provision of affordable housing finance, monitor market trends, and develop research and policies that respond to demand. Oversee housing finance entities that report to the Minister.

Sub Programme: Capacity Building and Sector Support

Purpose: To improve intergovernmental coordination and provide sector-specific technical capacity to provinces and municipalities.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Revitalisation of Mining Towns

This target focuses on the multi-year projects, funded through budgets allocated to provinces in the HSDG business plans. As at the end of the financial year, the Department noted that construction is on-going and is at various stages in the various provinces, while the following bulk infrastructure projects were completed by provinces:

- The construction of 1 sewer pump station (approximately 462m) and a new sewer pipeline (5,95km) in Kwazamokuhle Ext 9, Steve Shweta Local Municipality, Nkangala District (Mpumalanga) to transfer sewer from Kwazi Ext 9 to the Hendrina Wastewater Treatment works. The project will unlock services for approximately 726 households.
- The upgrading of the Motetema Waste Water Treatment Works (1,2MG/day) in Elias Motswaledi LM, Sekhukhune District (Limpopo) - to unlock services for 2,382 households.
- Phase 1: the construction of a bulk sewer line (465 m long) for Burgersfort Ext 54 and 58, Greater Tubatse / Fetakgomo Local Municipality, Sekhukhune District (Limpopo).

The sewer line will discharge at the Burgersfort Waste Water Treatment Works. The project will unlock services for 469 sites.

Eradication of asbestos roofs in provinces.

During the period under review, the Department monitored the eradication of asbestos roofs and noted that provinces are at different stages of implementation. Some are still conducting detailed assessments, enumerations, and verification to confirm the presence of asbestos in roofs and define the real extent of the problem, while others are already in the state of removal.

During the 2024/25 financial year, asbestos roofs were removed from 462 units in old townships.

Title Deed Restoration:

The Title Deeds Restoration Project contributes directly to Outcome 1: Security of Tenure, by facilitating property ownership to beneficiaries of state-subsidised housing opportunities, through measurable outputs indicating the number of title deeds registered in favour of such beneficiaries on an annual basis, against predetermined targets as provided for in government's Medium Term Development Plan.

This indicator measures the support the Department provides to provinces towards the registration of title deeds. The support provided includes:

- Challenges identified and recommendations to improve performance.
- Monitoring and reporting the provincial performance on the title deeds registered quarterly and annually.
- Implementation support regularly provided.

During the period under review the National Project Office provided support to the 9 provinces on the implementation of the Title Deed Project through the following interventions:

1. **Planning Support:** During the year under review the following challenges were identified by provinces and interventions made by the Department:
 - Assisted provinces in the annual and medium-term planning, the National Department has determined provincial annual and 5-year targets for title deeds based on the allocation formula and distributed it to provinces to guide their planning and implementation.
 - All provincial business plans were assessed for readiness and credibility, considering the provincial capacity for delivery, which has been determined at approximately 18 000 title deeds per annum. Provinces were advised that the targets are unrealistic and will not be achieved.
 - Provinces have been assisted with audit- elated enquiries and outcomes as it pertained to the categorization of title deeds in the previous MTSF period. The National Department has successfully eliminated the categorization from the MTDP and drafted a new sector-wide technical indicator description. The National Department has further developed and dispatched a methodology and Standard Operating Procedure for provinces to utilize to guide and inform the audit process.
2. **Implementation Support** One of the major challenges around Title Restoration Project has always been inaccurate and outdated baseline information on the Housing Subsidy System. To assist the upkeep of the system, the Department provided guidance to provinces to ensure that the results of those searches are captured on the HSS when undertaking deeds searches. During the period under review the Department intensified efforts to obtain national deeds dump to eliminate manual reporting and update the system information monthly. Terms of Reference were developed and finalized in the first half of the year, with Supply Chain Processes initialized in the 3rd and 4th quarter. The implementation will be realized in the new financial year.
3. **Regularisation:** Ensuring that the correct and approved beneficiary receives the title deed present challenges when during the physical verification exercise, it is found that the occupant of the property is not the registered HSS beneficiary. To assist resolution, the Department has drafted Guidelines to resolve such cases and presented it to all internal reporting and oversight functionaries, in quarters two and three, for support to implement.

The major challenge on the Title Restoration Project stems from Township Establishment processes that were never concluded, missing mother erf titles and other documentation and the statutory approvals in respect thereof that, for a number of reasons cannot be met by the sector.

In seeking to address the problem, all Provinces have been requested to provide detailed and updated status reports for ALL projects where the township establishment is inconclusive, for categorization and identification of sector-wide challenges, to enable bulk resolution.

The Department is further embarking on a diagnostics exercise to achieve this objective with Supply Chain Management Processes initiated in quarters three and four.

The Minister of Human Settlements in consultation with the Human Settlements MinMec, has requested waivers and concessions for all existing townships in terms of SPLUMA and NEMA, where the statutory requirements cannot be met by the sector, mainly due to a lack of bulk services provision, that presents a funding challenge beyond the housing sector.

4. **Conveyancing Fees** – the sector has indicated that the conveyancing fees require a review because of low uptake on state conveyancing that has an impact on the ability to deliver on title deeds. The sector consulted and agreed on an increased schedule of rates and presented it to Minister and Top Management (MinTop) meeting for consideration.
5. **Resolving individual Title Deed Enquiries** – During the year, the Department received complaints about title deeds not delivered by provinces and seeking Departmental intervention. Oftentimes citizens would have already inquired with their provincial offices and the project is not prioritised for the financial year, or township is not established, and they cannot be assisted. With this consideration, the Department is in process of appointing a service provider to resolve individual title deed enquiries directed at the National Department, through the call centre, correspondence to the Ministers and Director-General and walk-in enquiries at the National Office. It is anticipated that this will also include complaints registered at imbizos and hand over ceremonies. This matter is linked to the Department's Service Delivery Improvement Plan and has been reported during the year under review.

Progress Reports on the Number of Title Deeds Registered

The National Project Office verifies the reported delivery per province in accordance with the DORA requirements, and on the basis of supporting documents provided by provinces as prescribed in Technical Indicator Description.

In accordance with the national department's assessment of the provincial capacity to deliver, the nine provinces combined delivered a total of 17 859 title deeds in the 2024/25 financial year. This represents an achievement rate of 111% against the annual Medium Term Development target of 16 000 for the year..

National Priority Catalytic Projects:

The focus of the programme is to provide implementation support to project sponsors (Provinces and Municipalities) for the implementation of 50 identified catalytic projects in 9 provinces. These projects are defined as spatially targeted interventions whose main objective is to intervene to deliberately restructure settlement patterns and impact the environment in terms of access to social amenities, economic development and social integration. Moreover, these projects are designed to deliver housing opportunities at an unprecedented scale to combat housing backlog in the country.

For this period, the focus was on providing programme level coordination, project level monitoring and direct project level interventions where necessary. The Department planned and successfully convened the national programme level steering committee meetings quarterly as part of programme level coordination and project level performance monitoring. Programme level reports were also compiled to give credence to the performance of the programme juxtaposed against the programme objectives. The programme level narrative report was supported by project level reports that sought to provide technical project detail and progress. A total of 50 project reports were compiled per quarter for 2024/25 financial year. Additionally, project level monitoring and site visits were also conducted in Gauteng, Kwa Zulu Natal, Northwest, Northern Cape and Eastern Cape provinces. The Department also provided implementation support to the Lufhereng Mixed development project in the city of Johannesburg specifically to monitor the expenditure of the BFI funding allocation of R3.4b for bulk infrastructure installation. It is anticipated that this programme will unlock at least 32 000 housing opportunities once completed.

Blocked Projects Progress

During the 2024/2025 financial year, the Department identified 100 blocked housing projects nationwide as part of its approved Business Plan. These projects require unblocking to proceed with implementation. The unblocking process begins once projects are included in the Business Plan, allocated budgets, and assessed by provincial authorities.

As of the reporting period, 24 of the 100 projects have been successfully unblocked. These projects are located in Gauteng, Free State, Northwest, KwaZulu-Natal, and Limpopo. Progress is measured by tangible deliverables on the ground and associated expenditure.

First Home Finance (FHF) Programme Performance

The First Home Finance (FHF) Programme addresses housing affordability challenges for the "gap market", households earning between R3,501 and R22,000 per month. A key milestone was the approval of the revised FLISP policy by MinMec on 22 February 2022, which expanded subsidy coverage to include non-mortgage housing finance facilities. This revision has significantly improved access to affordable housing, particularly in rural areas.

Through the delivery of First Home Finance subsidies, serviced sites, BNG housing units, and catalytic projects, Programme 5 has made a significant contribution to Outcome 2: Adequate Housing and Improved Quality Living Environment. The First Home Finance Programme improved access to affordable housing for the gap market, enabling households to secure homes aligned to their income levels. The provision of serviced sites created a platform for incremental housing development by ensuring access to basic municipal services, while the delivery of BNG housing units provided fully subsidised quality homes for low-income households. In addition, catalytic projects have served as spatially targeted interventions that restructure settlement patterns, unlock large-scale housing opportunities, and integrate access to social amenities, thereby transforming communities. Collectively, these interventions reduced the housing backlog, enhanced tenure security, promoted spatial integration, and improved the quality of life for vulnerable households, advancing the Department's vision of sustainable human settlements.

Key Achievements:

- **Increased applications:** The programme recorded a significant increase in applications. This was driven by effective marketing campaigns, Business Development Team activations, and strengthened partnerships with subsidy providers.
- **Financial allocations and targets:** Provinces: R243,559,101 allocated to support 2,001 households. National Housing Finance Corporation (NHFC): R321,132,000 allocated to support 2,472 households. Combined Target: R564,691,101 allocated to support 4,473 households in total.

Performance against target by the end of the third quarter, 5,454 households had benefited from the programme, achieving 122% of the annual target. This overachievement demonstrates the programme's success in expanding access to affordable housing finance and improving delivery efficiency. This also indicates that the cost per household was lower than projected.

Programme: Affordable Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Chief Directorate:								
Security of Tenure	Support provided to Provincial Departments towards the registration of title deeds	Percentage support provided to Provincial Departments towards the registration of title deeds	4 quarterly reports on title deeds registered were completed, however, some of the provinces did not submit the performance information	4 quarterly reports on monitoring title deeds registered	100% support provided to Provincial Departments towards the registration of title deeds	100% support provided to Provincial Departments towards the registration of title deeds	None	Not applicable
Adequate housing and quality living environment	Support provided to provinces in the delivery of BNG units	Percentage support provided to provinces in the delivery of BNG units	No Target	4 reports on monitoring the delivery of BNG units	100% support provided to provinces in the delivery of BNG units	94% support provided to provinces in the delivery of BNG units	-6% support provided to provinces in the delivery of BNG units	The site visits could not be done due to capacity constraints.

Programme: Affordable Housing Programme								
Outcome	Output	Output Indicator	Audited Actual Performance 2022/2023	Audited Actual Performance 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Adequate housing and quality living environment	Support provided to provinces and metros in the delivery of serviced sites	Percentage support provided to provinces and metros in the delivery of serviced sites	No Target	3 reports on monitoring the delivery of serviced sites	100% support provided to provinces and metros in the delivery of serviced sites	94% support provided to provinces in the delivery of service sites	-6% support provided to provinces and metros in the delivery of serviced sites	The site visits could not be done due to capacity constraints.
Adequate housing and quality living environment	Support provided in the implementation of First Home Finance (FHF) programme	Percentage support provided in the implementation of First Home Finance (FHF) programme	No Target	4 reports on monitoring of households that received financial assistance through FHF (FLISP)	100% support provided in the implementation of First Home Finance (FHF) programme	100% support provided in the implementation of First Home Finance (FHF) programme	None	Not applicable
Adequate housing and improved quality living environment	Support provided in the implementation of 50 national priority catalytic projects	Percentage support provided in the implementation of 50 national priority catalytic projects	No Target	No Target	100% support provided in the implementation of 50 national priority catalytic projects	100% support provided in the implementation of 50 national priority catalytic projects	None	Not applicable

Linking performance with budgets

Programme 5 Affordable Housing: Expenditure						
Sub- Programme Name	2024/25			2023/24		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management for Affordable Housing Programme	4 409	3 084	1 325	4 183	2 696	1 487
Public Entity Oversight: (NHFC/HSDB)	439 174	434 559	4 615	490 971	486 500	4 471
Capacity Building and Sector Support	93 851	69 969	23 882	62 689	57 422	5 267
Total	537 434	507 612	29 822	557 843	546 618	11 225

Strategy to overcome areas of underperformance

1. Provision of fully subsidised Housing Units (BNG Units)

- **Strengthen oversight and monitoring:**

Continue holding Bi-annual National Steering Committee meetings to reflect on performance, share best practices, and agree on solutions with Provinces.

- **Targeted support to Provinces:**

Undertake one-on-one engagements with underperforming Provinces, focusing on projects with low or no delivery in Quarter 1 and Quarter 3. Emphasis will be on:

- o Project implementation plans
- o Contractor performance and capacity challenges

- **Best practice replication:**

Leverage over-achieving Provinces (KZN, Limpopo, Eastern Cape) to share successful strategies and replicate them in weaker provinces.

- **Risk Mitigation and Problem-Solving:**

Assist Provinces to develop and implement mitigation measures for challenges such as:

- o Contractor delays
- o Community unrest
- o Procurement bottlenecks
- o Budget limitations

- **Performance accountability:**

Establish clear accountability frameworks with regular reporting to ensure 100% support to provinces in meeting their BNG delivery targets.

2. Provision of serviced sites

- **Enhanced Coordination with Provinces and Metros:**

Continue Bi-annual National Steering Committee meetings with Provinces and Metropolitan Municipalities to reflect on delivery challenges and resolve systemic bottlenecks.

- **Targeted one-on-one support:**

Intensify direct engagements with underperforming Provinces and Metros, focusing on:

- o Projects with no/low delivery in Quarter 1 and Quarter 3
- o Budget utilisation and expenditure tracking
- o Capacity and skills gaps

- **Knowledge sharing:**

Document and disseminate successful approaches from high-performing Provinces (Northern Cape, Eastern Cape, Mpumalanga) and leading Metros (City of Tshwane, City of Cape Town).

- **Performance Accountability:**

Ensure 100% support to Provinces and Metros through ongoing technical support, capacity-building, and close monitoring of progress.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

See annexure A for provincial audited standardised indicators

5. TRANSFER PAYMENTS TO PUBLIC ENTITIES

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Community Schemes Ombud Service (CSOS)	100% registration of community schemes that have submitted scheme registration documents. - R429,133,637.00 in levies collected. 90% of disputes conciliated within 45 days. 90% of disputes adjudicated within 90 days. 90 of training and education sessions conducted for schemes executives and owners. 20 training sessions conducted for adjudicators and conciliators. 20 stakeholder information sessions conducted. 50 previously disadvantaged individuals trained as executive managing agents. 40% procurement spend on businesses owned by women. 26% of annual procurement spend, targeted at businesses owned by youth and persons with disabilities.	Self -funding The CSOS did not receive financial assistance from the NDHS	The CSOS did not receive financial assistance from the NDHS	100% (2450/2450) registration of community schemes that have submitted scheme registration documents. - R470,075,334.00 in levies collected. 99.2% (3500/3825) of disputes conciliated within 45 days. 73% (3521/4825) of disputes adjudicated within 90 days. 112 of training and education sessions conducted for schemes executives and owners. 30 training sessions conducted for adjudicators and conciliators. 29 stakeholder information sessions conducted. 63 previously disadvantaged individuals trained as executive managing agents. 54.4% (R51 200 692.30 / R93 869 869.81) procurement spend on businesses owned by women. 6,2% (R5 834 466.53 / R93 869 869.81) of annual procurement spend, targeted at businesses owned by youth and persons with disabilities.

Transfer Payments to Public Entities (Conti..)

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Property Practitioners Regulatory Authority (PPRA)	- Percentage of all compliant new registrations processed within 30 working days. 90% of all compliant new registrations processed within 30 days. 440 black women supported to achieve principal status through the Principalisation Programme. 90% of consumer queries resolved within 90 days. 500 candidate practitioners placed with property industry host employers through the One Learner One Property Partitioner Programme. 75% of complaints received and resolved within 6 months. 100% of all complaint new registrations processed within 30 days. 1 750 of Property Practitioners (estate agents) awarded professional designations. 2 approved transformation agenda items researched.	Self – funding The PPRA did not receive financial assistance from the NDHS.	The PPRA did not receive financial assistance from the NDHS.	92% of all compliant new registrations processed within 30 working days. 100% of all compliant new registrations processed within 30 days. 37 black women supported to achieve principal status through the Principalisation Programme. 94% of consumer queries resolved within 90 days. 839 candidate practitioners placed with property industry host employers through the One Learner One Property Partitioner Programme. 80.4% of complaints received and resolved within 6 months. 100% of all complaint new registrations processed within 30 days. 2 880 of Property Practitioners (estate agents) awarded professional designations. 2 approved transformation agenda items researched.

Transfer Payments to Public Entities (Conti..)

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Housing Development Agency (HDA)	500 hectares of land located within Priority Human Settlements Housing Development Areas (PHSHDA's) acquired. 700 hectares of land rezoned for human settlements development. 10 of integrated implementation Programmes for PDAs completed per year. 46 informal settlements supported for upgrading to Phase 3. 9.72% of the 1786.1527 hectares of land acquired during 2014-2019 falling within PDAs rezoned. 2 901 housing units delivered. 2 670 serviced sites delivered. 1 180 Title deeds registered. 300 asbestos roofs replaced i.r.o projects managed HDA.	R254.5 million (Operational Grant)	R199.3 million (Operational Grant)	231.083 hectares of land located within Priority Human Settlements Housing Development Areas (PHSHDA's) acquired. 1 031 hectares of land rezoned for human settlements development. 10 integrated implementation Programmes for PDAs completed per year. 46 informal settlements supported for upgrading to Phase 3. 9.92% of the 1786.1527 hectares of land acquired during 2014-2019 falling within PDAs rezoned. 719 housing units delivered. 3 829 serviced sites delivered. 1 688 Title deeds registered. 300 asbestos roofs replaced i.r.o projects managed by HDA.

Transfer Payments to Public Entities (Conti..)

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
National Housing Finance Corporation (NHFC)	• R20 million social housing loan disbursements. • R75 million private rental disbursements. • R99 million affordable housing: strategic investments. • R555 million bridging affordable housing disbursements. • 3 088 subsidy applications approved. • R401 million First Home Finance grant approvals. • R321 million First Home Finance grant disbursements. • R802 million leveraged from financial institutions. • R118 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor. • R79 million of disbursements targeted towards black owned entities included in above total.	R20.4 million (First Home Finance Operational Grant) R421.8 million (First Home Finance Subsidy Grant)	R16.6 million (First Home Finance Operational Grant) R607 million (First Home Finance Subsidy Grant)	• R105 million social housing loans disbursed. • R227 million private rental loan disbursements. • R112 million affordable housing: strategic investments. • R488 million bridging affordable housing disbursements. • 8 200 subsidy applications approved. • R934 million First Home Finance grant approvals. • R606 million First Home Finance grant disbursements. • R1,6 billion leveraged from financial institutions. • R245 million disbursements targeted towards B-BBEE compliant – Level 4,3,2,1 contributor. • R71 million of disbursements targeted towards designated groups included in above total.

Transfer Payments to Public Entities (Conti..)

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
National Home Builders Registration Council (NHBRC)	• 3 502 of home builders registered. • 25 200 non-subsidy homes inspected. • 26 000 subsidy homes inspected. • 100% of disputes resolved. • 2 500 of homebuilders trained. • 2 000 youth trained. • 2 200 women trained. • 220 military veterans trained. • 280 people with disabilities trained. • 800 technical professionals trained. • 100% of enrolment applications approved – subsidy. • 100% of subsidy project enrolment applications approved. • 100% of enrolment applications approved – non subsidy.	Self-funding The NHBRC did not receive financial assistance from the NDHS	Self-funding The NHBRC did not receive financial assistance from the NDHS	• 4 499 of home builders registered. • 27 149 non-subsidy homes inspected. • 31 127 subsidy homes inspected. • 100% of disputes resolved. • 2 582 of homebuilders trained. • 2 008 youth trained. • 2 134 women trained. • 258 military veterans trained. • 276 people with disabilities trained. • 737 technical professionals trained. • 100% of enrolment applications approved – subsidy. • 100% of subsidy project enrolment applications approved. • 97% of enrolment applications approved – non subsidy.

Transfer Payments to Public Entities (Conti..)

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Social Housing Regulatory Authority (SHRA)	3 750 subsidised social housing units' tenancy audits conducted. 75% of new project accreditation applicants that are black majority owned or controlled. 2 699 social housing units completed. 2 257 social housing units tenanted. 75% of Consolidated Capital Grant awarded to black majority owned or controlled enterprises. 6 200 job opportunities created through projects implemented.	R76.3 million (Operational Grant). R24.6 million (Institutional Investment Grant). R763 million (Consolidated Capital Grant).	R78.1 million (Operational Grant). R20.6 million (Institutional Investment Grant). R803.2 million (Consolidated Capital Grant).	4 064 subsidised social housing units' tenancy audits conducted. 100% of new project accreditation applicants that are black majority owned or controlled. 1 364 social housing units completed. 2 661 social housing units tenanted. 100% of Consolidated Capital Grant awarded to black majority owned or controlled enterprises. 8 341 job opportunities created through projects implemented. I

Transfer Payments to other organisations other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2024 to 31 March 2025

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
UN Habitat Foundation	International Organisation	Country's membership fees	Yes	R3 085		<i>No underspending</i>
UN: Cities Alliance	International Organisation	Support of the Cities Alliance as per the agreement between South Africa and the United Nations office for project services		R915		<i>No underspending</i>
UN Habitat Foundation	International Organisation	To contribute towards the UN Habit Country Office.		R18 190		

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

The table below detail/s the conditional grants and earmarked funds paid by the department.

Conditional Grant 1: Human Settlements Development Grant

Department/ Municipality to whom the grant has been transferred	Nine Provinces
Purpose of the grant	To provide funding for the progressive realisation of access to adequate housing through the creation of sustainable and integrated human settlements
Expected outputs of the grant	▪ Number of residential units delivered in relevant housing programmes. ▪ Number of serviced sites delivered in relevant housing programmes. ▪ Number of informal settlements upgraded in situ and/or relocated. ▪ Number of title deeds registered to beneficiaries. ▪ Hectares of well-located land acquired and rezoned for development of housing opportunities. ▪ Number of socio-economic amenities delivered in human settlements. ▪ Number of integrated residential development projects registered on housing subsidy system, planned and approved, funded and implemented. ▪ Number of township registers opened in respect of pre and post 1994 Title Deeds Backlog ▪ Number of beneficiaries confirmed as legitimate in registered townships in respect of pre and post 1994 Title Deeds Backlog ▪ Number of township establishments registered and declared. ▪ Number of ownership disputes logged and resolved in respect of pre and post 1994 Title Deeds Backlog ▪ Number of implementation programmes for priority housing development areas
Actual outputs achieved	Refer to Annexure 1A
Amount per amended DORA	R13 655 425
Amount transferred (R'000)	R13 655 425
Reasons if amount as per DORA not transferred	N/A

Conditional Grant 1: Human Settlements Development Grant

Amount spent by the department/ municipality (R'000)	The voted funds amounted to R13.665 billion and with the approved rollover of R347 million, the total available funds increased to R14 billion, hence the expenditure is more than the voted funds. This template does not have provision to indicate the amount of approved rollovers.
Reasons for the funds unspent by the entity	· Late Appointment of service providers · Community unrest · Late submission of invoices by the service providers · Slow procurement processes · Lack of bulk infrastructure · Unlawful invasion of property · Poor performance by contractors · Poor cash flow management by service providers · Unavailability of project management systems · Applicants not qualifying due to negative credit records (FLISP)
Monitoring mechanism by the transferring department	· Provincial reports on the spending patterns are analysed on a monthly and quarterly basis, and the outputs are as per the Grant Framework. · Quarterly performance reviews are being held whereby Provinces account for their performances in the form of presentations on what the grant had been spent on. · Provinces are also requested to submit non-financial information. This information is analysed to verify if the grant is achieving its objectives and outputs. · The Department undertakes structured Project Level Monitoring on quarterly basis and also on as and when basis wherein the project verification undertaken by Project Managers (Registered Professional Engineers)

Conditional Grant 2: Informal Settlements Upgrading partnership Grant (Provinces)

Department to whom the grant has been transferred	Nine Provinces
Purpose of the grant	To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements
Expected outputs of the grant	Social Facilitation: - Number of informal settlements where social facilitation was conducted (from project initiation to implementation) Phase 1 - Number of prefeasibility studies conducted. - Number of re-blocking projects undertaken Phase 2 - Feasibility studies - number of environmental impact assessment undertaken - number geotechnical studies conducted. - number of any other relevant studies conducted. Land Acquisition - hectares of land acquired for in-situ upgrading. - hectares of land acquired for relocation. - hectares of land transferred and registered. - hectares of land availed in terms of land availability/development agreement. - Number of settlements supplied with bulk infrastructure. - Number of settlements benefitting from temporal and interim municipal engineering services and/or any alternative technology - Number of settlements provided with rudimentary services. Phase 3 - Number of settlements provided with permanent municipal engineering services and/or any other alternative engineering services - Number of serviced sites developed. - Number of social and economic amenities. The specific types of amenities must only be provided in collaboration with the municipality and the community - Number of sites transferred to end users - Number of households provided with secure tenure - Number of engineering designs: water, sewer, roads and storm water drainage concluded - Number of layout plans approved

Conditional Grant 2: Informal Settlements Upgrading partnership Grant (Provinces)

Actual outputs achieved	Refer to Annexure 1A
Amount per amended DORA (R'000)	R3 250 994
Amount transferred (R'000)	R3 250 994
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	The total voted funds amounted to R3.251 billion and with an approved rollover of R270 million, increased the total available funds to R3.521 billion. Just as is the case with Hsdg, this template does not make provision for approved rollovers, hence the expenditure is more than the voted funds.
Reasons for the funds unspent by the entity	▪ Inability by Provinces to align their plans with Municipalities has effect on bulk projects. ▪ Community unrests/disruptions; ▪ Unreasonable demands from business forums demanding to sub-contract offering; ▪ Substantial reliance by some Provinces on other State Organs for implementation their projects; resulting in increased expenditure but lower deliverables; ▪ Poor performance by contactors, resulting in breach of contract and terminations; ▪ Vandalism and theft on-site; ▪ Regular change of councillors in communities hindering project progress; ▪ Inaccessibility to project area and hard rocks hinder performance progress, coupled with a decline in targeted sites resulting from wet lands; ▪ Delays in submission of claims; and ▪ Delays in appointment of contractors; ▪ Delays in release of land to province/municipality; and Lengthy municipal Supply Chain Management (SCM) process.
Monitoring mechanism by the transferring department	• Monthly and quarterly reporting by Provinces • Quarterly performance review meetings • The Department undertakes structured Project Level Monitoring on quarterly basis and also on as and when basis wherein the project verification undertaken by Project Managers (Registered Professional Engineers).

Conditional Grant 3: Urban Settlements Development Grant

Department/ Municipality to whom the grant has been transferred	Eight Metropolitan Municipalities
Purpose of the grant	To supplement the capital revenues of metropolitan municipalities in order to implement infrastructure projects that promote equitable, integrated, productive, inclusive and sustainable urban development
Expected outputs of the grant	The following outputs should be funded by the grant to support the improvement of the overall built environment: ▪ increased annual investment in renewal (rehabilitation and/or replacement) and expansion in municipal bulk and distribution infrastructure ▪ increase in municipal bulk and link infrastructure increase in access to public and socio-economic amenities ▪ construction/provision of internal engineering services, including backyarders and densification overlay zones ▪ increase in land provision for informal settlement upgrading subsidised housing, or mixed-use developments in support of approved human settlements and other urban developments
Actual outputs achieved	Refer to Annexure 1A
Amount per amended DORA	R8 705 124
Amount transferred (R'000)	R8 705 124
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R4 680 060

Conditional Grant 3: Urban Settlements Development Grant

Reasons for the funds unspent by the entity	• Community unrest by local business forums and community members • Slow procurement processes • Late submission of invoices • Non-availability of Bulk Infrastructure • Property invasions by unlawful occupants • Late of approval of plans • Poor/slow performance by contractors and Cash flow management • Inclement weather/ Unfavourable weather conditions. Hard rock on the projects caused some delays • Late appointment and poor performance of contractors and service providers. • Land invasion, vandalism and theft • Work stoppages by SMME's. • Construction mafias
Monitoring mechanism by the transferring department	• Conduct quarterly reviews with the municipalities • Undertake oversight visits in order to assess and, where possible, address challenges with municipalities • One-on-one engagement with metropolitan municipalities • Conduct structured Project Level Monitoring visits at the municipalities

Conditional Grant 4: Informal Settlements Upgrading Partnership Grant-Metros

Department/Municipality to whom the grant has been transferred	Eight Metropolitan Municipalities
Purpose of the grant	To provide funding to facilitate a programmatic, inclusive and municipality-wide approach to the upgrading informal settlements
Expected outputs of the grant	Social Facilitation: Number of Informal Settlements where social facilitation was conducted Phase 1 ▪ Number of pre-feasibility studies conducted ▪ Number of re-blocking projects undertaken Phase 2 ▪ Feasibility studies: ○ number of environmental impact assessments undertaken ○ number of geotechnical studies conducted ○ number of any other relevant studies conducted ▪ Land acquisition: ○ hectares of land acquired for in-situ upgrading ○ hectares of land acquired for relocation ○ hectares of land transferred and registered ○ hectares of land availed in terms of land availability/development agreement ▪ Number of settlements supplied with bulk infrastructure ▪ Number of settlements benefitting from interim municipal engineering services and/or any other alternative engineering services ▪ Number of settlements provided with rudimentary services Phase 3 ▪ Number of settlements provided with permanent municipal engineering services and/or any other alternative engineering services ▪ Number of serviced sites developed ▪ Number of social and economic amenities provided. ▪ Number of sites transferred to end users ▪ Number of households provided with secure tenure ▪ Number of engineering designs: water, sewer, roads and and/or storm water drainage concluded ▪ Number of layout plans approved

Conditional Grant 4: Informal Settlements Upgrading Partnership Grant-Metros

Actual outputs achieved	Refer to attached Annexure 1A
Amount per amended DORA	R4 515 194
Amount transferred (R'000)	R4 515 194
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R 2 390 924
Reasons for the funds unspent by the entity	· Community unrest by local business forums and community members · Slow procurement processes · Late submission of invoices · Non-availability of Bulk Infrastructure · Property invasions by unlawful occupants · Late of approval of plans · Poor/slow performance by contractors and Cash flow management · Inclement weather/ Unfavourable weather conditions. Hard rock on the projects caused some delays · Late appointment and poor performance of contractors and service providers. · Land invasion, vandalism and theft · Work stoppages by SMME's. · Construction mafias
Monitoring mechanism by the transferring department	· Conduct quarterly reviews with the municipalities · Undertake oversight visits in order to assess and, where possible, address challenges with municipalities · One-on-one engagement with metropolitan municipalities · Conduct structured Project Level Monitoring visits at the municipalities

6.2 Conditional grants and earmarked funds received.

The Department did not receive conditional grants and earmarked funds received. Earmarked funding is NUSP

7. DONOR FUNDS

The Department did not receive donor funding during the year under review.

8. CAPITAL INVESTMENT, MAINTENANCE, AND ASSET MANAGEMENT PLAN

The Department does not have capital investments.

An aerial photograph of a city, likely Cape Town, showing a mix of residential and commercial buildings. In the foreground, there's a modern, multi-story white building with a blue roof. To its right, there's a large area with stacks of bricks or tiles. In the background, the city extends to the mountains under a clear sky. A large green circle is superimposed on the left side of the image, containing the text "Built for Families, Backed by Security, Wrapped in Comfort." in a yellow, serif font.

**“Built for
Families,
Backed by Security,
Wrapped in
Comfort.”**

PART C:

GOVERNANCE

1. INTRODUCTION

The Department is committed to principles of good governance in the management of the organisation and implementation of human settlements programs. This is aimed at ensuring accountability, transparency, compliance with applicable legislation and policy prescripts. The Department has a corporate governance framework aligned to the King IV report as part of enhancing its governance processes and systems. This will ensure that there is consistency and uniformity in terms of application of the governance principles in the whole organisation. It is the Department view that the governance processes and systems are continuously, reassessed and strengthened to ensure its adequacy as well as effectiveness.

2. RISK MANAGEMENT

The Department has an established Risk Management Directorate which operates with the approved Risk management Policy, Risk Management Strategy/Enterprise Risk Management Framework (ERMF) and Risk Implementation Plan (RMIP). Also, the unit operates with the approved Risk Management Function (RMF) Charter. The Department developed, approved, and implemented the Risk Appetite Framework, including defined tolerance levels for key strategic risks. This was followed by the revision of the Risk Management Framework and Policy with significant changes noted on the policy to incorporate significant, practical, and clearly defined guidelines aligned to the risk management cycle from risk identification and assessment through to response, monitoring, and reporting. To further strengthen the Department's risk management process, both a Risk Maturity Assessment and a Risk Culture Assessment were conducted. These initiatives collectively reflect the Department's commitment to improving the overall effectiveness of its risk management processes by identifying areas requiring enhancement and fostering a risk-aware culture that supports informed decision-making and improved service delivery.

The implementation of activities in the risk management implementation plan are reported on quarterly basis to Risk Management Committee (RMC) that operates with the approved

Risk Management Committee Charter. The Risk Management Committee is responsible for reviewing effectiveness of risk management systems within the Department and is chaired by external Independent Chairperson, an independent standing member from the Audit Committee as well as internal Risk Owners (Deputy Director Generals), head of Branches within the Department.

The RMC is supported by Risk Champions Forum (RCF) which is a sub-committee/working committee that reports all its activities to the Risk Management Committee on quarterly basis. The RCF is composed of Risk Champions appointed by the relevant Risk Owners from all branches across the Department and this forum meets monthly to deliberate on risk management matters. For the period under review, the Department conducted awareness sessions. Also facilitated both strategic and operational risk identification and assessment processes. As a result, the ongoing monitoring and reporting on the following approved Risk Registers listed below.

- Enterprise-Wide Strategic Risk Register, Ethics and Fraud Risk Register, Information and Communication Technology (ICT) Risk Register, Human Resource (HR) Risk Register, Supply Chain Management (SCM) Risk Register, Communication Risk Register and Legal Services (LS) Risk Register. The Department added Facilities and Security (FS) Risk Register.

Internal Audit evaluate the overall system of risk management on an annual basis if not conducting a follow-up on implementation of agreed management responses to the previous evaluation being conducted. The Chief Audit Executive (CAE) facilitates integrated combined assurance services and CRO participate on the process in which activities of combined assurance are firstly tabled and discussed at Risk Champions Forum before other internal structures. The Chairperson of Risk Management Committee tables the overall risk management report to the Audit Committee on a quarterly basis. The Audit Committee also provides assurance on the overall risk management system.

EXTERNAL MEMBERS		NO OF MEETINGS	NO OF MEETINGS ATTENDED
NAME	REPRESENTATIVITY		
Mr AN Mhlongo	Chairperson	5	5
Dr. M Neluheni	Audit Committee Representative	5	2

3. FRAUD AND CORRUPTION

The National Department of Human Settlements has an Anti-Fraud and Corruption Strategy in place and the Anti-fraud and Corruption Implementation Plan.

The Department is committed to the establishment of a culture of “zero tolerance” towards fraud and corruption. In this regard, the Department has whistle blowing policy and fraud prevention policy which enable officials and third parties to report fraud and corruption anonymously. Employees are also encouraged to report illegal practices to the Directorate, their managers, the Presidency, National Anti-Corruption Hotline and other external government entities through these mechanisms.

During the year under review, the Department implemented an extensive Anti-Fraud and Corruption implementation plan incorporating the four Pillars of Departmental Anti-Fraud and Corruption Strategy which include: Prevention, Detection, Investigations and Resolution of corrupt activities.

Prevention of fraudulent and corrupt activities

Implementation of the financial disclosures

Sixty-two (62) out of seventy (70) Senior Management Services (SMS) disclosed their financial interests by 30 April 2023 which was equivalent to 89% compliance rate.

One hundred and seven (107) out of one hundred and sixty-eight (168) designated employees on other categories disclosed their financial interests by 31 July 2023 which is equivalent to 64% compliance rate.

The financial disclosures were verified and submitted electronically to the Office of the Public Service Commission (OPSC) for further scrutiny.

Anti-fraud and corruption awareness

The anti-fraud and corruption awareness is aimed at sensitizing and/or raising awareness to the employees of the Department of Human Settlements on issues of fraud and corruption. The anti-fraud and corruption awareness is also aimed at communicating the available channels for reporting the cases of fraud and corruption, therefore:

- Five anti-fraud and corruption awareness posters on promotion of ethical culture and the declaration of financial interests were developed and distributed to the National Department of Human Settlements Staff members, these awareness posters also incorporated the promotion of the Whistle Blowing Policy. The relevant channels for reporting cases of fraud and corruption were communicated.
- Housing scam alerts through online pamphlets and flyers were distributed on email communications, the departmental web page and social media platforms of the Department.
- Ethics and Fraud risks were identified and assessed and the register for 2023/24 was developed and approved by the Acting Director-General.
- The fraud risk monitoring tool were updated from the first quarter to fourth quarter of 2023/2024 financial year.

Detection of fraudulent and corrupt activities

- The Department conducted a fraud detection review on BAS Payments in order to detect and identify red flags of irregularities and a report with recommendations was issued.
- Fifteen (15) cases of fraud and corruption were reported to the Department through various channels including the Public Service Commission, Presidential Hotline, Walk-Ins and the Call Centre.
- All the fifteen (15) cases received were registered on the Departmental fraud and corruption database and/or register.

Investigations and resolution

- Fifteen (15) cases were received during the period under review. Thirteen (13) cases relate to low-income/subsidised houses (RDP), one is an alleged corruption and one pertained to an alleged data breach.
- Three (3) cases were investigated and finalised; and
- Twelve (12) cases are still under investigation.

4. MINIMISING CONFLICT OF INTEREST

All staff members and external parties who serve on departmental structures must disclose any conflict of interest they may have in relation to matters dealt with by those structures. Where it is considered necessary such individuals are excused from discussions in relation to matters, they have such disclosed.

All members of the Bid Committees must declare their interest in respect matters the committees deal with. A declaration of interest form must be completed and signed on each meeting.

All Supply Chain Management practitioners have in line with the requirements of National Treasury Practice Note 4 of 2003, signed a declaration of confidentiality and impartiality.

The department has in place a Procurement Policy which stipulates inter alia that:

- No official in the department will execute any action in terms of delegated authority if he/she has formed part of a committee which recommended the execution of such action.
- Should an official be in a position where he/she had formed part of a bid committee where a recommendation is made to the delegate and he/she is the delegate, the decision-making power must be elevated to the next higher level.

During the year under review, there was no situation where a conflict of interest was identified.

5. CODE OF CONDUCT

The Constitution of South Africa and the Public Service Code of Conduct are the two documents being the guiding documents on ethical conduct of public servants.

The primary purpose of the Code of Conduct is a positive one, viz. to promote exemplary conduct. The Code acts as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and assist to ensure confidence in the Public Service.

Therefore, on a quarterly basis the Department: Labour Relations embarks on an information sharing session, whereby it invites employees of the department to attend a presentation on the Code of Conduct, either by officials from the Department or the Office of the Public Service Commission, who is the custodian of the Code of Conduct.

The Code of Conduct forms the main basis on which pro-active, corrective, and even disciplinary action rests. If an employee contravenes any provision of the Code of Conduct, an employee shall be guilty of misconduct and may be dealt with in accordance with the relevant collective agreement, Resolution 1 of 2003, Disciplinary Procedures for Employees in the Public Service and / or Chapter 7 of the SMS Handbook.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department has developed and implemented an occupational health and safety management system, with a multidisciplinary approach to ensure compliance in terms of OHS Act and other relevant prescripts.

The system is based on the following:

- ⇨ Continuous data collection for hazard identification and assessment in the department.
- ⇨ Periodic assessment of employee exposure to potential hazards and evaluate current control measures, instituting new ones when necessary.
- ⇨ Periodic reviews of relevant, policies, guidelines and procedures to ensure continuous adherence to relevant standards and prescripts. The revised OHS policy was approved during this financial year.
- ⇨ The Department has a functional statutory OHS Committee, with the key role of monitoring compliance.

As of end March 2024, the department was 80% compliance rate. This is obtained through periodical monitoring by conducting quarterly compliance audits and routine inspections by OHS representatives. OHS audit findings are addressed mainly through the Department's maintenance plan.

7. CABINET, PARLIAMENT & CLUSTER SUPPORT ANNUAL REPORT 2024/2025

A. Meetings

Table A: Meetings of Parliamentary Committees & Other Related Interaction: Interface of Department of Human Settlements with Parliament During the Period 1 April 2024 – 31 March 2025

10 July 2024	Briefing by the Department of Human Settlements on Budget Vote 33, Strategic Plan and Annual Performance Plans (APPs) 2024/25 Human Settlements on its response to State of the Nation Address (SONA); Briefing by Human Settlements Entities on Budget, Strategic Plans and Annual Performance Plans 2024/25: - National Home Builders Registration Council (NHBRC); - Housing Development Agency (HDA); - Social Housing Regulatory Authority (SHRA); - National Housing Finance Corporation (NHFC); - Property Practitioners Regulatory Authority (PPRA); - Community Schemes Ombud Service (CSOS).	Members appreciated the presentation and raised the following issues and questions. They enquired about the number of Key Performance Areas (KPA's) achieved by the National Housing Finance Corporation. Concerns were raised regarding the impact of a R3.1 billion budget cut despite increased performance targets. Questions included the backlog of housing applications since 1996, illegal occupation and sale of RDP houses, and the absence of a housing application database. Members sought clarity on strategies to support underperforming municipalities and provinces in spending grants, especially with the Department's decision not to reallocate funds between provinces. Unspent grants in Free State and North-West, blocked projects, and poorly built houses were highlighted. The Department was urged to expedite Human Settlements legislation. There were queries about NHBRC's inspection mandate and its role in the George building collapse, including the competency and registration of the construction company involved. Progress on the Community Scheme Ombud Services' digital levy collection platform was requested. Concerns were raised about slow transformation in the property sector, especially regarding African women. Questions were also posed on the capacity of traditional leadership to implement SPLUMA and the effectiveness of HDA's disaster response, with some affected individuals still in temporary shelters.	The department responded that Traditional leaders reportedly faced no issues with SPLUMA; however, there was consensus on the need to review the tribunal's composition and allow each province to develop its own version of SPLUMA. The Director-General informed the Committee that the Minister had directed the City of Johannesburg to address the housing backlog and verify beneficiary lists. The Department acknowledged the presence of criminal syndicates involved in illegal housing sales and noted the need to amend clause 10 of the Housing Act to improve ownership transfers. Regarding conditional grant spending, the new approach is to retain and repurpose funds within provincial departments, rather than reallocating them to others. For blocked housing projects, the national department began with those easier to resolve, with the North West Province having the most cases. The previous MEC in the province had pushed for rebuilding efforts. On the issue of late submission of presentations, the Ministry explained that while presentations were ready, they were awaiting the list of recipients. The Ministry committed to timely future submissions. The digitisation of beneficiary lists was recognised as a priority to improve transparency and public access, though challenges with SITA and outdated laws in the Housing Code and Act were noted as obstacles. The need to fast-track the White Paper on Human Settlements was emphasized. The Minister also referred to a land matter in Govan Mbeki Municipality, where a price hike by a private owner affected negotiations and promised to report back on it. Despite budget cuts, the Minister confirmed that performance targets were not reduced accordingly.
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21 -22 August 2024	Induction Workshop by Department of Human Settlements and its Entities on its Mandate; Core Business; Programmes, Projects; Policies and Lessons Learnt in the Past Five Years,	The Committee engaged with the Department of Human Settlements (DHS) and its entities to better understand its daily operations. Key points raised by Members included Community Engagement: Concerns about resistance from communities regarding container removals and the need for better public participation and communication. Policy Issues: Calls for regular review of housing policies that may hinder progress, particularly regarding the housing backlog dating back to 1996. Issues around discrimination in policy toward individuals without children and fraudulent duplication of birth certificates were also raised. Accreditation and Monitoring: Questions were asked about which municipalities had been accredited or lost accreditation, as well as the frequency and effectiveness of project monitoring and budget use. Title Deeds and Infrastructure: Members queried delays in issuing title deeds, highlighted problems with building quality (e.g., cracking), and pointed out inconsistencies between budget claims and returned funds. Intergovernmental Coordination: Emphasis was placed on the need for collaboration across national,	The department reported that it is tightening consequence-management processes and expects visible progress within the next few quarters. Committee feedback was welcomed; the aim is equitable housing access for both rich and poor. The following commitments were made: - Project follow-up & troubleshooting - Mangaung: funds have been allocated, a response plan was drafted in Kimberley, and an on-site team is working to turn early improvements into concrete results - A fuller status update will be given at the Committee's next meeting. - Citizen complaints framework It was reported that a formal hotline and WhatsApp channel now capture complaints Repetitive issues signal systemic problems; a dedicated team investigates root causes and enforces accountability. Traditional-authority land & legal hurdles - Development is stalled where land remains under traditional authorities; these constitutional questions require executive and parliamentary action. Title deeds & beneficiary backlog - Municipal bottlenecks and lack of funding is delaying title deeds. -In 2025/26 financial year the priority is to pass the municipal resolutions needed to release existing deeds only after that will distribution timelines be finalised. Budget utilisation & ring-fencing - Returning funds to Treasury is a concern and it should end the department committed that money will be redeployed where needed, with ring-fenced targets.
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		provincial, and municipal levels within the District Development Model (DDM). Audit and Accountability: Some Members expressed concern over audit outcomes at the municipal level, urging stronger consequence management and cleaner audits. Accessibility of Housing Schemes: There was a general call for housing schemes to be more affordable and accessible, with specific interest in the First Home Fund and delays affecting beneficiaries. There is a disconnect between the Department of Human Settlements (DHS) and the Western Cape regarding spatial transformation, with differing approaches. Several provinces (Limpopo, Mpumalanga, Free State, Eastern Cape) lacked data on land rezoning and community residential units.	Gauteng and Western Cape were previously problem-free provinces however now face shortfalls. North West and Free State spending patterns are under review. - Infrastructure quality & maintenance, - Cracks are largely due to neglected maintenance the department will accept liability where defects are structural. - Public engagement will be enforced & beneficiary lists management. - A dedicated outreach unit mediates disputes and presses unresponsive municipalities. Example: 400 long-inactive beneficiaries were removed for failing to provide “proof of life” the department is intervening to ensure fairness. Policy overhaul. The Minister has ordered a comprehensive policy review. Quarterly assessment meetings now cover provincial departments and major metros. -Current policy prioritises the elderly and households with minors, unintentionally incentivising fraudulent “borrowed” birth certificates is an issue under review. Spending cadence -Provinces sometimes spend only at year-end; DHS is monitoring in-year expenditure to prevent this pattern.
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		Inconsistencies in land acquisition and lack of figures across many provinces hinder effective planning. Most informal settlements are in metro areas, indicating a need for more targeted and consistent data collection and analysis. Governance at the local level is weak, with minimal project monitoring and poor communication with ward councillors. Audit outcomes indicate underperformance by representatives on the board. Legislation monitoring lacks inclusion of local government structures, leading to delays and poor service delivery, especially in rural areas.	Overall, the Department is sharpening oversight, modernising its complaints system, and revisiting policies and funding flows to clear long-standing bottlenecks especially those blocking title-deed issuance and timely project delivery. -The tribunal was created to resolve landlord-tenant and community disputes quickly and affordably, allowing people to represent themselves. Its existence is independent of provincial support, and the Minister will manage its implementation appropriately. Board Appointments: All board members serve three-year terms and are limited to two terms. Community Residential Units (CRUs): CRUs have been challenging due to financial and readiness issues among beneficiaries. Some provinces declined further CRUs due to lack of need or budget. The issue requires a sector-wide response. Rezoning Data: Eastern Cape, Free State, Limpopo, and Mpumalanga had no data on land rezoning in the report because they had already completed 100% of rezoning. Other provinces showed partial progress, as indicated in the presentation.
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28 August 2024	Engagement with the Office of Auditor-General South Africa on the state of Audit Outcomes in the Portfolio of Human Settlements. Briefing by the Department of Human Settlements on the Medium-Term Strategic Framework (MTSF) 2019-2024 Performance.	Operational and Structural Challenges in Housing Delivery -Municipalities are failing to submit beneficiary lists, leading to unspent housing funds being returned to the National Treasury. -Poor-quality housing continues to be built, raising concerns about the effectiveness of the National Home Builders' Registration Council's inspections. -Inadequate bulk infrastructure at the municipal level is delaying construction, with unclear plans to enforce municipal accountability. -Environmental Impact Assessments may be ignored, resulting in houses built on unsuitable land that leads to structural issues. -There's uncertainty about whether the housing budget is sufficient to address the long-term backlog, which could take up to 75 years to resolve. Governance, Corruption, and Community Engagement -Allegations of corruption in the allocation of homes in Senior Villages, including queue-jumping and bribes of R25,000, undermine public trust. -The Department is not adequately addressing the relocation of residents from hazardous areas (e.g., riverbanks, flood plains), and a clear intervention plan is lacking. Calls have been made to shift from providing fully subsidised homes to offering serviced stands, allowing beneficiaries to self-build. -There is a need for better communication and transparency in relocation and housing policies to address community resistance and ensure fair beneficiary allocation.	Project Responsibility: Provinces and municipalities handle housing projects; the Department only provides concurrence. Structural Defects and NHBRC: The National Home Builder Registration Council (NHBRC) inspects construction and requires project registration. Houses built before 1994 aren't covered. Subsidies include funds for geotechnical Environmental Impact Assessments, which must be reported. Social Facilitation and Safety: Communities are warned about unsafe areas (e.g., dolomitic ground, riverbanks), but warnings are often ignored. Prioritising the Vulnerable: Elderly and indigent individuals should be prioritised in housing backlogs. Minister's Response on Oversight Failures: Some houses weren't registered, and collusion between inspectors and contractors led to poor workmanship. A lifestyle audit of inspectors revealed widespread issues; 80% of contractors failed quality checks. In rural areas, residents were used to inspect houses, which led to substandard structures. Inspectors will now rotate to prevent close ties with contractors. Legislative and Policy Support:
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			The upcoming Consumer Housing Protection Bill aims to address NHBRC-related issues. Title deed delays stem from unresolved township establishment, lack of infrastructure (like lighting), and policy or family estate disputes. Collaboration with the Department of Justice is needed to resolve some of these issues. Title Deeds and Equity: Senior citizens and previously unregistered (mainly White, Indian, and Coloured) communities are being prioritised. In places like Chatsworth (KwaZulu-Natal), elderly municipal tenants are being granted ownership of the homes they rent.
4 September 2024	Briefing by the Department of Human Settlements on the strategy to unblock blocked projects across the country. Department of Human Settlements to present the strategy that would assist provincial departments and metropolitan municipalities that were failing to spend their allocated budgets	Causes of delays or abandonment: Members questioned the reasons behind stalled projects, citing issues such as the construction mafia, funding shortages, and poor project management. Contractor accountability: Concerns were raised about the appointment process for contractors and the lack of consequences when they failed to deliver. Interdepartmental coordination: Members stressed the importance of collaboration with other departments, especially in security matters, and encouraged partnerships with provinces and municipalities. Community engagement: There was a call for deeper involvement of communities to ensure transparency and support for projects. Specific mention was made of the need to engage with police and other stakeholders to tackle illegal occupations and invasions of housing developments.	Status of Blocked Projects: The department reported that in 2022, MINMEC prioritized resolving blocked housing projects. Initially, 3,445 stalled projects were identified. By March 2024, 3,150 of these projects had been unblocked or completed. For the current financial year, 100 remaining projects are being prioritized, including: Free State: 41 North West: 30 Gauteng: 14 Limpopo: 13 KwaZulu-Natal: 1

		Overall, the Committee supported the need for a coordinated, multi-stakeholder approach and requested stronger enforcement, accountability, and community participation to ensure the success of the unblocking strategy. The Committee highlighted how incomplete or unoccupied developments have led to illegal invasions, citing the Dube development in Soweto. It was pointed out that frustration grows when communities in informal settlements see completed housing units that remain vacant. More effective enforcement and legal frameworks should be developed to prevent and respond to such invasions. The Committee recognized progress in the draft strategy but stressed that it requires refinement and stronger enforcement mechanisms. Success hinges on multi-stakeholder collaboration, stronger data oversight, and a firm commitment to transparency and accountability in project execution.	Western Cape: 1. Contractor Capacity and Construction Mafia Contractors are selected according to CIDB grades (1–9). Lower-grade contractors (1–3) cannot be excluded but are allocated projects based on capacity. So-called “community business forums” (also known as construction mafia) often demand a share of project value, leading to delays or abandonment. Contractors unable to meet such demands may run out of funds before completing projects. Payments and Blacklisting Contractors are paid based on milestones (e.g., site handover, foundation stage). Incomplete projects result in only partial payments. Blacklisting defaulting contractors is managed by National Treasury and is a lengthy process. Budgeting and Financial Constraints There is no separate budget that exist for blocked projects they are funded from the Human Settlements Development Grant (HSDG). Treasury advised the Department to prioritise within the current grant allocations due to budget cuts.
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		Overall, the Committee supported the need for a coordinated, multi-stakeholder approach and requested stronger enforcement, accountability, and community participation to ensure the success of the unblocking strategy. The Committee highlighted how incomplete or unoccupied developments have led to illegal invasions, citing the Dube development in Soweto. It was pointed out that frustration grows when communities in informal settlements see completed housing units that remain vacant. More effective enforcement and legal frameworks should be developed to prevent and respond to such invasions. The Committee recognized progress in the draft strategy but stressed that it requires refinement and stronger enforcement mechanisms. Success hinges on multi-stakeholder collaboration, stronger data oversight, and a firm commitment to transparency and accountability in project execution.	The Human Settlements Development Grant (HSDG) is being utilised, as advised by Treasury. Ring-fencing funds for blocked projects is one approach that will be looked at with consultation with National Treasury. Business Plan Compliance: Provinces and municipalities are required to submit approved business plans to receive grant funding. Municipalities like Johannesburg and Cape Town had their business plans rejected due to specific issues, leading to delays in fund transfers. If procurement is not finalized by March 31, the department may withhold funds. Land Identification for Housing: The Housing Development Agency (HDA) is tasked with identifying and securing land for housing within gazetted priority areas. Municipalities and provinces may also identify land and work through the Housing Development Agency (HDA) for acquisition. Illegal Occupations: An inter-ministerial committee led by the Deputy President is working to identify and allocate state-owned land to reduce illegal occupations. Additional Measures:
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11 September 2024	Briefing by the Department of Human Settlements on the Fourth Quarter (January to March 2024) and First Quarter 202 (April to June 2024)	Clarity was sought on plans to address contractor withdrawals caused by project sites being too vast or scattered. Questions were raised about how unutilised funds from such projects would be handled. A suggestion was made to incentivize contractors who persist with challenging projects. Members asked whether the Department vetted contractors and whether there was a centralised system to flag underperforming contractors across provinces. Questions were raised about how monitoring is conducted — whether it includes on-site visits or desktop reviews — and what exactly is evaluated during monitoring. Poor performance in Gauteng, Western Cape, Limpopo, and North West was highlighted. Members sought reasons for the underspending and plans to improve	In response to the issues raised, the Department stated that requests for emergency assistance were traditionally made through the MEC office, via local municipalities, to the provincial departments. However, many of these applications were not acted upon or assisted. However, this has been changed, and Local Municipalities could forward their application through the national department as it was working closely with the Provincial and Municipal Disaster Management Centres and receive all the reports of incidents. The Western Cape Provincial Department has added the national department on its automated system where the department received all the incidents, and a team would be dispatched to verify within 24 hours. Even though the Department centralized the fund, it did not take over the management of disasters. The resources provided depended on the type of disaster that had occurred. There were four interventions that were provided: -Restoration intervention – provision of building materials -Rebuilding the buildings – construction of --Temporary Relation Units (TRUs) -Temporal accommodation – -Repair of damaged roofings
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		grant utilisation and municipal support. Clarity was requested on the process of reallocating funds among provinces and how the Department planned to mitigate failures to spend. Concerns were raised about how provinces losing funds would be supported or compensated. Members inquired about access to the Emergency Housing Fund, timelines for release during disasters, and the number of flood victims assisted vs. still waiting. Concerns were raised about 4% underspending in emergency housing in Quarter 1 and related challenges. Programme 5 Performance: Only two out of five targets were achieved, allegedly due to disaster-related interventions. Members asked for clarification on this correlation. Members requested information on the timeframes and process for digitising the Beneficiary List and	In the Tongaat area, the roofs were blown away, and the estimate cost was at R990 million for partially damaged houses. The Minister had to apply for additional funding in order to be able to assist. The Department was waiting eagerly for the approval so that it can be able to assist those who have been affected. The challenge with the emergency fund was that it was unable to construct new and permanent structures, this was according to National Housing Code, only Human Settlements Development Grant was allowed to construct permanent structures. Regarding the Informal Settlements Upgrading Partnership Grant (ISUPG), there was a dedicated team to work through the streams that is one focusing on land acquisition, one of geo mapping of the informal settlements, one focusing on Environmental Impact Assessment to ensure compliance with the Environmental Management Act, one working on re-blocking and lastly, one focusing on the permanent installation of infrastructure to give services to qualifying beneficiaries. It was reported that there was no room for incentivising performing contractors as work was linked to the subsidy quantum that had been approved, instead the Department was monitoring their performance and cancelling purchase orders of those not performing.
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		how public representatives could access the National Needs Register. Members expressed concern over only 29% title deed delivery in four years. The AGSA's recommendation to align the programme with MTSF was noted, with a call for better planning and provincial adherence. With 90% overall performance reported, Members asked for clarity on the impact of the remaining 10% shortfall on citizens. A request was made for data on the number of households that benefited from asbestos roof removal in the Free State.	The reasons for poor performance in the ISUPG was the over committing of provinces in their business plans and they have been advised to prioritise informal settlements that were at phase 3, meaning those that were ready for the installation of bulk infrastructure. The unspent budget in this programme was to be redirected to other phases. For digitizing the Beneficiary List, the Department has been working with SITA since 2023 to develop a user-friendly system, with ongoing issues and a demo planned for September 2024 aiming to meet the financial year deadline. The Department acknowledged a large backlog in issuing title deeds due to various challenges, including incomplete infrastructure in some post-1994 housing. A "Title Deeds Fridays" campaign was launched to speed up issuance. Collaboration with other departments is underway to address infrastructure gaps and locate deed owners. On asbestos removal, verification and sampling are in progress, led by the Free State Department with the Development Bank of Southern Africa. The process is slow due to the need for specialized teams and safe disposal of hazardous materials. Roofing replacements are ongoing, but gradually.
18 September 2024	Briefing by the Department of Human Settlements and SITA on the challenges with the system to assist the Department of Human Settlements to digitise the Beneficiary List	Treasury Practice Note 5 Clarification: Members sought clarity on the deviation from this note, questioning why SITA (State Information Technology Agency), whose core function includes software development, was not used. SITA's Capacity Issues: It was alleged that SITA lacked the skills and capacity to deliver the required system for the Department of Human Settlements. Service Providers: Members requested details about external service providers involved in system development. Data Security and Backup: Concerns were raised about the security of data during the transition and the existence of a backup system.	In response to issues raised, State Information Technology Agency (SITA) confirmed that capacity was not a challenge however, augmentation was done when there is volume of speed based on timeframes of the client. It was also stated that Small, Medium and Micro Enterprises (SMME's) were industry partners that required to be empowered, therefore some work was shared with them. Regarding timeframes, the Committee was informed that the development of the system would take approximately 120 days as phase were to be run parallel to each other. It was reported that there would be different support and maintenance for the system such as helpdesk, functional and technical support. The pricing would be discussed as per the engagement and the proposed pricing has been submitted to the client.

		Project Delays and Urgency: Members expressed frustration over the lack of a timeline and financial details, urging both the Department and SITA to expedite the project due to the poor living conditions of affected people. Training and System Implementation: Questions were raised about training plans for municipal officials, system maintenance responsibilities, and whether officials were cooperating with the new system. SITA's Role and Performance: Members asked about the classification of mandatory vs. non-mandatory services by SITA and criticized the agency's ongoing capacity challenges despite being established early in South Africa's democracy.	In response to the issues raised, the Department informed the Committee that: The Treasury Practice Note 5, allows SITA to grant deviate by allowing Department of Human Settlements to procure service provider whilst encountering capacity challenges or maybe that their hands were full to assist as software applications, technology development and design is their core business. The current procedure was to seek deviation from SITA, initially SITA indicated that meeting deadlines would be challenging. The only way was for the agency to grant deviation. Further informed that according to SITA Act, it is illegal or punishable for Departments not to utilise SITA services when it comes to technology even though it was taking much longer even in procuring laptops. Pricing was also an issue as SITA was charging exorbitant prices as compared to other service providers. The Department was not putting other processes in abeyance whilst waiting for deviation to be granted but working and once deviation granted the service provider will continue with what would have been done. The system that would be approved would be the one that would respond to all the needs meaning all eight key modules. The SITA's Application Executive and the Chief Information Officer from the Department of Human Settlements were the one running with the development of the system. Regarding training, it was reported that at conceptualisation of the system two provinces and a municipality were involved. It was reported that there was no resistance thus far from the officials. The officials that were working on the HSS will be deployed to municipalities to assist. The migration of data would be protected and would be done over protracted periods. There would be a pilot test before the system goes live. The performance will depend on module meaning that modules would require to work with each other.
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			It was reported that the Department had mandatory service with SITA, however, the Treasury Note supersede the SITA Act. The Department was in the process of appointing the Chief Information Officer, request was approved by DPSA and Minister of Human Settlements has granted the permission to advertise the post
16 October 2024	Briefing by the Office of the Auditor-General South Africa on Findings and Audit Outcomes of Financial and Non-financial Performance of the Department of Human Settlements and its Entities for the 2023/24 Financial Year. Briefing by the Department of Planning, Monitoring and Evaluation on the Overview of Monitoring and Evaluation of the Work of the Department of Human Settlements for the 2024/25 Financial Year. Briefing by Department of Human Settlements on its Annual Report – Financial and Non-financial Performance for 2023/24 Financial Year	The Committee was concerned that there were common areas of no compliance as per presentation and sought clarity on the view of the different entities. There was lack of documentation and no evidence. What were the concerns about PPRA Board members paying themselves higher fees without the approval from the Minister of Human Settlements and Minister of Treasury. What was the R6,3 million related to? The Committee observed a lack of monitoring, especially in KwaZulu-Natal, during the oversight of irregular expenditure. In addition, NHFC and PPRA also faced noncompliance with their constitution, which were the challenges. The Committee was concerned about the report on the Western Cape, which received a clean audit, despite allegations of R435 million in	The Auditor-General of South Africa (AGSA) reported various issues in the Western Cape to both the National Department and Provincial Human Settlements Committee. Key concerns included widespread noncompliance with legal and financial regulations, lack of consequence management, and failure to implement PFMA (Public Finance Management Act) provisions. Findings showed irregular and wasteful expenditure, ineffective contract management, and delayed renewals. Adjudication committee members were deemed incompetent. The PPRA (Property Practitioners Regulatory Authority) was found to have implemented its own policy, unapproved salary increases for board members, and delayed payments to debtors. VAT-related noncompliance was also noted. AGSA emphasized the need for proactive measures and enforcement at the managerial and accounting officer levels. There was concern over the lack of follow-through on AGSA recommendations. The asbestos matter was referred to the Department of Human Settlements.

		fraud cases. It was enquired as to why their Legacy issues and Undesirable matters, and root causes, were not being addressed, like proper planning. The Committee wanted to know if the term consequence management was understood, were the CFO's competent or not? And also wanted to know if the legislation was adhered to. Members welcomed the presentations from AGSA, the Department, and NHBRC, noting improvements and the appointment of the DG. However, they raised concerns about recurring non-compliance issues, irregular expenditure (especially in KZN), and discrepancies in PPRA performance reports. They questioned the PPRA board's self-determined remuneration, the backlog in service provider payments, and audit findings in various provinces. Members appreciated the filling of CFO positions but flagged legacy issues and sought AGSA guidance on prevention. They raised questions about asbestos roofing, fruitless expenditure, consequence management, quality of spending, protection for whistleblowers, and flexibility in the Emergency Housing Programme. Concerns included KZN's slow housing delivery and clarity on the Housing Code's approval and implementation.	The Department indicated that there were basic controls in the Department and entities to eliminate non-compliance. That all compliance laws are implemented to safeguard the Department and entities. If there are issues with irregular expenditure, there the Department and entities institute disciplinary actions and appropriate steps are taken to recover all monies irregularly spent. The Department assured the Committee that the appointment of the DG would ensure leadership stability in the Department. Leadership stability would result in compliance with legislative requirements. The Department indicated that some projects in KZN were often delayed for more than 20 years. This was a major challenge for the Department. The AGSA has put measures in place to ensure a common understanding of consequence management and non-compliance with legislation. The AGSA also conducts training and education of its staff to ensure that this understanding is institutionalized. The R160 million disappeared in OR Tambo District and Ekurhuleni. The Department indicated that they were not aware of the asbestos projects in KZN. The Housing Code is a useful instrument to provide uniformity in programme implementation. The Code can be used as reference for the implementation of housing programmes.
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18 October 2024	Briefing by the Human Settlements Entities on the Audit Outcomes for 2023/24 Financial Year: - National Home Builders Registration Council (NHBRC) - National Housing Finance Corporation (NHFC) - Social Housing Regulatory Authority (SHRA) - Housing Development Agency (HDA) - Property Practitioners Regulatory Authority (PPRA) - Community Schemes Ombud Services (CSOS)	The Committee raised concern on the matter of the Acting CFO with PPRA Consequence Management (HDA): Questions were raised on the nature of disciplinary action and the effectiveness of consequence management processes. Audit and Performance Issues: Audit Findings (PPRA & HDA): Queries on audit action plans, timelines to resolve findings, and how long PPRA would take to reach a >90% audit outcome. Concerns about stagnation in addressing audit findings (AG reports). HDA was praised for reducing irregular expenditure by 90%. Write-Offs: A breakdown of the R36 million written off was requested, with clarification on non-cash allowances. Performance Recognition: PPRA was acknowledged for improved performance, particularly in women empowerment (40% of business allocated to women). PPRA still needs to meet targets for people with disabilities and military veterans. Transformation and Equity BEE and Transformation Timelines: Questions on how the inherited dysfunction was being transformed.	PPRA indicated that the current CFO was on suspension, as outlined in the presentation. Housing Development Agency (HDA) Operational Model & Challenges: HDA operates via two models: Medium-Term Operational Plan and Instruction to Perform Work (IPW). However, provincial cooperation is inconsistent even when contracts exist. SARS Penalty: HDA's payroll was outsourced; SARS penalised them for alleged non-compliance. HDA disputes this and plans legal action, asserting the delay was SARS's fault. Consequence Management: The finance manager was dismissed due to mismanagement. Land & Rezoning: Expropriation under Section 25 has occurred in Rustenburg and two other regions. Rezoning processes remain under municipal tribunal control, though HDA has been engaging municipalities on this. Audit & Financial Statements: Issues were due to a manual system, causing misalignment in financial notes. HDA is working towards a clean audit. Property Practitioners Regulatory Authority (PPRA) Audit Outcome & Systems: Received a qualified audit with 63% performance. The outdated SAP system hinders operations; PPRA is sourcing a new ERP system.
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		Concerns on how BEE issues were being resolved. Support for Disadvantaged Groups: PPRA was asked about youth recognition, military veterans, and people with disabilities. Financial Management SARS Penalty: Inquiry into why SARS penalised the department. HDA Recovery Efforts: Questions about the recovery of funds lost through fruitless and wasteful expenditure, and funding sources for additional targets. Informal Settlements & Housing Delivery Figures and Plans: More detailed figures requested on informal settlements, especially per province. Concerns about RDP housing lacking services (water, electricity). Future upgrade plans were requested from HDA. PPRA still needs to meet targets for people with disabilities and military veterans. Transformation and Equity BEE and Transformation Timelines: Questions on how the inherited dysfunction was being transformed. Concerns on how BEE issues were being resolved. Support for Disadvantaged Groups: PPRA was asked about youth recognition, military veterans, and people with disabilities.	Transformation & BEE: Fidelity Fund Certificates are tied to valid BEE certificates. Legal clarity has been sought due to confusion over legislative interpretation. Performance & Risk Management: A risk matrix and new Chief Risk Officer are in place. Poor performance partly due to delays in transactions and a lack of a debtors' recovery unit — now created and working with legal partners. Disability & Veterans Targets: These targets weren't met but are acknowledged as key future goals. Constitutional & Sectoral Issues: The sector faces high barriers to entry. Legal and policy reforms are being explored. Debtors & Non-Cash Items: Non-cash expenses refer to adjustments that reduce revenue despite no actual spending. A new unit now investigates debtors' accounts. Community Schemes Ombud Service (CSOS) Performance & Audit: Achieved 83% performance (up from 71%). Unqualified audit in 2022/23 but regressed to a qualified audit in 2023/24. Dispute Resolution: 15,587 disputes received: 8,720 finalised in 2023/24. Transformation Targets: Women and youth procurement targets met. Veterans and disability procurement targets missed, but partnerships (e.g., MOU with Veterans Department) are in progress. Financial Statements & Oversight: Low-quality statements were attributed to acting roles and late material adjustments. Future improvements include the use of checklists.
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		Financial Management SARS Penalty: Inquiry into why SARS penalised the department. HDA Recovery Efforts: Questions about the recovery of funds lost through fruitless and wasteful expenditure, and funding sources for additional targets. Informal Settlements & Housing Delivery Figures and Plans: More detailed figures requested on informal settlements, especially per province. Concerns about RDP housing lacking services (water, electricity). Future upgrade plans were requested from HDA. Title Deeds: Request for a provincial breakdown of issued title deeds, including demographics. Land Acquisition: Questions about land acquired or released (Slide 4). Whether municipalities also purchase land or if HDA is the sole entity. Clarification on how unused excess land is managed and valued. Strategic and Regulatory Issues Section 6/3 of the Principal Act: PPRA was asked whether it had encountered legal or regulatory challenges under this section.	Funding: CSOS relies mainly on levy income and will no longer receive government grants. Social Housing Regulatory Authority (SHRA) Performance & Delivery: Achieved a clean audit. Delivered 3,066 units, tenanted 2,961 (97% uptake). Total of 13,885 units completed under the MTEF (2019–2024). Over 9,500 jobs created. Accreditation & Projects: 80 accredited institutions; 9 fully accredited, 6 with projects under construction. Transformation & Expenditure: 64% overall institutional performance. Improved SD&T (skills development and training) expenditure (from 50% to 72%). Financial Reporting Issue: Mistakes arose due to multiple acting positions. Material adjustments led to the perception of low-quality financials. Plans include using checklists going forward. Key Cross-Cutting Issues Raised by the Committee Low-Quality Financial Statements: All entities were urged to improve accounting standards and avoid situations where CFOs also act as accounting officers. Transformation & Service Delivery: Entities need to meet targets related to military veterans, people with disabilities, and empowerment of youth and women.
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		Litigation: PPRA was asked to report any litigation and how it impacts operations. Regulatory and Policy Impact: HDA was asked what fundamental policy or regulatory shifts impacted its strategy. District Development Model (DDM): HDA was asked to elaborate on its role within the DDM framework. Systems and Technology SAP IT System (PPRA): The system reportedly doesn't serve PPRA well; the Committee asked what alternative system will be used. Performance Measurement and Feedback KPIs and Impact: What key indicators are used by HDA and PPRA to measure performance? How do they assess the social and economic impact of housing projects? Stakeholder Engagement & Feedback Mechanisms: Who was consulted in planning and implementation? What feedback mechanisms are in place for process improvement? Accountability	Audit & Performance Plans: Audit action plans and timelines must be clearly defined and monitored to ensure accountability and clean audits. Systems & Capacity: Outdated systems (e.g., SAP) are hampering operations. Upgrades and modern ERP systems are critical. Human Settlements, City of Tshwane (CoT): Confirmed the Mere issue was complex, particularly due to cross-border land administration still under the NWHC. Land was not initially on the deeds register; after a long process, the Department of Public Works confirmed ownership. Efforts are underway to expedite land registration, with a letter sent to the DG of the Department of Infrastructure Development. Township establishment process still pending. Province requested to assist with clearance certificates. It was stated that the MEC of Human Settlements would consider requests from the City of Tshwane regarding the matter. NWHC: Explained the ex-gratia payment was calculated at 33% of the purchase price, equating to R29,000. Described the payment as fair and equitable relative to the capital amount. North West Provincial Department of Human Settlements: Confirmed the department's commitment to assist Mr Kgasoe (the petitioner).
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	Update by the Department of Human Settlements and other relevant Departments on the following Petitions: - Ga-Rankuwa/Mabopane Petition - Petition on the Breede Valley Municipality	Timelines and Monitoring: A strong call was made for clear timelines from all entities to allow the Committee to monitor progress and hold them accountable. Ga – Rankuwa /Mabopane Petition All Members agreed that the petitioner’s experience was painful and unacceptable. There was strong concern about the lengthy delay in resolving the matter. Members emphasized the need for clear, measurable timelines and effective intergovernmental cooperation to address the petitioner’s demands. Resistance from Key Stakeholders: Questions were raised about the resistance from COGTA and municipalities in resolving the matter. Members sought clarity on which contractors were being used and whether they met the required specifications.	Once land was made available by NWHC, a contractor was appointed. Cited the municipality as a stumbling block due to delays in approving designs (stated to take six weeks), though the issue was reportedly resolved. The National Department: Emphasized the national department’s leadership and mediating role despite the issue being provincial and local. Highlighted efforts to bring all parties together, resulting in some progress. Accepted responsibility for coordination, including on matters before courts. Department’s General Position: Advocated meeting the petitioners halfway by offering a special dispensation with the highest subsidy reserved for military veterans. Minister and department actively monitor the issue in regular meetings. Committed to sharing an implementation plan with Members to ensure accountability.
30 October 2024		Lack of Accountability: Members criticized the absence of consequence management for officials involved in the repossessing of the petitioner’s home. They demanded to know why no action had been taken against those responsible. Call for Direct Engagement: There was a proposal for the Committee to meet with the petitioner in person to better understand the circumstances and find appropriate resolutions. Concerns on Housing Specification and Compensation: Members questioned why a military veterans housing specification was offered to the petitioner, and whether this was adequately communicated or agreed upon.	Have undergone a Public Protector process and committed to implementing remedial actions. Apologized to petitioners for past shortcomings. Explained difficulties in pursuing accountability for employees who resigned due to labour laws. Clarified that the matter was referred to law enforcement to investigate possible criminal conduct regarding illegal house sales. Acknowledged petitioners’ concerns over the ex-gratia payment, noting it remains under NWHC’s jurisdiction. The Western Cape Provincial Department of Infrastructure indicated that there was an agreement that the necessary feasibility study had been submitted, as there could be no development without the necessary decanting having been done.

		There was concern that the offer may have been forced upon the petitioner without proper engagement. Breede Valley Petition Members raised concern with the construction company utilise who seemed to be dictating to the Department and make decisions. The construction company needed to submit a report to the Committee on its work. Members noted a range of elements in respect of the development, infrastructure, relocation, decanting, demolition and proper planning. The Councillor needed to be furnished with adequate mechanisms to inform the affected communities on issues of development. The Councillor also needed to assist in persuading the community to relocate for development to continue. The Department needed to submit a housing database to keep track of officials and progress made.	Decanting needed to be done to ensure development on each site. The timelines submitted by the Department was the best they could do under the circumstances for the best acceleration. The Department reiterated that there was a need for the necessary decanting. There was a thorough deep dive into the process management, project proposal and readiness. The Department was at a stage where they had money to develop a total of 150 housing units. There was a danger of community resistance in respect of decanting. The National Department agreed that the informal settlement had grown unsustainably, and development could not proceed without decanting residents. The Human Settlements Development Agency (HDA) was brought in to ensure project readiness, addressing capacity gaps within the municipality. Funds were allocated to accommodate 150 people during the decanting process. The Department anticipated political resistance from the community regarding decanting. Although a councillor is also a petitioner, the department emphasized the councillor's role as a political leader responsible for facilitating decanting to allow development to move forward. The Department of Human Settlements (DHS) and other stakeholders have made advance plans, including for outer financial years. The presented plans, including decanting and measures to halt the informal settlement's unsustainable growth, were deemed realistic and necessary.
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13 November 2024	Briefing by the Department of Human Settlements on the progress made on the Issuance and Transfer of Title Deeds.	Members welcomed the presentation and appreciated the Department's honest admission of underperformance. They requested clarity on the key challenges faced and how Parliament could assist. Noted that disasters may lead to loss of title deeds, and asked: Who is responsible for replacements? Who bears the cost? Capacity Concerns Why was additional support not hired to strengthen the Department's capacity in implementing the programme? Township Establishment Members requested a layman's explanation of the term "township establishment." Who is responsible for township establishment? What processes and approvals are required? Title Deed Collection and Delivery Who is responsible for collecting issued deeds? Concerns raised over deeds landing in the wrong hands (criminality). Noted that deeds often collect dust in municipal offices.	The Department acknowledged that there was lack of capacity countrywide when it comes to the support of the title deeds restoration programme. The department has two personnel working on this programme. However, it was in a process of employing more staff. In terms of Section 49 of Spatial Planning and Land Use Management Act, 16 of 2013, (SPLUMA) requires a certain level of services to be provided, before the township establishment can be affected. The Title Restoration Project was dealing with existing human settlements on unproclaim townships – meaning that without it, registration of title would not be realised, because the township establishment will not be approved if the service levels of Section 49 were not met. That was mainly because bulk services were not available there. Therefore, the settlements do not have adequate services (because of bulk) and therefore can also not be given ownership - because bulk was required for township establishment and township establishment was required for conveyancing (registration). The provinces were appointing conveyancers to register and collect title deeds. The department was concerned about the low numbers of deeds registered by provinces as a result it was holding onto tranche payments for poorly performing provinces. In some cases, attempts were made to convert unspent grant for the titling programme, but the same non-performer would require approving. The Free State failed to deliver the deeds. The department stated that if the exemption could be received from the Minister of Agriculture, Land Reform and Rural Development (DALRRD) for Section 49, it would be able to finalise township establishment without the requirements of Section 49, and therefore it would be able to register and
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		What are the plans to ensure rightful owners receive them? Pre-1994 Housing Stock What is the process to issue title deeds to people who never received them pre-1994? Public Education & Awareness Is the “Title Deed Friday” initiative still ongoing? Are people being educated about the value of: Drafting wills for inheritance purposes? Avoiding family disputes upon the death of original owners? C Forms and Rates Issues How is the Department assisting beneficiaries holding C Forms who are being charged rates and taxes while still awaiting their BNG houses? Performance Concerns Concern over eThekweni metro’s decision to reduce title deed numbers.	issue title. According to the figures there were approximately 398 000 as per the presentation. On the valuation roll as it relates to the City of Cape Town, at the time the World Bank consultants compiled the information on state-owned residential properties in metropolitan municipalities. The City of Cape Town did not avail their valuation roll for the department to make the same determination. That remained work in progress and the department was also working on the other metropolitan municipalities and will continue to engage the City of Cape Town. Noting that the City of Cape Town does receive annual allocations from the province to implement titling whilst other metropolitan municipalities does not. It was reported that Windeed is a search engine owned by a private company, mainly used to search deed related information and paid per transaction. So, if a title deed has not been registered in a beneficiary’s name yet, a Windeed search on that beneficiary’s identity number will not yield a result. The department do make limited use of Windeed for the purposes of deed searches, mainly to confirm that a title deed has indeed been registered, as their fees were much cheaper than the Deeds Office. For bulk searches, the department is using the Deeds Registry to determine new beneficiaries’ eligibility for a subsidy. For these the Department has an account with the Deeds Office.
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		Noted poor performance by some provinces, specifically: Free State: failed to report on verification. Praised the Western Cape for exceeding targets. What are the plans to assist underperforming provinces? Progress and Timeframes Concerned that only 12,000 of 47,000 targeted title deeds were issued. What are the realistic timeframes for achieving the full target? How is progress tracked and measured? City of Cape Town & Valuation Roll Why did the City of Cape Town refuse to share the Valuation Roll? What are the reasons for the refusal? Budget and National Treasury What is the role of National Treasury in:	The R293 townships were townships created under the Administration and Control of Townships in Black Areas, 1962. The Transkei, Bophuthatswana, Venda and Ciskei (TBVC) States former received deed of grant. The 112 Endorsement - was an endorsement on a Deed of Grant in terms of Section 112 of the Deeds Registries Act of 1937 that converts a deed of grant into full ownership. The Housing Development Agency (HDA) as a mandated entity to acquire land and develop into stands for the purposes of construction, has a critical role in the township establishment leg of the work the Title Restoration Project was supposed to achieve. Their role was however limited because it was not capitalised for this work. The money was transferred to the provinces through the HDA who appoints external service providers for this purpose. There were instances where the HDA has implementation protocols in place with provinces to perform the work (Limpopo, Mpumalanga and KwaZulu-Natal). Operation Vulindlela was aimed at certain policy reforms they want to drive, emanating from the work done under the Invest SA. The department had been struggling to find each other because the requirements of the Title Restoration Programme warrant Intergovernmental Relations (IGR) much more than policy reform. The HDA referenced Prof. Turok's HSRC research highlighting inner-city challenges, particularly
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	Briefing by the Department of Human Settlements on the plans to refurbish and repurpose old buildings.	Budgeting for title deed issuance? Intervening to prioritise the programme? Title Deed Tracking Is Windeed (a title deed and property information tool) being used to track progress and status of title deeds? Members expressed gratitude for the presentation and the revival of the Vusan' Amadolopa concept. Questions were raised about ensuring access for previously disadvantaged groups to prime properties in Sea Point and Langa. 2. Refurbishment and Occupation of Buildings: Clarification sought on refurbishment timelines, number of illegally occupied buildings, and the effectiveness of the Prevention of Illegal Eviction Act (PIE Act). Concerns over the costly and slow eviction processes and the need for Temporary Relocation Units (TRUs).	accommodation scarcity and the emergence of the Oomastandi model (flats subdivided and rented out). Issues extend beyond undocumented foreign nationals to include illegality, lack of enforcement, criminality, and inability to pay rent. Failed Refurbishment Efforts: An initiative by a former Johannesburg Mayor to reclaim and refurbish illegally occupied buildings failed due to legal complexities and enforcement issues. Of the 78 buildings acquired, none have been refurbished. The burned Johannesburg building remains under investigation and residents have been moved to temporary relocation units. Property Development and Municipal Challenges: Plan approvals fall under local municipalities; delays hinder implementation. Sea Point property timelines depend on municipal approval. Despite criticism, the City of Cape Town was commended for proactive planning compared to inaction in other cities. Only one refurbishment project has occurred in eThekweni in 15 years, signalling a lack of municipal commitment.
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		3. Safety and Attractiveness of Properties: Queries about plans to maintain safety and attractiveness of buildings. Concern about public resistance to allocations in high-crime areas (e.g., Randburg, Braamfontein, Hillbrow, and parts of Cape Town). 4. Abandoned and Hijacked Buildings: Frustration with the City of Johannesburg’s inability to provide a list of such properties. Questions on tracing ownership, especially when owners are overseas, and the acquisition of those properties. Interest in the criteria used to assess building habitability. 5. Legal and Administrative Challenges: Inquiries about ongoing eviction court cases and the status of the burnt Johannesburg property.	eThekwin faces infrastructure challenges, with DBSA stepping in for support. Legal Framework and Enforcement: The PIE Act was defended as effective, having withstood Constitutional Court scrutiny. Legal processes are slow and costly, making evictions difficult and delaying refurbishment. SHRA's Operational Challenges: 95% of tenants reportedly refuse to pay rent, causing financial strain and rent boycotts. Social Housing Institutions (SHIs) struggle with poor management and rent collection, requiring SHRA intervention. SHRA initiated a Municipal Support Initiative to educate municipalities on social housing processes, project applications, and gazetting of buildings. Four illegally occupied buildings were addressed; three resolved, one remains problematic. Future Projects and Financial Constraints: The City of Cape Town proposed projects for ~10,000 housing units in prime areas (Salt River, Woodstock, Mowbray Golf Course), but these are unfunded due to budget constraints.
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		Questions about the lack of action against building invaders beyond the 48-hour threshold. Concerns over eThekweni Municipality's long (24-month) delays in approving building plans and bureaucratic inefficiencies. Strategic Suggestions: Proposal for SHRA to make a visible impact in specific locations to transform city landscapes. Concerns about displacement due to gentrification in Cape Town and lack of affordable housing. Broader Urban Issues: Interest in how cities are performing against the CitiIQ liveability index and managing urban liveability. Issues of illegal occupation by foreign nationals and the need for effective policy enforcement. 8. Lessons and Challenges: Request for insights on the effectiveness, lessons learned, challenges, and best practices in property refurbishment and brownfield developments.	Tenant Selection and Credit Checks: SHRA conducts credit checks to screen applicants for affordability and creditworthiness before unit allocation.
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20 November 2024	Briefing by the Department of Human Settlements on the Strategy to deal with Illegal Occupation of Houses, Illegal Occupation of Land as well as Illegal Sales of State Subsidised Houses Briefing by Western Cape Department of Infrastructure - Human Settlements Branch and Stellenbosch Local Municipality on the plans to upgrade Informal Settlements in the Stellenbosch area	The Committee welcomed the PIE Act review but flagged concerns with clauses 1 to 3. Issues of criminal land invasions and illegal occupation of social housing were raised. What is the departments strategy and coordination with SAPS in dealing with land invasions. The Committee pointed out that the Department lacked a security budget to prevent illegal occupation and questioned the Department's plans for displaced land invaders. The Committee supported training of municipalities on illegal occupation and backed legislative changes. The Committee raised concerns about residents renting out state-provided housing. The Committee stressed the complexity of human settlements and the need for departmental collaboration. Supported legislative changes but noted a cultural shift was necessary to combat illegal occupation. The Committee emphasized the need to strengthen human	The Department outlined the three-pronged strategy and advised that municipalities needed strengthening to be able to manage issues. Municipal capacity training programmes had started in the Eastern Cape. The Department is looking at areas vulnerable to illegal occupation so those metros could be more responsive. Some limitations were due to legislation the department is addressing. It was emphasised that the Department is an active member of the Justice, Crime Prevention and Security Cluster, and had been collaborating with departments in that cluster. It was acknowledged that not all municipalities had the budget to guard their vacant land therefore there should be an early warning system when land was occupied in those municipalities so that there could be an immediate response. The Department wanted to make the law more responsive and supportive in cases where people were not vulnerable and qualified for social or subsidised housing. Stellenbosch Municipality's response The municipality was guided by its business plan on how to deal with different types of land ownership. The Municipality indicated that Ghiff was on privately owned land, but the families had agreed to move to Erf 64 which was nearby and was in the process of being transferred from the Department of Public Works and Infrastructure (DPWI) to Stellenbosch municipality. There was a committee with the municipality and the national and provincial DPWIs to discuss ownership.
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		settlements legislation and encouraged interdepartmental cooperation. The Committee inquired about DHS's plans to prevent land invasions, particularly in vulnerable areas, and questioned the level of community engagement and education. The Committee drew attention to the allegation that the Western Cape Provincial Department of Human Settlements had not budgeted for Stellenbosch's informal settlements.	being transferred from the Department of Public Works and Infrastructure (DPWI) to Stellenbosch municipality. There was a committee with the municipality and the national and provincial DPWIs to discuss ownership. The municipality explained that development rights needed to be in place before a package could be finalised. It could take three to five years, depending on funding and whether there were appeals by families affected. The municipality referred to the Northern Extension and said that the final layout would be submitted to the engineering department, and then the development application would be submitted to the Municipal Planning Tribunal for approval. The Municipality responded to the question on basic services and advised that the municipality had access to a basic services plan that dealt with providing new ablution facilities and maintaining existing facilities. It was added that they were looking at adding more ablution services. The municipality advised that they had replaced about 50 Wendy houses in Jamestown as part of their replacement programme, and 25 when there was flooding or fire. There was about R72 million budgeted for Jamestown, and that would help move people from the Wendy houses to formal housing. Approximately 214 people lived at Langrug Dam, and those families were being relocated. They had applied for emergency funding from the DHS but had not received an answer.
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			It was emphasised that the municipality tried not to move families if it was not necessary and confirmed that no informal settlement had no basic services but acknowledged that some may be below the national norm and standard. Human Settlement Planning, Western Cape Department of Infrastructure, said that 7.3% of the informal grant for 2025/26 and 16% for 2026/27 had been allocated to Stellenbosch. The municipality responded that between 50 and 100 families in the flood line would be accommodated in the northern extension. Provincial department of Human Settlements explained that the Department is working with Stellenbosch to develop a fire safety guideline and that there were plans to improve conditions in informal settlements. It acknowledged that while basic services were being provided, the growth of informal settlements was faster than the introduction of those services. The province referred to the emergency housing policy and explained that information about a person being evicted had to be recorded and that there had to be meaningful engagement to determine if the municipality could provide emergency housing. The municipality was identifying land that would be suitable for emergency housing. The province acknowledged that fires were an issue, due to structures that are often extended and the density in these areas created an environment where fires could thrive. Regarding Slabtown and the Ghiff, it was explained that those families did not want to move anywhere but Erf 64. It was argued that Jamestown had the best provision of ablution facilities, with the ratio being 1:2. The municipality concluded that it was trying to move people from Slabtown, and that there were plans to provide social and emergency housing to those residents. The National Department advised an amount of R13 million had been allocated to Kayamandi for services by the Minister of Human Settlements. The Minister had said that category C settlements relocation should be prioritised, as well as the reblocking of informal settlements.
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			The department confirmed that there had been a request from the municipality for funding for emergency housing, and that the application was being processed. Deputy Minister Mahambehla welcomed the comments by the activist, and said it was important to note the points raised. There needed to be a follow-up, as the activist felt that the report did not match the reality on the ground. She added that under the constitution, all citizens should have access to basic services and that all spheres of government should uphold this constitutional right.
21 November 2024	Follow up meeting with the Ga-Rankuwa/Mabopane Petitioners	The Committee discussed the long-standing housing issue faced by the petitioners and apologised and committed to resolving the matter. The Committee criticised the Department of Human Settlements (NDHS) for a lack of progress and emphasized the urgency of addressing housing inequities from apartheid era. The Committee questioned delays and demanded accountability for corrupt officials. The Committee warned about similar future cases and urged better community engagement and scrutiny of banking mortgage practices. The Committee highlighted how Ms Sepeng's house was sold without her knowledge and stressed the need for consequences for corrupt acts.	The department stated that a meeting with relevant stakeholders would be held on 22 November 2024 to engage on the progress of human settlements-related issues. The cause of the delay with the petitioners' case was due to the City of Tshwane having taken the Public Protector's report on review, which has paused progress. It was stated that both the City of Tshwane and the North West Municipality had submitted progress reports that were not different from what the Committee was already privy to. The department stated that nothing could be done without the consultation with critical stakeholders such as MEC and Minister. The Department of Human Settlements had authority through the Home Loans and Mortgage Disclosure Act 63 of 2000 to hold banks accountable. The department provided the Committee with a case number which had been opened by North West municipality and City of Tshwane to the Special Investigating Unit (SIU) as requested by the Committee.

		The Committee explained that the case was only formally acknowledged in May 2024. The North West Housing Corporation is now evaluating available stands and aims to respond by 30 November 2024 and echoed concerns over delays and called for accountability from officials. The overarching concern was the systemic failure and prolonged neglect of housing petitions, with a collective call for swift and just resolution.	The department explained that the Minister had implemented the MAWIGA (Mabopane / Winterveldt / Ga-Rankuwa) Ministerial Project to resolve the ownership and transfer of properties. The Department has taken over Mr Mere's case and the appointment of consultants is underway. Mr Mere was encouraged to contact the department to keep track of progress of his case. reported that the Public Protector's 2018 findings recognized maladministration by the City of Tshwane, but a review only took place in 2021 due to the city's failure to act. A broader discussion on the operations of housing corporations is necessary. MAWIGA was identified as the Minister's strategic response to housing petitions. Mr Mere's case is complicated by multiple ownership of the site, including the North West Housing Corporation, which demands full payment before transferring properties—even those built by the government.
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22 November 2024	Briefing by the Minister of Human Settlements on the White Paper on Human Settlements Briefing by nine Members of Executive Council and Heads of Department of Provincial Departments of Human Settlements on strategies and plans to unblock blocked projects; removal of asbestos roofs; eradication of mud houses and management of Beneficiary List • Eastern Cape • Free State • Gauteng • KwaZulu-Natal • Limpopo • Mpumalanga • North West • Northern Cape • Western Cape	The Committee criticized delays caused by underperforming construction companies which causes projects to be blocked. Emphasis was placed on strong contract management, monitoring, and early warning systems to detect issues promptly. The Committee welcomed Limpopo's approach of reallocating projects from failing to performing contractors as a model to incentivize better outcomes. Provinces are encouraged to share best practices to address construction delays collectively. On budget constraints and innovation, the Committee acknowledged that weak economic growth and shrinking budgets are key risks to housing delivery. The Committee called for innovative approaches to circumvent fiscal limitations, such as alternative building technologies that are faster and more cost-effective. The Committee emphasized a solutions-focused mindset rather than dwelling on financial limitations. On asbestos eradication challenges the Committee supported the asbestos removal programme but noted serious obstacles, including:	Eastern Cape The Department is addressing asbestos roof removal through a phased approach, identifying 7,602 units needing remediation at an estimated cost of R1.96 billion. However, only R54 million has been allocated for 265 units in 2024/25, raising concerns over health risks and legal exposure. Out of 87 initially stalled housing projects, 58 have been restarted, while 16 remain blocked, requiring R1.6 billion to complete. Unblocking efforts will continue in 2024/25. A Beneficiary Allocation Policy has been implemented to prioritize vulnerable groups—such as the elderly, military veterans, and child-headed households—and ensure fairness through ongoing eligibility assessments. Key challenges include contractor non-performance, lack of clear asbestos removal guidelines, and issues in beneficiary allocation. The Department is developing clearer implementation strategies and engaging contractors to improve outcomes. Measures are also being taken to prevent illegal occupation and ensure rightful beneficiaries receive housing. Free-State The Department is advancing a multi-pronged approach to address critical housing challenges, with a focus on asbestos removal, stalled projects, beneficiary management, and mud house eradication. Asbestos Removal Program: A phased strategy has been adopted to remove asbestos roofs, with 7,602 housing units identified for remediation.
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		- Lack of approved disposal sites, particularly in rural areas and insufficient funding. The Committee urged the development of practical solutions given the health risks of asbestos exposure. The committee noted with concern construction mafia threats and raised a strong condemnation of the construction mafia and business forums disrupting projects and labelled their actions criminal, stressing the detrimental effects on housing delivery, job creation, and economic growth. The Committee called for decisive law enforcement action. Beneficiary List Concerns: The Committee expressed concern over continued use of manual beneficiary list management, citing: - Lack of transparency, - Fraud risk, and - Inconsistencies. The Committee advocated for a transparent, digitised system as a	• The full program requires R1.96 billion, but only R54 million has been allocated for 265 units in 2024/25, raising concerns over long-term health risks and potential legal consequences. • A broader asbestos revitalization effort has verified 33,567 out of 35,975 identified homes, with a R25 million budget for the current year enabling only 190 units to be upgraded. The total project cost is estimated at R4 billion. • Challenges include limited funding, absence of detailed removal guidelines, and contractor underperformance. Stalled Projects and Unblocking Efforts: • Of 87 initially stalled housing projects, 58 have resumed. Sixteen projects remain blocked, requiring R1.6 billion to complete. • The Department is continuing unblocking efforts into 2024/25, employing strategies such as site verifications and beneficiary categorization. • A significant backlog of 20,686 beneficiaries across municipalities is being addressed through coordinated actions and improved project management. Beneficiary Management: • A Beneficiary Allocation Policy ensures fair housing distribution, prioritizing vulnerable groups such as the elderly, military veterans, and child-headed households. • A systematic process governs the management of beneficiary lists, including timelines for data extraction, verification, and
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		critical oversight priority to rebuild trust and fairness. Draft White Paper on Human Settlements: The Committee welcomed the progress on the Draft White Paper, especially its attention to contemporary issues. The Committee supported proposals like the rent-to-buy option to enhance security of tenure for social housing residents. The committee committed to ongoing engagement to ensure the policy is responsive to evolving challenges.	classification to uphold transparency and eligibility. Mud Houses Eradication Program: • Launched in 2023/24, this program targets the replacement of unsafe and unsanitary mud houses. • The strategy involves collaboration with municipalities, community engagement, and awareness campaigns to identify and replace mud structures. • Emphasis is placed on culturally appropriate and sustainable solutions, with recognition of challenges like funding constraints and possible community resistance. • The project follows a clear implementation plan—from beneficiary identification to final construction delivery. Strategic Actions and Oversight: • A detailed Plan of Action (POA) includes forming dedicated units, engaging municipalities, and enforcing structured project management. • The Department is actively working to improve project delivery, strengthen contractor performance, and ensure that legal and safety standards are met across programs. Gauteng The GDHS identified poor contractor performance, community participation issues from previous programs, and incomplete projects by metropolitan municipalities as primary reasons for the blocking of housing projects. To address these issues, a two-phased approach was undertaken: structural assessments of incomplete houses and the completion of these houses according to compiled Bills of Quantities (BOQ).
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			As of the latest assessments, a total of 8,986 houses were evaluated across three assessment phases, with 6,080 recommended for completion. The regions reported varying numbers of completed houses, with a cumulative total of 708 houses completed from 11 projects. The challenges with Implementation included changes in municipal building plan approvals, particularly for projects on dolomite land, and issues with unproclaimed townships. The GDHS planned to appoint a turnkey professional team to address municipal requirements and prepare for construction. The province has not yet allocated funds for the removal of asbestos roofs and was awaiting a framework from the National Department of Human Settlements (NDHS) to guide implementation. Key considerations included the fee structure for asbestos removal and competing priorities within grant allocations. The GDHS did not have specific projects aimed at eradicating mud houses, which were common in rural areas such as Winterveldt and Sokhulumi. Existing mud houses were not being demolished as they serve various purposes for homeowners.
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			The department outlined the distinction between the National Housing Needs Register (NHNR) and the Housing Subsidy System (HSS). The NHNR serves as a planning tool, while the HSS was linked to active projects for housing allocation. The focus was on ensuring that beneficiaries approved in the HSS were allocated houses. The GDHS had outlined key performance areas for beneficiary administration, including customer registrations, subsidy administration, allocations, and customer support. Each area has specific outputs, activities, and indicators. The policy aimed to provide management guidance for housing allocations in Gauteng, addressing housing demands, promoting transparency, and combating corruption. A review was underway to address policy gaps related to priority groups, municipal resolutions, and beneficiary sourcing. Regions have dedicated personnel for managing complaints and queries (petitions), though challenges remained such as incorrect addresses and unavailability of complainants. An automated system was being developed to enhance complaint management. KwaZulu–Natal A total of 46 stalled housing projects were identified across various districts, most notably in Ethekewini Metro (10 projects) and Ilembe District (17 projects). Key causes include: - Social issues (7 projects) - Bulk infrastructure deficiencies (8) - Land disputes/invasions (8)
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			- Legal/technical issues (12) - Poor service provider performance (7) Mud House Eradication: Approximately 20–25% of rural housing backlogs are mud structures. Programs such as OSS and rural housing initiatives aim to address this. In Q1 and Q2 of 2024, 2,162 mud houses were eradicated, with the highest spending in UGU District. Asbestos Removal: Projects are ongoing in Ethekewini Metro, uMgungundlovu, and others. The Ifafa Glebe Project targeted 300 units, with 130 completed. Ethekewini aims to remove 23,000+ asbestos units. Challenges include funding shortfalls and limited asbestos disposal sites. Housing Subsidy System (HSS): Since 1994, 678,524 beneficiaries have been approved, with 647,490 assisted, leaving a backlog of 31,034. Issues include withdrawn/missing beneficiaries. The department is working with municipalities to reassess and reprioritize the backlog. Limpopo Blocked Projects - issues arose due to contractor performance, topographical challenges, and untraceable beneficiaries. A target of 305 units for unblocking was set for 2024/25, with structural integrity assessments planned.
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			Asbestos Removal - the program began in Seshego, with 2,255 roofs assessed. Completion of roof replacements is expected by January 2025, with a long-term plan for the removal of 11,849 identified asbestos structures 1415. Eradication of Mud Houses - 8,840 mud houses were identified, with 350 targeted for eradication in 2024/25. The program aims to reduce this backlog over the MTEF period. The Managing of Beneficiary Lists – it was reported that the establishment of a National Housing Needs Register (NHNR) was intended to improve transparency and effectiveness in beneficiary management. Challenges include ineffective beneficiary management due to manual waiting lists, non-prioritization of vulnerable groups, and lack of transparency in the selection process. Mpumalanga Eradication of Asbestos Roofed Houses - this section details the health risks associated with asbestos and outlines a program supported by the national government to replace 20,056 identified asbestos-roofed houses across 17 local municipalities. The implementation plan is phased due to budget constraints, with Phase 1 targeting the removal and replacement of roofs for 756 houses. Eradication of Mud Houses - the presentation identifies 802 mud houses across three municipalities and reflects on the progress made in
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their eradication. Since the start of the program, 592 mud houses have been eradicated over the past four years.

Blocked Projects - two blocked projects were identified due to lack of infrastructure and illegal occupations, which have resulted in these projects not being included in the current budget.

Several challenges were highlighted, including contractor issues, sourcing of materials, and the environmental threat posed by occupied asbestos houses. The high costs associated with the project and competition for funding from other housing initiatives are also noted.

North – West Province

The Department has engaged municipalities to identify areas affected by asbestos roofs. An assessment process by NHBRC was underway but delayed due to budget constraints. The Department aimed to finalize planning in the current financial year and begin implementation in 2025/26.

The Department completed consultations to assess the extent of mud housing issues and plans to prioritise this program in the financial year under review. However, progress has been slow, with various targets set but not met.

Challenges in managing the beneficiary list arise from municipalities frequently changing the list and not utilising the National Housing Needs Register (NHNR). The Department was encouraging adherence to NHNR guidelines and providing training to municipalities.

The province in its response to NCOP Issues: The Department explained circumstances around the blocked Tsunyane project, emphasizing that the contractor abandoned the site due to financial viability concerns linked to unbalanced subsidy milestone structures. The Department has since adjusted the subsidy structure to mitigate this issue.

			Northern Cape The province indicated that Blocked Projects - issues arose due to contractor performance, topographical challenges, and untraceable beneficiaries. A target of 305 units for unblocking was set for 2024/25, with structural integrity assessments planned. Asbestos Removal - the program began in Seshego, with 2,255 roofs assessed. Completion of roof replacements is expected by January 2025, with a long-term plan for the removal of 11,849 identified asbestos structures 1415. Eradication of Mud Houses - 8,840 mud houses were identified, with 350 targeted for eradication in 2024/25. The program aims to reduce this backlog over the MTEF period. The Managing of Beneficiary Lists – it was reported that the establishment of a National Housing Needs Register (NHNR) was intended to improve transparency and effectiveness in beneficiary management. Challenges include ineffective beneficiary management due to manual waiting lists, non-prioritization of vulnerable groups, and lack of transparency in the selection process. Western Cape A total of 234 blocked projects were identified across various provinces, with the Western Cape having 10 blocked projects, primarily due to poor performance of service providers and resource allocation issues. A detailed breakdown of blocked projects in specific municipalities within the Western Cape highlights various challenges faced, such as insufficient approved beneficiaries and contractor abandonment. The total outstanding units in these projects amount to 1,388, with a total budget expenditure of R138,149,917. Significant risks affecting project progression include land invasions, criminal activities targeting contractors, escalating project costs due to delays, and the limited budget restricting project scope and quality. The report emphasises the need for ongoing mediation and community engagement to mitigate these risks. The document outlines the challenges and mitigation strategies for rolling out asbestos
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			removal and mud house replacement programs in the Western Cape. Key challenges included limited resources, safety risks during asbestos removal, and budget constraints for the comprehensive rollout, estimated at R9 billion. The department planned to pilot the asbestos removal process in 2025/2026, starting with six projects in Cape Town and the Garden Route. The presentation provided updates on specific projects, such as the Kayamandi hostels which were in dire need of asbestos removal and structural repairs. Two hostels have already been demolished, and a public participation process has been initiated. Additionally, the document mentioned ongoing efforts to replace mud houses in Oudtshoorn and Matjiesfontein, with timelines set for completion in the upcoming financial years. The Department reported that it was working to digitise the beneficiary list to streamline management and reduce corruption risks. The Western Cape Housing Demand Database (WCHDDb) was highlighted as a crucial tool that ensures integrity, quality of data, and limited user access to prevent unauthorised updates.
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27 November 2024	Briefing by the Property Practitioners Regulatory Authority (PPRA) on the progress made in the Transformation Agenda and Transformation Fund. Briefing by the Department of Human Settlements on its Second Quarter Report, July – September 2024/25 financial year	PPRA - Members acknowledged the industry's recognition and long-term support, stressing the need for improved network reliability and suggesting in-person visits to practitioners for encouragement. They commended the program's success, especially in tackling youth unemployment and promoting social transformation, aligning with broader socio-economic goals and inclusivity. Support was expressed for the regulatory authority's role in advancing social justice and transformation. Key queries raised included: - Rights to TV shows featuring listings in Johannesburg and Cape Town, and how pricing and participation are regulated. - Availability of awareness programs across all provinces. - Criteria used to assess the success of transformation efforts in the property sector. - Updates on the legal challenge to Section 63 of the Property Practitioners Act. - Roles of industry associations and government in supporting transformation.	In response the Property Practitioners Regulatory Authority (PPRA) highlighted the need for stronger stakeholder engagement and noted past awareness efforts lacked provincial collaboration. It was reported that 530 learners participated in a short program across various provinces. It was clarified that the PPRA does not hold rights to certain TV shows and stressed the importance of market-related property pricing. The Committee was updated on legal proceedings concerning Section 63 of the Property Practitioners Act, noting that both the Department of Human Settlements and the PPRA have appointed legal representatives and filed notices of opposition, with the process now awaiting a court date. The entity mentioned oMastandi, a Tuff subsidiary supporting township developers, and its partnership with CYBIP. It was emphasized targeting high-value suburban markets and the need for data tracking through the deeds office. The entity underscored the importance of black property practitioners accessing the R7 trillion property industry and explained Rawson's franchise model as a flexible business-building option. It was stressed that ongoing stakeholder communication, inclusivity through targeted recruitment, and potential partnerships with the IDC and PRC to meet transformation goals. The entity committed to regular updates to the Committee on both transformation initiatives and the legal case.
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		- Measures to ensure effective use of funds in informal settlements. - Plans to address challenges found in housing project monitoring. - Strategies to market the program to all provinces, with specific interest from North West. - Clarification on the relationship between the regulatory authority and the Disclosures Act office. DHS Second Quarter Members praised the Department of Human Settlements for its ongoing updates on progress and	The Department explained the Affordable Housing Transfers and Uptake: It was reported that the status of affordable housing transfers stands at 88%. The capital grant and operational grant have been fully transferred, indicating high benefits for the uptake. A letter from the NHFC CEO in the second quarter highlighted the need for surplus retention due to funding shortages. The National Treasury allowed the utilisation of surplus funds from previous years, ensuring the sustainability of first home finance. HDA and SHRA Transfer Mechanisms HDA and SHRA transfer requests are received by the 30th of September, with HDA requesting only
		performance, particularly acknowledging the CFO's report on underperformance in provincial spending and related consequence management. They commended the department's work in delivering housing, security, and comfort, while noting the absence of targets and achievements for Program 3. The integration of graduates into the property sector and addressing their challenges was recommended. Members welcomed the department's commitment to continuous improvement, the Audit Action Plan, efforts toward a clean audit, and effective resource management. Key queries and concerns included: The rationale behind targeting specific provinces for the Community Residential Units (CRU) program and clarification on whether others were included.	half of their annual allocation by the second quarter. By the end of the second quarter, no drawdown request was received from SHRA, but a subsequent request was made and granted. The social sector's consolidated capital grants also saw a request for the balance of the financial year's transfer. The grants to municipalities were transferred in tranches, with the first tranche submitted at the beginning of the financial year. Tranches and National Treasury Approval Municipalities submit cash flow projections for tranche approvals, with metros receiving their second tranche in November and third tranche in February. The National Treasury must approve the funds before they can be transferred, ensuring adherence to the requested amounts. The 27% of total grants to municipalities were the amount submitted and approved by National Treasury. The second tranche increased the

		Details on the five provinces supported under Program 4 and the criteria used for their selection. Clarification on the 88% expenditure on affordable housing and the reasons for partial transfers to the Housing Development Agency (HDA) and the Social Housing Regulatory Authority (SHRA), compared to other entities receiving full transfers. Concerns about low transfer percentages for informal settlement upgrading and urban settlement development grants. The absence of targets in Program 3, high expenditure rates in provinces such as Limpopo and North West, and the timing and management of remaining Human Settlements Development Grant (HSDG) payments. Interest in the potential impact of UN-Habitat's presence in South Africa on departmental performance. Questions about the transformation of the National Housing Finance Corporation (NHFC) into a human settlements bank, including administrative and leadership challenges. Calls for consistency in grant transfer patterns and inquiries into entity performance and issues raised in the Auditor-General's report.	transfer percentage, aligning with the approved cash flow projections. Provincial Transfers and Payment Schedules Provincial transfers were made monthly, with a payment schedule agreed upon between the national department, provinces, and National Treasury. Provincial departments enter into agreements with provincial treasuries to manage spending thresholds. Provinces could request a revision of their payment schedule if they exceed the agreed threshold, which must be approved by the National Treasury. National Treasury loads the exact amount per the approved payment schedule, preventing overpayments. Audit action plans, transfers, and expenditures in a government department. Internal Control Unit populated issues from audit report on Excel sheet. Branch heads were held accountable for progress on issues. Entities submit quarterly reports on progress, including transfers and expenditures. The department reviews entities' performance, including transfers and expenditure.
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31 January 2025	Briefing by City of Cape Town on the Constitutional Court judgment on the City of Cape Town's implementation of the National Housing Programme: Emergency Accommodation. Briefing by North West Provincial Department of Human Settlements on the Human Rights Commission report on poor workmanship and non-payment of contractors.	The Committee welcomed MINMEC's decision to devolve some emergency housing grants, noting that during the Committee's visit to KwaZulu-Natal, local leaders expressed concerns about the grants being too centralized and ineffective during disasters. It was emphasized that municipalities and the national government must collaborate in identifying land for temporary accommodation, as this responsibility should not rest solely on municipalities. A question was raised on the current scope of the temporary housing grant, which covers only natural disasters, not evictions, and the national Department was urged to assess financial implications, especially after recent court rulings like the Bromwell case. <i>The Committee recommended the following:</i> The City of Cape Town should set clear, transparent timelines for finalizing its emergency temporary housing policy.	The City of Cape Town responded to Constitutional Court judgment ZACC 27 by acknowledging the significance of understanding the fiscal environment in which human settlements operate, as well as the broader implications of the physical environment. The City affirmed respect for the rule of law but emphasised that the approach and interpretation of legal judgments were equally important from a provincial perspective. While the City of Cape Town, as a metro, may have certain financial capabilities, it was pointed out that the situation would be far more challenging for non-metro municipalities. It was reiterated that the judgment had far-reaching implications for local government as a whole. Although a Ministers and Members of Executive Council (MINMEC) still needed to be convened, the sector must determine how to respond to the Constitutional Court's judgment, particularly in reassessing policies and decisions made over the past decade. It was highlighted that the impact of post-COVID-19 dynamics, including a surge in illegal land invasions across Cape Town, the province, and other regions. These invasions had imposed a significant financial burden, and the additional challenges arising from the judgment further strained resources. The city remarked that while funding was diminishing, the sector was still expected to deliver, creating a growing gap between expectations and available resources. The Department advised that it had thoroughly examined the judgment upon its release and had
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		A formal engagement strategy should be created with the national Department of Human Settlements to advocate for dedicated funding and clarify municipal responsibilities regarding eviction and homelessness. Concerns about the relocation of families to Kampies—describing it as a “new concentration camp” the question was asked whether residents would be returned to their original communities in accordance with the court ruling. The committee expressed concern that the City of Cape Town was resistant to the Constitutional Court’s judgment, citing a city statement that warned of financial strain on municipalities. He criticized this attitude as a reluctance to prioritize vulnerable communities, arguing that gentrification was displacing the poor in favor of investment interests. It was emphasized that there is a need for intergovernmental cooperation rooted in South Africa’s constitutional principles and invoked Lefebvre’s “right to the city”. It was recommended that partnerships with advocacy organizations like SERI and Abahlali baseMjondolo and highlighted, interprovincial migration and economic pressures driving displacement. It was further concluded by stressing that state intervention was necessary to correct market failures, using U.S. examples as a warning. The Committee acknowledged the financial burden on municipalities caused by the lack of a clear funding model for handling illegal and private evictions. He noted that higher levels of government were not making land available for emergency housing. He clarified that the court judgment did not give people the right to emergency housing on demand or in any location of their choosing. The Committee expressed appreciation for the report and praised the province’s response to the SAHRC’s findings, acknowledging that ongoing interventions influenced the Commission’s acceptance. However, they stressed the need for tangible implementation of these commitments.	engaged in senior management discussions to assess its implications for the sector and the City of Cape Town. It was commented that the judgment could set a precedent for similar cases across the sector, with potential long-term consequences. The department agreed with the city’s assertion that MINMEC had previously resolved to revise the framework for the Emergency Housing Fund, following a proposal from the City of Cape Town, supported by the Western Cape provincial government. The revised framework had been approved at the last MINMEC meeting of the previous year. However, concerns remained regarding categorisation and the allocation of funds, particularly from the Western Cape and the City of Cape Town. The Department had been engaging with National Treasury to refine the funding framework. Currently, the Informal Settlements Upgrading Partnership Grant (ISUPG) framework provides for a three-tiered categorisation of disasters: Disasters affecting up to 100 housing units. These did not require ministerial intervention and could be addressed at the local level. Disasters affecting 100 to 200 units. These require collaboration between national, provincial, and municipal authorities. Disasters affecting more than 200 units. These necessitate national government intervention and a broader response. It was highlighted that local councillors would still be responsible for beneficiary identification and verification. While an interim mechanism had been established using the ISUPG, it was clear that the funds remained insufficient, even after a R400 million top-up, which had already been depleted. Given the ongoing disaster season, a permanent funding mechanism was being explored with National Treasury. The department advised that the existing mechanism was not adequate to address both temporary accommodation and eviction-related housing needs. It was stressed that a revision of the Housing Code was necessary to differentiate between various emergency categories. The department expressed concern that municipalities -- not limited to Cape Town -- might use the judgment as a basis to carry out large-scale evictions, shifting the responsibility to national government. To prevent this, amendments to the Housing Code would be made
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		The Committee requested further explanation about a material irregularity involving R674,987, asking how it was resolved in line with the Public Bodies Amendment Act. Another Member praised the 5-3-1 contractor payment model for promoting quality but warned that some contractors might exploit the system by stopping at the foundation stage. He suggested regulatory adjustments to prevent this. Concerns were raised about report omissions, such as projects in Dr RSM Naledi, Geduldspan, and Christiana, along with insufficient reporting on title deeds and rural housing budget allocations. The Committee emphasized the need for comprehensive and transparent reporting to secure further funding and better support high-need provinces. The Committee noted that while the report identifies mismanagement, corruption, and weak oversight, it lacks enforcement mechanisms for accountability. They warned that without these, recommendations may go unimplemented. The report's reference to community protests and land invasions as causes of delays was also criticized for not addressing underlying issues like poor transparency, delayed services, and beneficiary exclusion from planning. The Committee asked what accountability measures were in place for the North-West Department of Human Settlements (NWDHS) and municipalities managing RDP housing. Clarity was sought on how the SAHRC enforces its recommendations, especially regarding non-compliant contractors and officials. The Committee asked whether housing applicants must disclose the number of occupants, expressing concern that standard RDP houses are too small for larger families. It was asked whether the Department had considered family growth over time and how it plans to address housing adequacy. The Committee supported the removal of non-performing contractors but noted 3,071 families were still without homes. He criticized the report for lacking details on consequence management for these contractors and measures to ensure project completion by new ones.	to clearly define emergencies and exclude cases where the emergency was self-created. The department emphasised that while the national government would intervene in cases of force majeure, it would not do so in instances where homelessness resulted from avoidable circumstances. The revised Housing Code would reflect this distinction to ensure sound decision-making and maintain the integrity of the system. In the long term, the Department was also considering legislative amendments. The provisions within the ISUPG framework were being assessed, alongside proposed amendments to human settlements regulations. The department indicated that changes to the Housing Act were forthcoming as part of the broader White Paper process, which Cabinet had approved. However, finalisation of these amendments was pending completion of the medium-term development plan (MTDP) process, which would determine the prioritisation of legislation. Once this process was concluded, the revised Housing Act would include specific provisions addressing issues arising from the Constitutional Court judgment. The department stated that following the South African Human Rights Commission's report, three engagements were held with the province, resulting in initial proposals. Due to delays in progress, difficult decisions were made to halt new contracts and focus on clearing existing backlogs, leading to longer wait times for new housing applicants. Leadership changes, including the appointment of a new Head of Department and CFO, were made to address these challenges. Consequence management was implemented, with underperforming officials removed to improve accountability. He also mentioned policy adjustments, highlighting the successful use of the 5-3-1 contractor payment principle in Limpopo to address blocked projects, which would now be applied in the North West. The province addressed the material irregularity, explaining it was declared by the Auditor-General. An investigation was launched in 2021, and with the Premier's Office involved, the contractor reimbursed over R9 million in total by 2023. Those responsible were identified, and consequence management was applied. The Auditor-General confirmed the issue was resolved and closed.
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		Questions were raised about contractors receiving payments despite abandoning projects. The committee asked about the Department's old payment model, which released funds after foundation work, and why it changed to the 5-3-1 ratio. It was pointed out that many sites had only foundations, yet payments were made. Concerns were also raised about how the Department engages with communities awaiting housing, stressing the human impact behind statistics. The NHBRC's involvement in rural projects since 2010 was criticized for failing to prevent poor construction, with many houses deteriorating within months. Members questioned whether inspections in the North-West would show better results than those observed in KZN and other regions.	The Commissioner emphasized the Commission's role in monitoring implementation of recommendations, using the Committee to escalate issues and considering legal action for financial misconduct. He cited on-the-ground interventions, such as in the Western Cape, and noted collaboration with other Chapter 9 institutions. A key focus for the current financial year is the housing waiting lists, especially in the North-, with findings to be reported to the Committee.
19 February 2025	Briefing by Petitioners – Mr Phoswa about the Upgrading of Slovo Park Informal Settlements and Compliance with the High Court Order 2016	Members of Parliament expressed deep concern and frustration over the prolonged delays in implementing the Joe Slovo Park housing development project, initially mandated by a 2016 court order. The key issues raised included administrative inefficiencies, lack of coordination among government spheres, absence of project timelines, and inadequate basic services such as water and sanitation. The committee stressed the need for improved coordination between the City of Johannesburg and the provincial Department of Human Settlements, urging a consolidated report. She called for urgent interim service delivery while layout plans, and long-term infrastructure were finalized. The committee expressed scepticism about reported progress and criticised the lack of response from government entities since the 2016 court order. She called for clarity on budget allocations, deaths during protests, frequent fires, and the need for mediation to rebuild trust.	City of Johannesburg It was emphasized that the housing programme would now receive political oversight due to delays and acknowledged that legal actions by residents stemmed from government inaction. The city committed to improving service delivery and efficient resource use despite financial constraints and confirmed ongoing communication with Joe Slovo Park leadership and the Portfolio Committee. Political discussions with the MEC would determine the best oversight methods. The city stated that it had taken over the planning process. Key updates included: • The procurement of new consultants to continue planning, expected within two weeks. • Submission of a layout plan for township establishment, with approvals to be fast-tracked.

		between the city and the community. The committee questioned the expenditure on consultants and requested access to reports and justifications for hiring new consultants. Previous reports were requested to be shared with the Committee. The committee criticised the lack of intergovernmental relations (IGR) and called for clarity on consulting budgets, land ownership, and delays. He urged an intervention strategy and suggested a monitoring system for informal settlements across Johannesburg. The committee supported the need for planning and community engagement. Concerns about undocumented populations, relocation strategies, and the provision of housing for vulnerable groups. It was proposed to involve the Water and Sanitation Committee due to recurring service delivery issues. The committee lamented on the 20-year wait for housing in Joe Slovo Park and the lack of accountability. He requested information on timeframes, consequence management, and regular task team oversight meetings. The committee criticised persistent bureaucratic inefficiencies, stressing the need for proactive identification of project risks and improved accountability to protect residents' dignity.	• Provision of interim services by Johannesburg Water, with infrastructure that could later be upgraded. • Relocation plans for overflow residents to Southern Farms, pending community consultation. • Acknowledgement of project delays due to departmental instability, with improvements expected following permanent appointments. The financial aspects were highlighted, noting: • The city would share past consultant expenditure data. • Substantial funding was essential, especially with Informal Settlement Grant (ISG) planning underway. • The consultant's Bill of Quantities would clarify long-term funding needs. Gauteng Provincial Department of Human Settlements The province acknowledged the Portfolio Committee's concerns and committed to addressing them. The province emphasized the need for improved alignment in reporting structures and announced plans for a unified report detailing the municipality's role, progress, and points of provincial involvement. Since the project is within a metropolitan municipality, key decisions rest with the municipality due to direct grant funding, though the province will maintain oversight to avoid stagnation. It was highlighted that the need for strong community engagement to prevent future issues and confirmed collaboration with COGTA for additional support.
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		The committee raised concerns about pending approvals and the lack of contingency plans. He questioned the Department's readiness to prevent further delays, particularly in infrastructure roll-out and contract finalisation.	The province addressed queries about past studies, noting that while exact costs weren't immediately available, they would be provided later. It was confirmed that a floodline and wetland risk assessment was underway to identify safe relocation areas, along with a dolomitic study due to local geological risks. All study details and costs would be shared with the Committee. The province confirmed continued discussions with COGTA, particularly in light of the Committee's raised concerns. National Department of Human Settlements The department acknowledged the concerns and confirmed that the policy unit was involved and had noted all issues. As the department responsible for the Informal Settlements Upgrading Partnership Grant (ISUPG), it was committed to reviewing the alignment between national policies and municipal implementation, addressing criticisms that commitments were not being met. Despite budget cuts, the Department prioritized Joe Slovo Park for the next three years and planned joint sessions with the City of Johannesburg and Gauteng Department of Human Settlements to ensure infrastructure needs were addressed before approving projects. The department emphasized the importance of alignment across government levels, with the Department taking responsibility for resource allocation and effective responses, ensuring these commitments are reflected in the business plan and followed through in implementation.
26 February 2025	Briefing by the Department of Human Settlements on the Third Quarter Report	Members praised the Department for achieving 100% performance on non-financial matters and delivering a well-structured presentation but raised concerns about persistent underspending on key programmes like informal settlements and emergency housing.	The department explained its responsibilities and target-setting, highlighting its role in oversight while respecting the administrative autonomy of provinces and metropolitan municipalities. Concerns on reporting frequency and fund allocation were addressed, stating that plans and spending patterns are analyzed before reallocating funds. Efforts are underway to improve invoicing with the National Home Builders Registration Council (NHBRC) by processing smaller, more frequent batches.

		They questioned the challenges behind low spending, noting only 42% expenditure on goods and services meant to support disaster-affected communities, and 69% on transfers and subsidies, asking for reasons behind this under-expenditure. Clarification was sought on the R9 million ringfenced for emergency housing amid ongoing needs. Concerns were raised about delays in paying service providers for emergency houses, with questions about invoice submission processes. Members noted metropolitan municipalities' low spending of the Urban Settlements Development Grant despite rapid informal settlement growth and poor service delivery, urging better monitoring and management. They highlighted poor spending performance in provinces such as Northern Cape (22%) and the North-West, expressing worries about the relocation of funds and its impact on affected communities. Suggestions were made to base fund allocations on provinces' spending capacities and historical expenditure. Members were alarmed about underutilization of Community Residential Units (CRUs) funds, despite deteriorating hostel conditions. Delays in finalizing the UN Habitat payment agreement were also questioned.	The department discussed housing challenges and strategies, noting that contractor payment delays are being addressed by clearing backlogs before initiating new projects. On title deeds, the department explained that the remaining backlog involves complex cases often in unestablished townships and outlined plans to engage municipalities and seek regulatory exemptions to expedite progress. The Department is implementing a guaranteed system via NHBRC to ensure housing quality and address defects. Regarding emergency housing, the department described a rapid 48-hour response protocol following disasters, coordinated with municipalities for beneficiary identification. The department stressed responsible spending and accountability, even during disasters, to avoid irregular expenditures. Though concerns were raised about last-quarter spending surges. The committee was he assured that planned measures will ensure responsible expenditure. The Department cited legal and procedural delays in establishing the UN Habitat office but expressed confidence it will be finalized by the financial year's end. The department informed the Committee about work on the Department's macro structure strategic plan, with the microstructure process pending ministerial approval and union consultations. On informal settlements, it was stated that stopping land invasions is the municipality's responsibility but noted development of a geotagging tool for better monitoring. Regarding
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		Concerns were expressed about underspending related to employee composition and remuneration affecting performance. Members requested clarity on measures to resolve procurement bottlenecks delaying housing project delivery. Delays in appointing service providers for the Title Deeds Restoration Grant (R35 million) and Emergency Using Assessments (R10 million) were noted as systemic procurement issues, negatively impacting urgent housing delivery. Finally, members stressed poor progress on title deeds, emphasizing its importance to people's dignity.	budget use and travel expenses, the department confirmed compliance with regulations. Initial provincial fund allocations consider spending capacity, limited by the Money Bills and Related Matters Act. The provincial department acknowledged some successful programme implementations but cited challenges with hostels' conditions. Finally, it was reported that the Housing Development Agency is tasked with investigating abandoned buildings for potential conversion into student housing. Ms August confirmed the infrastructure engineering report was complete and would be officially received on March 14 as part of the project readiness report. It addresses key issues like blockages, sustainability, and water needs. The Department plans to give a detailed update in the next presentation and include input from the National Department if needed. The studies were funded through the Human Settlements Development Grant (HSDG), managed by the HDA, and integrated into the Department's business plan. An emergency housing fund might also be used. On the issue of three families resisting relocation, the Department will refer to the original site allocation list and work with the municipality to resolve ownership disputes. Discussions with private landowners regarding land expropriation are planned within the month. The province explained the project involves building houses and upgrading informal settlements, with 500 housing opportunities planned. R500 million had been spent over two years through HSDG, but only R382 million is available for the current year. The project budget was reduced to R109 million, making additional funding crucial. It was stressed that the need for land assessments and the use of reblocking strategies to optimize space, citing Emagwaleni as a key site. The province clarified it was an ownership dispute, not refusal, involving multiple claimants to the same plots. The Department is working with families, referencing municipal allocation lists and involving local councillors to mediate.
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			The department notes that a dispute resolution mechanism is in place. It was confirmed that reblocking on private land is part of the intervention strategy and updates would be shared in the next Committee meeting. The department addressed budget cuts, citing National Treasury reductions. These cuts affect all provinces and metros proportionally. Despite this, priority is given to high-impact projects. He praised the collaborative efforts behind fast-tracking the project and noted progress on feasibility studies. The department advised that permanent housing construction under HSDG depends on beneficiary verification and resolving land disputes. The project will follow a two- to four-year financing plan. While informal settlements are growing slowly, urban planning remains critical to resource use. The department concluded by emphasizing the need for strategic planning to ensure efficient resource allocation.
5 March 2025	Follow up on Ga-Rankuwa/Mabopane Petitions and Breede Valley	The committee questioned whether the Department had fully exhausted all means of contacting Ms Ledingoane, including calls, emails, or physical visits. Concerns were raised over the lack of implementation of the findings from the 2014 and 2018 Public Protector investigations, and the committee asked what accountability mechanisms existed for those who failed to act.	The City of Tshwane reported that it had submitted a forensic report and other relevant documents to the Committee to demonstrate its efforts in addressing the findings. It was clarified that no officials from either the CoT or the North West Housing Corporation (NWHC) were implicated in the report. After legal consultation, the matter was referred to the Special Investigating Unit (SIU). However, the SIU found that the implicated officials were no longer associated with the CoT and had since passed away. The primary individual named in the forensic report left the City in 2017. Based on this, the SIU decided not to pursue further investigation.

		The committee asked about how the government planned to fast-track township formalisation and land transfers, considering ongoing legal disputes, particularly the case between the City of Tshwane and the North-West Housing Corporation. Clarity was sought on whether mediation was being considered to resolve land compensation issues and expedite township establishment. The committee commended the NorthWest Head of Department, the City of Tshwane, and Gauteng Department of Human Settlements for collaboratively finding solutions, particularly recognising the North-West HOD's success in securing private sector funding.	The city also explained that the Public Protector's report was still under judicial review. The City's legal team was actively involved in the case and would update the Committee when new information becomes available. The city noted positive developments between CoT and the NWHC, including a letter received on 28 February confirming that Powers of Attorney had been signed. This allows the City to move forward with township establishment, proclamation, and property transfers previously under the NWHC's control. The CoT is currently awaiting the original documents to proceed with these actions.
		Progress in accommodating Mr Kgasoe was acknowledged, noting that the unit's value had appreciated to R462,312 and the committee stressed the importance of continuing engagement with Mr Kgasoe to obtain written commitments, as direct monetary compensation would be unlawful. The committee praised the Department's solution-oriented approach to managing other petitioners' issues. The committee sought updates on the investigations by the City of Tshwane and the Public Protector, as well as the status of the Special Investigating Unit (SIU) inquiry.	North Housing Cooperation confirmed that the Corporation would send the original documents by Friday, 7 March, to enable the township establishment process to move forward. North West Department of Human Settlements elaborated that the R462,312-unit design was based on the available additional funding, while Mr. Kgasoe had submitted a design proposal exceeding R850,000, which was not feasible for the Department. The province clarified that no consequence management would be implemented since no wrongdoing had been found. The Department's only requirement was for Mr. Kgasoe to submit his written commitments, as the contractor was ready to proceed. The National Department stressed the importance of resolving the petitioners' issues promptly, viewing it as a necessary step to shift the Committee's attention to the broader MAWIGA challenge, particularly the title deeds backlog. He emphasized that addressing the petitioners' concerns would lay the groundwork for tackling the wider regional issues.

		It was asked whether any form of consequence management had been implemented by either the Gauteng or NorthWest departments on the officials' response for the illegal sale of the petitioners' houses. Clarity was sought on whether mediation or negotiations had occurred between the Department and the petitioners. The committee recommended that the Department should attempt to reach Ms Ledingoane through other petitioners. The Committee reiterated that Mr Kgasoe must submit his commitments in writing for the matter to proceed. Breede Valley Commended the project for its structured planning and R5.55 million budget for 2023/24, which includes key activities such as: Informal settlement assessments (e.g., Orania), Imagery analysis, Relocation strategies, Engineering assessments, and Upgrading plans. Highlighted challenges including infrastructure readiness, access to utilities, sewer blockages, fire hazards, and water leaks. Stressed the importance of municipal and private landowner coordination in decanting and relocation processes. Asked about potential challenges from relocating residents to Temporary Relocation Areas (TRAs) and sought suggestions to minimise disruption.	Western Cape Provincial Office explained the progress of the project, highlighting that the verification process was 99% complete and the subsidy application process has begun. The project was involving five milestones, including aerial imagery, decanting and relocation strategy, project implementation readiness report, project feasibility report, and upgrading and housing master implementation plan. She also mentioned that the project was involving the acquiring private land for decanting, which could be a minefield. The team was working on acquiring one hectare of land for the project and was in talks with the landowner. The project implementation readiness report and the project feasibility report were expected to be submitted by the 20 March 2025. The final milestone was the upgrading and housing master implementation plan, which would involve a lot of work including legal assessment, environmental assessment, geotech box service assessment, development of upgrading concept layouts, urban design, settlement growth, and decanting of the land of the settlement. The project would involve a significant number of unit structures, which could potentially wipe out the balance of the informal segments' grants. Councillor P Moso, led the delegation from Breede Valley Municipality concurred with the presentation. Ms. August confirmed that the infrastructure engineering report has been completed and will be formally presented on 14 March 2025 as part of the project readiness report. It will address key concerns, including sewer blockages, sustainability, and water supply. A comprehensive update, including input from the National Department, will follow after the team's March meeting. The Department stated that any land acquisition must comply with Environmental Impact Assessment (EIA) and SPLUMA processes. Funding will come from the Human Settlements Development Grant (HSDG) and the Informal Settlements Upgrading Programme. The national emergency housing fund may also be used.
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		Inquired about engineering and regulatory interventions to ensure safety, sustainability, and long-term functionality. Condemned the use of the report for personal attacks among Members, urging respectful engagement. The committee expressed concern over the lack of budget allocation for actual infrastructure development, despite completed studies. Questioned land ownership, particularly: The proportion of land sourced from private vs. municipal ownership, Status of negotiations with private landowners. Asked about beneficiary identification for the 652 planned houses—whether it had been completed or was still pending. Sought clarity on the status of three families affected by the relocation process and asked whether dispute resolution mechanisms had been engaged. Asked Ms August how many other similar, deserving projects were excluded from the current business plan. Raised feasibility questions: Could funding be redirected to this project? Were there alternative funding avenues for land acquisition? Could profiteering by landowners hinder progress? What was the City's position on using the new Expropriation Act to facilitate land acquisition? The committee questioned the tangible impact of the project on the over 5,000 residents in informal settlements, seeking clarity on how the project would directly improve their living conditions	Families contesting plot ownership have been asked to provide the original beneficiary list. The Department will work with the municipality to resolve relocation disputes and is engaging private landowners on possible land expropriation. Mr. Mayeki outlined the dispute resolution mechanism, noting that priority would be given to long-standing residents. He also stressed the need for negotiations on land for reblocking and the identification of a decanting site. Dr. Moemi explained that budget constraints stem from reduced grants by the National Treasury, prompting proportional cuts across regions. Despite this, the Department is prioritising high-impact projects and continuing feasibility studies. The HSDG will fund permanent housing once beneficiary verification is complete. Resolving land disputes remains essential for success. Members acknowledged the progress made and encouraged the team to intensify efforts.
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12 March 2025	Briefing by the metropolitan municipalities on the performance of the Urban Development Grant (USDG) and the Management of Beneficiary List: • Buffalo City • Nelson Mandela Bay • Mangaung • eThekweni	Members acknowledged Nelson Mandela Bay for its overall 91.5% expenditure rate, though its human settlement expenditure was low at 37%, with advice to raise it to at least 60–70% next year. Both Nelson Mandela Bay and eThekweni showed strong financial performance, yet nationally only 42% of human settlement funds were used. Concerns were raised about poor governance in metros, with a call for competent officials and politicians. Underspending by metros was highlighted, including Buffalo City (51.9%), Nelson Mandela (74.2%), and Mangaung (68.3%). Metros were criticized for inadequate service delivery in water, sanitation, and electricity. Members urged metros to address land invasions and evictions urgently and to implement land invasion response plans. They also raised the lack of investment in local economic development, which contributes to high youth unemployment. It was emphasized that allocated funds should drive job creation and economic empowerment. Unprofessional conduct by councillors was condemned, with an example of a councillor assaulting officials and ignoring a house fire report, underscoring political accountability concerns. Mangaung Metro was asked to clarify its approach to undocumented foreign nationals and to outline strategies to combat extortion and mafia activity disrupting projects—especially the demand for unearned 30% contractor payments. Questions were also raised about Mangaung’s staffing strategy, specifically whether it had retrenched employees to hire new ones and its efforts to recruit local engineers.	Nelson Mandela Bay Municipality (BCM) highlighted that a 2023 Council resolution focused on expediting land transfers from the Department of Public Works to improve living conditions and provide basic services. It acknowledged limited municipal rights over private land and emphasized the role of the Security Cluster, led by SAPS, in maintaining order. BCM committed to fully utilizing its budget by year-end and reported progress in digitizing the beneficiary list. NMB reported that its Social Housing Programme is implemented through the Human Settlements entity, while the metro provides land. Policies on land and housing are being finalized to clarify institutional responsibilities. Relocation efforts prioritize structural, durable housing. Disaster-affected areas are being addressed urgently. Delays from procurement processes are being managed, and a permanent CFO was appointed to enhance project efficiency. Regarding the Urban Settlements Development Grant (USDT), R29 million remained unspent, but funds were reallocated to human settlement projects. Warmer development received R30 million, though progress was hampered by land invaders. Only 54.7% of capital funds have been spent, indicating the need for stronger oversight and evaluation. Mangaung Metro: The Executive Mayor explained that renovations and military veteran housing fall under the provincial government’s remit, which is prioritizing completing unfinished homes. Around 80 military veterans are still awaiting housing. Staffing levels are at 40%, with budget constraints requiring careful management. Service-level agreements were emphasized for project compliance, and funds are being redirected from underperforming to performing projects under the Municipal Systems Act. National support was deemed essential for
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		The issue of informal settlements bypassing formal waiting lists was flagged, urging metros to enforce fair processes. Regarding the Bhongweni land invasion in Buffalo City, Members asked about land ownership, expropriation status, compensation, and valuation procedures. Nelson Mandela Bay was asked whether it had alternative land for relocating Warmer land invaders. Additionally, Buffalo City Metro was requested to clarify its Smart City Strategy plans.	staffing and project delivery. Key issues include water scarcity, where the Department of Water and Sanitation is viewed as the only long-term solution. Some land invasions were attributed to political and personal motives, requiring better crisis management and law enforcement support. International cooperation and national-level engagement were called for. The appointment of 12 engineers is being expedited. eThekweni Metro The metro reported ongoing monitoring of projects previously visited by the Committee. Issues at Banana City were resolved, particularly with families refusing relocation. Despite negative media coverage, the city committed 78% of its budget to one highlighted project. Construction continues with progress made, including casting 10 slabs for top structures and associated school facilities. Resident disputes continue to pose service delivery challenges, but work remains ongoing
19 March 2025	Meeting with service providers for alternative technologies: • Moladi • CSIR • Agrément South Africa	Members appreciated the presentations and the useful information shared, emphasizing that integration and collaboration were essential for improved outcomes. They commended the CSIR for having 40% female staff but stressed the need to reach a 50/50 gender balance. CSIR-Related Questions: -Members sought clarity on whether CSIR's research considered population density per square meter and whether there was a plan to decongest overcrowded areas. -Questions were raised about CSIR's collaboration with the government in guiding municipal development and its plans to revitalize historically underdeveloped areas and inner-city decay.	CSIR Emphasised the need for collaboration between CSIR, government departments, and sister entities. He highlighted the Department of Science, Technology, and Innovation's Decadal Plan for structured funding. CSIR is open to engaging with the Committee on the Green Book and has invited them to visit its offices. In digital healthcare, CSIR is working with SITA and the Department of Health on a national patient registration system. Key CSIR initiatives include water management and modular education projects in Limpopo and Eastern Cape, and housing via the Green Book, though more funding is needed for scale. Land issues are central to housing challenges. CSIR stressed early land planning to avoid displacement by market forces and emphasized the need to productively utilize land after informal settlements are removed. Issuing housing titles was also highlighted as crucial. CSIR is currently working with Umhlathuze Municipality on municipal innovation.

	-Members proposed that the Portfolio Committee meet with others to which CSIR reports to address overlapping issues. -They asked whether CSIR could collaborate with SITA and the Department of Health on digitizing healthcare services. -Members wanted to know how CSIR planned to scale and ensure long-term sustainability of its innovations, especially considering climate change. -There was interest in how socio-economic metrics are weighted in CSIR's Green Book Tool and an appreciation for the multidisciplinary approach and collaboration emphasis. ASA-Related Concerns: -Members questioned the necessity of ASA signing MoUs with provinces, viewing them as unnecessary delays, and asked how Parliament could assist ASA in addressing provincial bottlenecks. -They asked whether ASA had conducted quality checks on Moladi and CSIR's modular structures, and if annual monitoring was effective. -Clarification was sought on the assessment and safety processes for Innovative Building Technologies (IBTs), and how ASA balances innovation with safety, including any gaps in quality assurance. -ASA was asked about its relationship with NHBRC and how non-conformance is inspected and investigated. -Members stressed the need for coordinated efforts with the Department of Trade and Competition to address uncertified products. Moladi-Related Issues: -Members asked about Moladi's admission criteria for cooperatives in construction and how it balances innovation with	ASA Stated that ASA was not aware of its certified products being used in the George building collapse and emphasized that municipal authorities set construction standards. However, ASA is ready to assist. ASA hosted a summit in KZN in November 2024 to address construction mafias. It follows a strict certification process from its Pretoria headquarters and aims to raise awareness across provinces. ASA confirmed that Moladi has not been certified by them and recommended mandatory registration with ASA for any alternative construction technologies. ASA collaborates closely with NHBRC to ensure compliance and is expanding awareness through stakeholder summits and municipal workshops. A Memorandum of Understanding with provinces clarifies roles, and ASA tests products for durability, fire, and water resistance. Western Cape and Vaal have high usage of ASA-certified products. Moladi promoted the durability of Moladi's reinforced concrete walls, noting their superior strength compared to bricks. Operating in 28 countries, Moladi conducts its own inspections to protect its brand. On job creation, Botes recalled a declined proposal to NHBRC for a youth skills program. confirmed that all CSIR recommendations will be escalated to the Director General. A summit is planned for September 2025, aiming to support local industry through participation from international regulatory and funding bodies. The event will include an Innovation Village showcasing best IBT practices. The Department also intends to amend the ASA Act and collaborate with Moladi to align with its PHP approach. The reported that it underscored the importance of technology and innovation in addressing human settlement challenges, aligned with the cabinet-approved White Paper. The department stressed that the need for a smooth transition to
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		safety when using non-standard materials. -They wanted clarity on Moladi's contribution to Broad-Based Black Economic Empowerment (BBBEE), noting a lack of direct reference in its documents. -Concerns were raised about profit distribution, noting that investors may benefit more than workers, despite job creation efforts. -Questions were asked about how Moladi addresses latent defects and how it manages upgrade or renovation requests for its non-brick structures. Department of Human Settlements: -Members sought feedback on the department's collaboration with SOEs and urged the immediate rollout of services. -Concerns were expressed over the postponement of the Human Settlements Summit to September 2025, with questions about the reasons behind the delay. -Questions were also raised about delays in resolving title deed issues and the need for direct provincial engagement. General Concerns: -Members were concerned about the role of IBT providers, including unintended consequences and tax issues, and emphasized the need for community adoption of new technologies. -They highlighted the importance of aligning innovation with safety, BBBEE principles, and ensuring community benefit from technological advancement.	innovative building technologies and highlighted issues with NHBRC-supported unit standards. The Department emphasized addressing the broader challenges in the housing sector, including limited bank involvement in social housing and the difficulties in the gap market financed by NHFC. The department called for inclusive planning involving all groups, including IDPs, without disrupting employment or construction revenue. In conclusion the department advised that the upcoming September 2025 Summit will bring stakeholders together to tackle housing issues. Collaboration with CSIR was noted, particularly in reviewing the Human Settlement Bill and offering legislative support. She also clarified that housing construction funds cover land acquisition and infrastructure, not just building units—addressing common misconceptions about fund allocation.
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02 April 2025	Briefing by Metropolitan Municipalities on the performance of USDG; informal settlements upgrade programme; serviced sites; plans to curb land invasions and the Management of Beneficiary List • City of Tshwane • City of Ekurhuleni • City of Johannesburg • City of Cape Town	The committee questioned why the Department allocates funds to entities that fail to utilize them effectively. The committee emphasized the importance of serviced stands and title deeds, echoing concerns about municipalities like Ekurhuleni and Tshwane underspending despite urgent community needs. He highlighted underperformance in water and sanitation projects, insufficiently trained housing staff, and incomplete delivery of serviced sites and title deeds. The committee also scrutinized budget and performance issues in Johannesburg, Cape Town, and housing entities. Concerns were raised about Cape Town’s 80-year housing backlog, inadequate progress in Khayelitsha, and title deed handovers linked to community displacements. The committee questioned Ekurhuleni’s administrative capacity and criticized poor monitoring of informal settlements and land invasions. It cited specific unimplemented projects despite long-standing land identification and significant unspent funds. She requested clarity on expenditure at Kwa-Thema Hostel and criticized the lack of follow-through after commitments made during previous site visits and meetings. The committee also focused on the persistent neglect of informal settlements in Johannesburg, Ekurhuleni, and Tshwane, citing issues like crime, lack of services, and stagnant projects. He emphasized the need for greater capacity and accountability from local and national government. Specific areas like Winterveldt and Mamelodi West were mentioned as still lacking basic infrastructure. He also raised the issue of land invasions and questioned the lack of progress in areas with long-standing promises of development.	The Minister outlined the process of compiling the housing beneficiary list in collaboration with SITA, linked to a system under Section 10 of the Housing Policy. This system ensures that individuals cannot reapply for housing after selling a government-provided home. She emphasized ongoing work to enhance the system, particularly to prioritize vulnerable groups such as pensioners, people with disabilities, and child-headed households. The Minister acknowledged challenges in issuing over 3,000 title deeds, citing delays caused by transfer processes, conveyancers, and low payment rates rejected by state attorneys. The Department is exploring alternative dispute resolution mechanisms to avoid litigation-related delays. On the budget, the Minister urged support for its approval, noting that the finance minister had gazetted municipal trading services. She emphasized the importance of spending on creating dignified human settlements and avoiding underutilization of funds, especially for critical needs like water and sewage. She explained that while past budget cuts returned unspent funds to the fiscus, the current policy allows internal reallocation within the Department. To improve efficiency, the Department’s CFO, Director-General, and technical teams are visiting metros and provinces to assist with operations. She encouraged metros to request help where needed and to utilize the trading services for proper fund reallocation. Addressing hostel upgrades, the Minister emphasized that metros should complete existing projects before starting new ones. She expressed hope for visible implementation progress in the new financial year, promising better reporting and accountability to the Committee. Ekurhuleni: The city noted funding shortages and the construction mafia as key challenges. Efforts are ongoing with the Presidential Infrastructure Coordinating Committee and police to tackle crime.
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		Concerns were raised about the “construction mafia” obstructing projects across metros, with calls for a strategy to combat this threat. The committee concluded by expressing dissatisfaction with the NHBRC’s performance and delays in Parliamentary input on the PIE Act, urging the Minister to address these issues before leaving the meeting.	The City is improving project management and procurement, achieving nearly full grant spending last year and aiming to maintain this. Specific projects like water reservoir upgrades and stalled Essellen Park were discussed, with commitments to overcome setbacks including mayoral changes. An occupancy audit is underway, with 12 new informal settlements identified. Wastewater treatment capacity remains a significant concern, requiring a costly new plant. New HOD appointment expected to improve capacity; 51 vacancies exist. Hostel development is paused due to a national moratorium on building unaffordable units; redesign and planning are ongoing. Beneficiary lists are being digitized but publication is delayed due to POPIA privacy concerns. Additional funding (R97 million) is needed to complete the Winnie Mandela project. The City is learning from Cape Town on informal settlement road construction. Johannesburg The city reported that it is at accreditation level two, progressing on infrastructure and housing projects. Delivered 701 serviced stands, but title deed issuance faces conveyancing challenges.
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			Underspending on George Goch informal settlement was due to power of attorney issues now resolved. Prioritisation of old informal settlements follows council resolutions; relocation challenges exist due to limited space. Efforts are underway to integrate Kliptown with Southern Farms development, with law enforcement tackling housing invasions. Construction mafia presence is limited but addressed when encountered Beneficiary list publication is legally complex due to confidentiality. Allocation prioritisation is influenced by court orders to move people from unsafe areas. Hostels face billing challenges because of shared living arrangements; many are in unproclaimed or farm-zoned areas. Social housing and hijacked building management are ongoing concerns, with limited emergency accommodation available. 27 projects had zero spending due to revised, unfunded budgets. City of Cape Town The city outlined long-term informal settlement issues, especially near the airport and floodplains. Prioritisation of four major informal settlements for redevelopment is the city's commitment of which many settlements are on landfill sites, requiring mass relocations. Construction mafia tackled through blacklisting, firings, forensic investigations, and criminal charges; coordinated with SAPS. City of Cape Town spends the most on bulk infrastructure nationally, mainly in disadvantaged areas, countering claims of favouring advantaged areas.
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			The city is implementing enhanced project monitoring and lifestyle audits of officials for accountability. The city invited the Committee to tour the city's investments in informal settlements. Acacia Park informal settlement near key state land highlights need for joint interdepartmental solutions. The city rejects claims of gentrification-driven displacement; the City actively releases municipal land for diverse ownership but is constrained by funding. The city reported that 74% of City budget targets indigent communities and acknowledges past administration failures and ongoing mayoral focus. Strong spending record on USDG and ISUPG grants; housing approach must shift to denser settlements and varied tenure types due to demand growth. The city's commitment to high spending on USDG and ISUPG, with recovery plans in place and supporting social housing and affordable housing units, with notable restitution projects like Bishops Court and Richmond, enabling beneficiary ownership and investments. City of Tshwane emphasized the City's commitment to formalizing informal settlements and issuing title deeds. The Department is developing 5,200 stands for residents of wards 99 and 100 in Mamelodi to address housing backlogs and invited the Committee to observe the progress and agreed with concerns about political instability in mayoral appointments and the need for stable transitions.
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The city acknowledged the suggestion to explore innovative tools like the Green Book. On North-West Housing Corporation issues, the Department aims to acquire power of attorney to manage industrial parks owing money to the City and to promote investment.

The City is investing around R500 million in Winterveldt to improve water supply, navigating land expropriation issues under the new Expropriation Act. Informal settlements have increased, partly due to the Protection from Illegal

Evictions Act (PIE) during Covid, making evictions difficult.

Regarding accountability, the Department adheres to GRAP standards and prioritizes completing fewer projects fully over many incomplete ones, focusing on bulk infrastructure for serviced stands and added that funds are being reallocated to projects with active contractors, and efforts are underway to address underperforming projects with increased capacity.

The Department's enterprise project management unit monitors project progress as part of a turnaround strategy. Upgrading informal settlements is incremental: 62 settlements are fully upgraded with basic services benefiting over 100,000 people, and over 82,000 others receive partial services.

The City has reduced its title deed backlog from 15,000 to under 7,000 in two years, issuing 1,800 deeds this financial year, with 80% of registered deeds delivered to the City for issuance. Questions on hostels will be answered in writing.

National Department of Human Settlement

The department advised that while it supports municipalities, metros must also fulfil their roles; The department intervenes when officials fail.

			A budget review revealed that current payments for building a standard 40 sqm house exceed necessary costs. The department owns a housing fund with properties nationwide, which it offered to municipalities, but many declined due to non-payment issues by occupants. The housing fund continues to pay rates and taxes on these properties. The department plans to evict non-paying occupants after a cut-off date to make buildings functional for proper allocation, shifting responsibility to municipalities for housing those evicted.
04 April 2025	Briefing by the Minister of Human Settlements on the following reports: - The George Building Collapse Report: Details on the role played by the National Home Builders Registration Council (NHBRC) in this matter. - NHBRC CEO Suspension: Reasons behind the suspension of the Chief Executive Officer. - National Housing Finance Corporation (NHFC) CEO Investigation: Findings on the whistleblower report regarding the NHFC's CEO's conduct and office space issue in Sandton. - Social Housing Regulatory Authority (SHRA) CEO Removal and Reinstatement: Update on reasons for suspension and subsequent reinstatement of the Chief Executive Officer. - Community Schemes Ombud Services (CSOS) Chief Ombud Resignation: Reason for the resignation of Chief Ombud. - Human Settlements Entities Board Appointments: Update on the appointment of Board Members.	The committee welcomed the suspension of the CEO of NHBRC and requested clarity on the statement that the CEO had misled the Council on the suspension of the two officials. The committee asked what actions had been taken against the construction company, whether they had since received any other contracts, and if there was any criminal litigation that had since been instituted. The committee expressed concern that there seemed to be no consequence management taken against officials and the contractors involved in the incident of George building collapse. The committee asked if structural evaluation had been done before construction and sought clarity on the impasse where officials had disputed the findings of the Auditor-General (AG), and how this was dealt with. Concerns were raised regarding the allegations of bribes from contractors. It asked whether the CEO was on paid suspension.	The Minister Simelane advised that there were homebuilder certification irregularities. The building was initially listed on paper as a single-storey building, not the multi-storey project it became, leading to glaring inconsistencies and irregularities on the side of the NHBRC. The project was a five-storey structure. Hence, it had to be reviewed by the NHBRC's internal professional engineer to ensure that the structural design complied with the design codes SANS 10100-1, and this was not done. A Mr Kruger had confessed that this was done because they did not have enough money to register. There were then issues with the enrolment procedures by the Council. The finding was that Ms Sueanne Maart, an employee of the Council had failed to review the necessary documentation by Mr Kruger, to ensure that all the sectional work and the titling were correct. She had reported to her superior, who had also let the system down by not following the verification processes. The report revealed that the technical system used to approve projects of this nature at the Council needed to be reviewed. This was one of the issues flagged for correction to ensure these fatal errors are not repeated. According to the report, the person responsible for capturing information into the system was a Ms Faith Nyakati, who was on leave at the time, but the person who used the system for this purpose was able to log in using Ms Nyakati's details.

	Ghiff Community Relocation Progress: Report on the relocation of the Ghiff community in Stellenbosch	The committee enquired if there were any recommendations in the NHRBC report and more details on what had happened that had led to the collapse of the building. The committee asked what concrete measures the Department would take to ensure stability at the top management of the Council. The Committee's oversight had shown that the management's instability had hindered the organisation's ability to deliver services. The committee wanted to know the status of the CEO in terms of disciplinary action, and when a report on that should be expected. The question about the role of the George municipality with regard to collaborating with the NHRBC, given that the project was within its jurisdictional area, was asked. Had any persons been criminally charged following the tragic loss of lives? It was asked if blacklisting the contractor would not be considered, considering the gravity of their role in the incident, including withholding information in what seemed a premeditated manner. This needed to be followed up, including with structures like the Companies and Intellectual Property Commission (CIPC). reports on the investigation at the NHFC.	The report also revealed that Mr Shameel Alexander, a customer service consultant, had been improperly placed within the grant system used for role delegations. This meant the organogram and access to roles at the Council also needed to be looked at. The Minister then referred back to the finding on enrolments. The commencement of building started on 3 July 2023, but the enrolment had been completed 8 to 15 days after that, which meant there was a finding against Mr Kruger of Liatel Developments and NHRBC officials, including Ms Sinazo Ntaka, who was supposed to deal with the oversight of the building. The report also indicated that the global positioning system (GPS) at the Council also had problems. There was tampering with it after the incident to close gaps, but these were still revealed by the investigation. This also needed to be attended to by the Council. The Minister reported that there was not much found on the materials used -- the concrete and other materials were of quality, but the problems were with the system. On consequence management, the Minister advised that the individuals named in the report should face disciplinary action. When the building collapsed, the Council's Board had met. Their instruction was that all the people involved in the project should be placed under precautionary suspension, to allow for the investigations to commence. The allegation was that the CEO did not do this but had rather placed the employees on special leave. The issues related to the role of Liatel had been sent to the South African Police Service (SAPS) for their investigation. The Minister reported that there were inconsistencies with the submission of plans to the municipality, as the plans for a multi-storey building were not submitted. In summary, the real National Housing Finance Corporation investigation
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		The committee wanted to know if the building plan had been submitted to, and approved by, the municipality. Did the inspectors inspect all phases of the project? The committee noted that it had been 11 months since the incident, but there had been no accountability from the Council beyond the suspension of the CEO, no reports on the assistance given to families of the deceased, or any consequence management for the builders. The committee asked who had conducted the investigation. The committee expressed concern about the allegations levelled against the CEO. What were the recommendations of the outgoing Board on the matter? Had an investigation been conducted? The committee asked that besides the irregularity of the lease agreement, the AG had also found fruitless and wasteful expenditure, and pronounced on the limitation of scope. According to the AG, the short-term irregular expenditure amounted to R1.5 million, and R15 million in the long term. He asked the Minister what the value of the fruitless and wasteful expenditure at the agency was. What was the limitation of scope that was referred to by the AG? He sought clarity on the status of the Board at this stage where they still in office, and if not, who was responsible for those duties until the appointment of a new Board? He said it would also be helpful if they could get a full list of the	cause of the tragic incident was the processes that were not followed from registration, the change from a single to a multi-storey project. There were reports of cracks that were caused by pillars that were not strong enough to hold the weight of the changes made later. The Minister committed to verify and report to the Committee on consequence management against the contractor, including whether they had received any more contracts after the incident. The Minister noted that there was an ongoing criminal investigation, including against some of the NHBRC officials. The Minister indicated that the report only recommended the referral of Liatel to the SAPS for their role, including culpable homicide and noted the suggestion of looking into the blacklisting of the developers and would check what the law allowed in this case. The Minister wished to verify some information on the names listed on the report for action and confirm that information with Members. The department advised that Section 49 had indeed kicked in, but Section 49(2) of the PFMA indicated that in the absence of an accounting authority, the accounting officer would take over to act as such for the envisaged period. The status of the investigation report was preliminary, and it was the Board's responsibility to finalise it. The Minister would then be able to process it, and as earlier committed to the Committee, the report would be shared with the Members. It was reported that there had been a lack of cooperation from the side of the municipality, including the availability of information from them. It was recommended that the Portfolio Committee consider meeting with the George Municipality to get a better understanding of what had happened. The Minister said that the investigation had been carried out by a company called Chavani Risk Advisory and Forensic Services, hired by the Council.
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		The committee asked what the findings had been of an investigation into the use of the company card, an allegation made by a whistleblower in the past. Had the Minister invoked Section 49 of the Public Finance Management Act (PFMA) regarding the NHFC? He pointed out that there were several issues that were on the whistleblower's report that were not mentioned in the presentation, and he wondered why this was the case. Why was the Department not acting on the lease issue? He urged the Minister to look deeper into what was happening at the corporation. The committee asked the Minister what systemic interventions she would implement to ensure accountability, effective governance and sustained leadership in the entities, and how the implementation would be monitored. The committee expressed concern at the lack of accountability at the corporation. The Board's term had come to an end on 28 March, and nothing had been done about this. She said this indicated arrogance and defiance from the NHFC, blatantly ignoring National Treasury and the Auditor General, while Parliament was being kept in the dark. It was deeply concerning that an entity responsible for affordable housing showed disregard for procurement processes. Why was the Committee not getting any reports on forensic investigations? The committee asked what the way forward in terms of the SHRA CEO and CSM positions would be. Now that the CCMA processes on these two positions were completed, the relevant reports could be shared with the Committee, as promised in the past, so it could understand the context of what happened in the organisation.	The Minister reported on the National Housing Finance Corporation's (NHFC's) investigation into the conduct of its CEO, which had resulted from allegations by a whistleblower. The Minister premised this part of the presentation with a concession that there was a lot of instability in the agencies of the Department of Human Settlements (DHS). This was particularly the case with the positions of CEOs and Chief Financial Officers (CFOs) in the agencies. Her approach was to bring back stability through appointments so that the work could continue. The Minister advised that the Board of the NHFC had appointed Nexia SAB&T to investigate the whistleblower's allegations. Some of the allegations were: -The CEO had arranged an expensive party/function. -The CEO had asked junior staff whether they knew the identity of the whistleblower; - -The NHFC had paid for alcohol that was consumed at a staff party/function. -The CEO had received Christmas gifts from the South African Society of Bank Officials (SASBO); and -The CEO took SASBO members out to lunch or dinner. On 18 November 2024, Nexia SAB&T issued the final report of their preliminary investigations and findings. On 1 April 2025, the NHFC company secretary indicated that the board chairperson would submit the status on this matter in the board close-out report. There was also the office space issue in Sandton the lease on 90 Grayston Drive. The Auditor General (AG) found the current three-year lease
			and the one-year lease to be irregular. The NHFC had disputed this, and the AG had escalated the matter to the National Treasury. National Treasury reviewed the matter, and in their response, they agreed with the AG's findings. There was no new update from the NHFC on the above matter. The CEO continued to perform her functions, and the process of appointing a new board would soon be underway.

		The committee recommended that the Ministry should conduct a comprehensive review of the appointment processes in its entities, the performance management systems and governance structures. They should also develop standardised governance frameworks that provide clear guidelines for all board appointments, and such things as succession planning. The implementation of these frameworks should be monitored. The committee alluded these litigations had been done on taxpayers' money. Why was the SHRA Council not held accountable for not doing due diligence, only for them to lose at the CCMA	Minister Simelane said that they would allow the Board to complete its processes and hand over to oversight before they could act. There were issues of fairness with the CEO at the CCMA. The CSM had decided not to entertain a reinstatement because of the protracted process and had chosen to negotiate a settlement. She did not have a formal report yet, but these were from notes from an official meeting with the board chairperson. Relocation of the Ghiff community in Stellenbosch The Minister advised the department is working with the Western Cape Department of Infrastructure, the Stellenbosch Municipality and the Housing Development Agency (HDA) on addressing the Ghiff informal settlement matter. Financial Implications would be realised for the relocation, installation of services, land tenure etc, and these would be borne out of the Informal Settlements Upgrading Grant (ISUG) allocated to the municipality by the province. Central to the relocation of the Ghiff informal settlement was the Stellenbosch Municipality availing land and expediting the Spatial Planning and Land Use Management Act (SPLUMA) approval. The municipality was a competent authority to approve both the relocation and the SPLUMA application, but there had been delays in the SPLUMA application. The Ghiff informal settlements residents were currently being provided with temporary sanitation and portable water by the Stellenbosch Municipality.
23 April 2025	Briefing by the Auditor General of South Africa (AGSA) on Proactive Review of the Department of Human Settlements on its Annual Performance for Plans 2025/26, Strategic Plans for 2025/2030, and Budget Briefing by the Department of Human Settlements on the Annual Performance Plans 2025/26, Strategic Plans 2025/2030, and Budget Vote 33 Briefing by the Human Settlements entities on their Annual Performance Plans, 2025/26, Strategic Plans 2025/2030 and Budget:	The committee enquired about the temporary emergency accommodation and terms of reference for this policy, as they are absent from the report. The question was asked why the possible findings on Gauteng provinces were not communicated. Clarity was sought as to why the Medium-Term Development Plan (MTDP) was submitted late. It was asked why only the Housing Development Agency was audited, and why the other	(AGSA), responded to the question on the MTDB and submission was approved by Cabinet in February, and this delay affects the Department's ability to align it with the APP. To the question of only auditing the HDA and the Department, she said that they did this to ensure that four indicators that government wants to achieve are included in the APP, and only the core role players in this process were reviewed. To the question about unachieved previous objectives, she said from their observations, lack of planning from the Department to make sure that the numbers add up was the route cause and lack of customised monitoring and indicators. It was reported that the national department has a

•National Home Builders Registration Council (NHBRC) •National Housing Finance Corporation (NHFC) •Community Schemes Ombud Services (CSOS)	entities were not audited, and why the APP was not aligned with the MTDP. The impression was given that these were aligned. The committee asked why there was no report on the use of emergency accommodation funds. North West's dependency on the human settlements system, which has known internal control deficiencies, raises serious concerns over reported housing outputs, such as units completed, or subsidies dispersed. There were concerns on the failure of the Housing Development Agency to put three of the seven mandatory output indicators, and the Northern Cape misaligned key informal settlement indicators; these gaps threatened the ability to assess national performance uniformly. The committee asked how the Minister justified submitting APPs that lack measurable indicators for critical matters such as emergency housing. The committee asked how the HDA will be held accountable for these discrepancies. The Department was asked how it ensures that institutions comply with its requirements and strategies. What systematic factors contribute to the trend of underperformance, and what actions will be taken to foster a culture of accountability and performance within the human settlements sector?	monitoring and oversight role to play in the different provinces. AGSA responded to the question on emergency housing and relief fund that the Department's indicators must align with the Department's role and responsibilities. On the question on the HDA, AGSA advised that because they are an agent, they can only report on their responsibilities in terms of their appointed responsibilities the HDA were required to do phases 1, 2, and 3. To the question on Gauteng AGSA advised that they need to follow the process in terms of communicating what was identified, thus their responses were not included in the presentation. To the question on the deadline for submission, she said they will be getting responses from the Department this week about the matters that have been raised. The department responded that their concern while meeting with the AGSA, was that they are required to review their submissions for Value, for a proactive auditing with opinion on what the Department is planning to implement. The department advised that they received the proactive review on the morning of the meeting and that they would submit a response later within five days. The department noted that the lack of emergency targets is because natural disasters are an act of God and cannot be scientifically prepared for. The department reported that the HDA is limited by their legal mandate in what they should include in their report, they cannot include indicators that they are not empowered to comply with, and they would be overreaching on the work of other departmental agencies. To the question on the non-alignment of the APP and the MTDP, he said this is caused by ongoing budget cuts without any amendments to the targets. He noted that provinces like the Western Cape refused additional mandates with no
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		How far is the Department in the process of updating its digital system, namely the Housing Subsidy Portal (HSS), for it to provide accurate information on the number of output units produced? It was noted that the Department should collaborate with the Council for Scientific and Industrial Research (CSIR) and SITA in delivering this project. The department was asked what the deadline was for the Department's response to the AGSA's proactive review.	additional resources, and this was reflected in their provincial APPs, they revised downwards, hence this discrepancy in the MTDP and APP the department reported that the national department only incorporates provincial findings that they can verify, to this effect the Department rejects many provincial output numbers. Noting that the discrepancy is out of discipline. The Minister reported that the question of updating the Housing Subsidy Portal (HSS), the Department has engaged with SITA but there was a delay in the advertising and the concretising the update of the system. This caused a dispute between the Department and SITA; the previous Minister was looking to request approval from Cabinet for the Department to undertake the update of the system by itself. On the question of concurrent functions, the Minister noted that in determining who is due for a house, other departments have the mandate, and in the case of emergency housing, the department requires the assistance of sister department to provide ancillary relief of disaster victims, such as food and clothing as the DHS cannot only provide accommodation. The Minister concluded that it is fair for provinces to adjust their targets downwards if the budget is cut and noted that provinces should budget independently for emergency responses and re-prioritise their spending appropriately.
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❖ **The Portfolio Committee on Human Settlements further conducted Oversight Visits as follows:**

- KwaZulu-Natal Province from 08 – 11 October 2024.
- Western Cape Province on 04 December 2024
- Free State Province from 24 to 28 March 2025

B. Parliamentary Questions:

- ❖ The total number of 183 Parliamentary Questions (National Assembly and National Council of Provinces) published and processed together with their requisite Replies that were tabled in Parliament.
- Of the above total of 126 were received from the National Assembly.
 - Of the above total of 57 were received from the National Council of Provinces.

C. Tablings:

- ❖ The following annual reports were submitted for tabling in terms of the Public Finance Management Act, 1999 (Act No 1 of 1999) on 1 October 2024.
- Report and Financial Statements of Vote 33 – National Department of Human Settlements for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information of Vote 33 for 2023-24.
 - Integrated Report & Financial Statements of the National Housing Finance Corporation SOC Ltd (NHFC) for 2023-24, including the Report of the Auditor-General on the Financial Statements for 2023-24.
 - Report & Financial Statements of the Community Scheme Ombud Services (CSOS) for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2023-24.

- Report & Financial Statements of the Social Housing Regulatory Authority (SHRA) for 2023-24, including the Report of the Independent Auditors on the Financial Statements and Performance Information for 2023-24.
- Report & Financial Statements of the Property Practitioners Regulatory Authority (PPRA) for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2023-24.
- Report & Financial Statements of the National Home Builders Registration Council (NHBC) for 2023-24, including the Report of the Auditor-General on the Financial Statements for 2023-24.
- Report & Financial Statements of the Housing Development Agency (HDA) for 2023-24, including the Report of the Auditor-General on the Financial Statements and Performance Information for 2023-24.
- Report & Financial Statements of the Thubelisha Homes NPC (in Liquidation) for 2023-24, including the Report of the Independent Auditors on the Financial Statements and Performance for 2023-24.

❖ **Reports submitted to the Speaker of the National Assembly:**

- Two Reports in Respect of Recommendations Contained in the Report of Portfolio Committee on Human Settlements on Budget Vote 33: Human Settlements, Revised Strategic Plan Medium-Term Expenditure Framework (MTEF) Period & Annual Performance Plan 2023-24 and,

D. Cabinet & Its Committees:

The following Cabinet Memoranda were submitted for tabling at Cabinet and its Committees for approval-

- Request for additional Funding on the Emergency Housing Response fund to address outstanding emergency housing interventions in various provinces and municipalities that were affected by disasters within the 2019-2024 Medium Term Strategic Framework period.
- White Paper for Human Settlements.

- Appointment of 12 non – executive members to serve on the council of Social Housing Regulatory Authority for a period not exceeding three years at a time in compliance with the Social Housing Act, 2008 (Act No.16 of 2008)
- Appointment of 12 non – executive members to serve on the board of Housing Development Agency for a period not exceeding three years.
- Appointment of seven members to serve in the Board of the Community Ombud Service for a period not exceeding three (3) years at a time in compliance with the Community Schemes Ombud Service Act no 23 of 2011.
- Appointment of Members of the Property Practitioners Regulatory Authority (PPRA) Board.
- Appointment of Members of National Home Builders Registration Council (NHBRRC).

E. Cluster Support:

- ❖ The Department co-chairs the Social Protection, Community and Human Development (SPCHD) Cluster, and has submitted the following items for discussion at Cluster during the period under review:
 - Performance-Based National Norms and Standards for Innovative Building Technologies for Human Settlements: 25 September 2024
 - The White Paper for Human Settlements: 23 October 2024.

8. SCOPA RESOLUTIONS

The Department of Human Settlements did not appear before the Committee on Public Accounts during the period of reporting period under review.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

An action plan was developed in relation to all findings by the Office of the Auditor General. The action plan was submitted to the Office of the Auditor General for concurrence. The Internal Control Unit monitored the implementation planned actions, requested and received monthly updates from responsible managers, updated the Action Plan and submitted it to Internal Audit.

Internal Auditors verified the progress on implementation of the planned actions as reported on the Action Plan and reported their findings to the Executive Management and Audit Committee.

10. INTERNAL CONTROL UNIT

The Internal Control Unit is positioned within the Chief Financial Officer's Branch. During the financial year under review the unit:

- Served as a point of entry for all Requests for Information and Audit Findings from the Office of the Auditor General. All responses by the department were also channelled through the Internal Control Unit for submission to the Office of the Auditor General.
- Co-ordinated the development of the Action Plan in respect of the Auditor General Audit report and Management letter.
- Monitored progress on the implementation of the planned actions to address prior year audit findings.
- Continued to serve as a custodian of all payments supporting documentation.
- Continued to fulfil its secretariat role to the Loss Control Committee.
- Continued its responsibility of managing the following registers:
 - o Losses incurred by the department.

- o Irregular expenditure
- o Fruitless and wasteful expenditure
- Conducted compliance reviews in respect of expenditure incurred during the financial year.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 Internal Audit Function (IAF)

The department has established an inhouse internal audit function and to supplement the capacity of the unit established a panel of service provider and the unit functionally reports to the audit committee and administratively to the Accounting Officer.

The objective of Internal Audit as defined in Treasury Regulations [TR] sub-sections 3.2.11 and 3.2.12 is to assist the accounting officer in maintaining efficient and effective controls, also achieving departmental objectives by evaluating those controls to determine their effectiveness and efficiency and developing recommendations for enhancement or improvement.

The unit has an approved internal charter which defines its purpose, authority and responsibility including its vision and mission in supporting the department objectives and strategy. In line with the Standards and Treasury Regulations requirements, developed the risk-based Internal Audit Plan and the rolling three-year plan which were supported by the management and approved by the audit committee.

The function conducted an internal assessment in 2020 and which was follow up by an external quality review in 2023 where it was assessed as general conformance, the next assessment is due in 2028/2029.

The unit satisfactorily co-ordinated and facilitated six [6] audit committee meetings, including the appointment of the new audit committee as the term of the previous committee ended in September 2024.

During the period under review, the unit as task with the responsibility to facilitate and co-ordinate combined assurance activities has developed a Combined Assurance Plan (CAP) for the 2024/25 financial year that is aligned with the department's Strategic Enterprise-wide Risk Register. On quarterly basis reported to various governance structures (Risk Champion Forum, Executive Management Team, Risk Management Committee and Audit Committee).

Successfully implemented 96% of the approved internal audit plan, furthermore, completed seven [7] ad hoc/management requests regarding irregular expenditure and non-compliance matters as part of value-add reviews. The unit has been monitoring the implementation of recommendation and the status reported to both management and audit committee.

Audit work conducted during the period under review by the Department is summarised as follows:

Assurance Review	Consulting or value add review
• Monitoring of the Division of Revenue (DoRA) Review • Performance Audits • Information Technology Reviews • Audit of Performance Information Reviews • Interim Financial Statement Reviews • Assets Management Review • Budget Management Review • Combined Assurance Review • Leave Management Review • Emergency Housing Review • Compliance Management Review • Policy Development • Follow-up Review	• Data Analytics Reviews (Transversal Systems, i.e. BAS, LOGIS, PERSAL and Housing Subsidy System (HSS)); • Follow-up on the Auditor-General Action Plan Review • Review of the Strategic Plan and Annual Performance Plans

11.2 Audit Committee (AC)

The Audit Committee serves as an advisory committee to the Accounting Officer and the Minister of Human Settlements in fulfilling their responsibilities.

The Audit Committee's responsibilities and duties as per Treasury Regulations and its own terms of reference, could be summarise as follows to review the following:

- The effectiveness of the internal control systems;
- The effectiveness of the internal audit function;
- The risk areas of the institution's operations to be covered in the scope of internal and external audits;
- The adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- Any accounting and auditing concerns identified as a result of internal and external audits;
- Compliance with legal and regulatory provisions; and
- The activities of the internal audit function, including its annual work programme, co-ordination with the external auditors (Combined Assurance), the reports of significant investigations and the responses of management to specific recommendations.

The audit committee comprise of five [5] independent members which are not employees of the department with diverse mix of skills and experience. The previous committee term needed in September 2024 and a new committee was appointed in line with the Public Finance Management Act PFMA and Treasury Regulations.

The department can report that the committee has fulfilled its functions and responsibilities as set out in the PFMA, TR and Charter. During the period under review the committee held six [6] meetings. An assessment of the audit committee would be performed in 2026/2027 financial year as per charter the committee will once after every two [2] years undertake independent assessment [360 degree] on its performance.



11.3 Audit Committee Composition & Meeting Attendance

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Ms N Sizani – (Chairperson)	Bachelor's Degree (Honours) in Accounting Science; Bachelor's Degree in Commerce; Senior Teachers Diploma; Post-Graduate Diploma in Management; Certificate in the Theory of Accountancy (CTA) AGA (SA)	The Institute of Directors South Africa South Africa Institute of Chartered Accountants	01/10/2018 Re-appointed: 01/10/2021	30/09/2024	4	Yes	No	2	2
Dr M Neluheni	Doctor of Philosophy (Architecture-Engineering Minor); Master's Degree in Urban and Regional Planning; Bachelor's Degree (Honours) in Geography; Bachelor of Arts Primary Teachers Certificate	South African Council for Planners	01/10/2018 Re-appointed: 01/10/2021	30/09/2024	4	Yes	No	0	2

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Dr C Motau	Doctor Technologiae: Computer Science and Data Processing; Master's Degree in Business Leadership (MBL); Master's Degree in Information Technology; Bachelor's Degree in Commerce; Higher Diploma in Computer Auditing Certificate in IT Projects Management; Certificate in Executive Leadership Certificate in Human Resource Management; Certificate in Digital Transformation Strategy	Business Continuity Institute	01/10/2018 <u>Re-appointed:</u> 01/10/2021	30/09/2024	5	Yes	No	4	3

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Dr S Zulu	- PhD in Human Resource Management; LLM – Master's Degree in Law: Labour Studies; - Master's Degree in Human Resource Management; Bachelor of Social Science (Honours) in Industrial Relations; Bachelor's Degree (Honours) in Education; - HDE (Post-Graduate Diploma); Bachelor of Arts Degree	The South African Board for Personnel Practice Institute of Directors South Africa	01/08/2021	31/07/2024	3	Yes	No	2	8
Ms KS Mahlangu	- B PROC; LLB; - LLM: Corporate Commercial; - Management Advancement Programme (MAP); Certificate in Fraud Examination	Admitted Attorney of High Court of South Africa	01 Aug 2021 <u>Re-appointed:</u> 16/01/2025	15/01/2028	4	Yes	No	6	9

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Ms. NP Lubanga (Chairperson)	National Diploma in Internal Auditing, Bachelor of Commerce in Internal Auditing, Bachelor of Commerce Honours/Postgraduate Diploma in Internal Auditing, Postgraduate Diploma in General Management, Executive Development Program, and Master's in Business Administration (MBA), National Diploma in Culinary Arts and Patisserie	Institute of Internal Auditors Institute of Risk Management Compliance Institute of South Africa Institute of Directors Southern Africa	16/01/2025	15/01/2028	1	Yes	No	5	2
Ms. Z Kabini	Bachelor of Commerce in Informatics; Bachelor of Commerce (Hons) in Informatics registered	Institute of Chartered IT Professionals	16/01/2025	15/01/2028	1	Yes	No	5	6
Mr. L.M Mangquku	Master of Business Leadership; Bachelor of Accounting Science Honours & Bachelor of Commerce Honors Accounting	South Africa Institute of Chartered Accountants	16/01/2025	15/01/2028	1	Yes	No	4	2

Name	Qualifications	Professional Affiliation (e.g. SAICA, IIA, IOD(SA))	Appointment: Term of Office		No. of meetings attended 2024/25	Has the AC member declared private and business interests in every meeting? (Yes/No)	Is the AC member an employee of an organ of state? (Yes / No)	No. of other ACs that the member served on during the reporting period (whether in the public sector or not)	No. of other governance structures the member served on during the reporting period, e.g. Boards, Risk Committee, IT Committee, etc, whether in this or any other institution(s)
			Start date	End Date					
Mr. G.P Martins	BA Honours Politics; BA Politics, Economics, Philosophy; Bachelor's Degree in Architecture; National Diploma in Architectural Technician; National Certificate in Building Technology	South African Council of Architects Institute Of South African Architects Institute of Directors Southern Africa	16/01/2025	15/01/2028	1	Yes	No	2	4

11.4 Remuneration of Audit Committee Members

The audit committee members are remunerated according to the rates approved by the department which are taken from the AG rates and the total expenditure for the period under review is R543,384.00.

12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2025, set out in three parts:

Audit Committee Responsibility

The Audit Committee has a non-executive status in an advisory capacity to the Accounting Officer and Executive Authority. It does not perform any management functions or assume any management responsibilities and has an objective independent role, operating as an overseer and making recommendations to the Accounting Officer. The Accounting Officer retains responsibility for implementing such recommendations. The Committee executes their functions through close liaison and communication with management, Internal Audit and the Auditor General.

The Audit Committee reports that it has complied with its responsibilities as stated in section 38(1)(a) (ii) of the Public Finance Management Act and Treasury Regulations paragraph 3.1.10 and 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference, has regulated its affairs in compliance with the Charter and has discharged all its responsibilities as contained therein.

Audit Committee Composition and Meeting Attendance

The audit committee consists of five (5) members and it is properly constituted, with all members being independent not in the employee of the department, with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened six (6) times for the period under with three (3) being ordinary meetings and the remainder special meetings.

Member's meeting attendance details:

Name (Position)	Qualifications	Is the AC member an employee of an organ of state? (Yes / No)	Number of ordinary meetings attended	Number of special meetings attended
Ms. NP Lubanga (Chairperson)	National Diploma in Internal Auditing, Bachelor of Commerce in Internal Auditing, Bachelor of Commerce Honours/Postgraduate Diploma in Internal Auditing, Postgraduate Diploma in General Management, Executive Development Program, and Master's in Business Administration (MBA), National Diploma in Culinary Arts and Patisserie	NO	1	0
Ms. Z Kabini	Bachelor of Commerce in Informatics; Bachelor of Commerce (Hons) in Informatics registered	NO	1	0
Mr. L.M Mangquku	Chartered Accountant (South Africa); Master of Business Leadership; Advanced Company Law I& II; Bachelor of Accounting Sciences (Hon); Bachelor in Commerce (Hon) (Accounting).	NO	1	0
Mr. G.P Martins	BA Honours Politics; BA Politics, Economics, Philosophy; Bachelor's Degree in Architecture; National Diploma in Architectural Technician; National Certificate in Building Technology	NO	1	0
Ms. KS Mahlangu	B PROC; LLB; LLM: Corporate Commercial; Management Advancement Programme (MAP); Certificate in Fraud Examination	NO	1	3

Activities of the committee

- Reviewed and approved Audit Committee Charter
- Reviewed and approved Internal Audit Charter
- Reviewed and approved the Internal Audit three-year rolling plan and annual audit coverage plan
- Overseen the execution of the 3-year internal audit plan
- Reviewed the reports of the Internal Audit Activity and made appropriate recommendations
- Considered quarterly financial and performance reports and provided guidance on the adequacy and quality improvements for these reports
- Reviewed the Risk Management reports and made appropriate recommendations
- Considered proposed internal controls to mitigate risks and made appropriate recommendations
- Provided guidance on Information Technology governance reports
- Monitored compliance with policies and applicable legislations

- Monitored progress on previous audit findings
- Reviewed the combined assurance plan and reports which addressed the significant risks facing the Department.
- Reviewed reports pertaining to the cases under investigations

Audit Committee Focus Areas

• Effectiveness of the internal control systems

Internal Audit is mandated to provide assurance on the adequacy and effectiveness of the governance, risk management and controls. This is achieved through a risk-based internal audit plan which was approved by the committee.

The Committee reviewed the reports of the Internal Auditors and the Audit Report from the AGSA and based on the review of these reports, the system of internal controls is reasonably adequate with improvement required in certain areas amongst others:

- Performance Information
- Information Security Management
- Information Technology Systems

• Effectiveness of the Internal Audit Function (IAF)

The Accounting Officer is required in terms of the PFMA to establish internal audit function under the stewardship of the audit committee. The audit committee has reviewed the work by the internal audit based on the three-year rolling, strategic internal audit plan, an annual audit coverage plan for the period 1 April 2024 to 31 March 2025 including its ad-hoc reviews and the internal charter.

The following work has been conducted by the unit during the period under review:

Audit category	Planned	Completed
Assurance Audits	15	13
Information Technology	4	4
Performance Audits and Audit of performance information	9	9
Total audits	28	26

The audit committee is satisfied that the internal audit function has adequately discharged its functions and responsibilities during the year under review.

• Effectiveness of risk management

The committee has received on a quarterly basis report from the Chairperson of the Risk Management Committee [RMC] pertaining to the progress & status of risk management activities and the committee has reviewed these reports as part of its oversight responsibilities. The committee is satisfied with its oversight over the adequacy and effectiveness of risk management processes implemented by the department throughout the financial year to manage risks to an acceptable level.

Furthermore, the committee considered and recommended approval of the combined assurance plan for 2024-25 and on a quarterly received the combined assurance report, prepared based on combined assurance matrix, and satisfied themselves that the assurance obtained by all assurance providers in line with the approved combined assurance plan for all significant risk areas is adequate

• Adequacy, reliability, and accuracy of financial and performance information

The committee has noted and comment the department that there were no material misstatements in the financial statements submitted for auditing

- **Accounting and auditing concerns identified as a result of internal and external audits**

The committee has reviewed the reports from both internal audit and external which have highlighted internal control deficiencies regarding performance monitoring/information which require management attention.

- **Compliance with legal and regulatory provisions**

The audit committee acknowledges that AGSA did not identify any material findings on compliance with legislative requirements.

- **The quality of the in-year management and monthly/quarterly reports submitted in terms of legislation**

The Department has been reporting on a monthly and quarterly basis to the National Treasury as required by the PFMA. The quarterly financial and performance reports were also presented to the Audit Committee. The Committee has reviewed the annual report of the Department to verify whether it is in line with the guidelines issued by the national treasury and the accuracy of the performance information reported in this annual report. The Committee is satisfied that the Department has complied with the Public Finance Management Act by reporting to National Treasury on monthly and quarterly basis, including compliance with the Division of Revenue Act.

- **Evaluation of the annual financial statements**

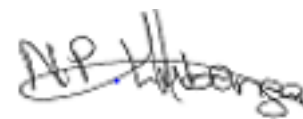
The audit committee evaluated the departmental Annual Financial Statement [AFS] and performance information for the year ended 31 March 2025. They were duly recommended for the accounting officer's approval before being submitted to AGSA for external audit. The audit committee has discussed the external audit outcome to be included in the annual report with AGSA and the accounting officer.

- **External Audit and Auditor-General's Report**

The committee reviewed the status of the Auditor General of South Africa action plan in addressing the matters by the AGSA in the prior year, based on the discussion with management, auditor-general and internal audit. The committee acknowledged the effort taken by the management to address these findings, while it is concern about the progress management made. The audit committee concurs and accepts the conclusions of AGSA on the AFS, annual performance report and legislative compliance. It is of the opinion that the audited AFS and audited annual performance report should be accepted and read together with the report of AGSA.

- **Conclusion**

The committee would like to express its appreciation to the Executive Authority, Accounting Officer, Senior Management team, Internal Audit and the Auditor-General of South Africa, all levels of management and staff of the department for their continued support, cooperation and dedication to enable the Committee to discharge its responsibilities



Ms Noziphiwo P. Lubanga
Chairperson of the Audit Committee
Department of Human Settlements
03 September 2025

12. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBEE requirements of the BBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licenses, concessions or other authorisations in respect of economic activity in terms of any law?	No	The National Department of Human Settlements does not issue licences, concessions or other authorisations in respect of economic activity in terms of any law
Developing and implementing a preferential procurement policy?	Yes	The Department has developed and is implementing the Preferential Procurement Policy.
Determining qualification criteria for the sale of state – owned enterprises?	No	The National Department of Human Settlements does not sell state owned enterprises
Developing criteria for entering into partnerships with the private sector?	No	The National Department of Human Settlements did not enter into partnerships with private sector during the period under review.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	The National Department of Human Settlements does not award incentives, grants and investment schemes



A smiling woman wearing a green and yellow patterned headwrap, a blue and white patterned shirt, and a red and green patterned skirt is holding a white document. The document has the number '256' at the top, followed by 'DEED OF TRANSFER' in bold capital letters. She is standing in front of a building with a tiled roof. A large green circle is overlaid on the left side of the image, containing the quote.

**“Where Every
Wall Shelters,
Every Door Protects,
and Every Room
Embraces You.”**

PART D:

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

The status of human resources in the Department:

Although the review of the organisational structure process is still underway, the Department has made significant progress in addressing its human resource priorities. Notably, all executive management positions are currently filled, and 80% of posts at the Senior Management Service (SMS) level are occupied. These achievements are in line with the approved priority list and the revised Macro Organisational Structure endorsed by the Minister for Public Service and Administration (MPSA) in 2021.

The continued filling of executive and SMS positions has brought much-needed stability to the Department. Furthermore, the Department has maintained the 56% employment equity target female representation at SMS level as at 31 March 2025.

Human Resource Priorities and their Impact

1. Review and Realignment of the Departmental Organisational Structure

The Department is continuing with the comprehensive review of its organisational structure. This process is aimed at aligning the macro and micro-structures with the 2025–2030 Strategic Plan and the objective-based budget framework. Despite delays, the review remains a strategic priority as it will address the Department's current capacity challenges, particularly in the context of a reduced Compensation of Employees budget.

2. Filling of Prioritised Vacant and Funded Positions

During the 2024/25 financial year, the process of filling vacant post was limited by the cost containment Directive and the ongoing review of the departmental organisational structure.

3. Workforce Turnover and Culture Transformation

The department experienced an increase in staff turnover during the reporting period. This was mainly due to the implementation of the Directive to assist executive authorities in managing fiscal sustainability during the process of creating and filling vacant posts in the Public Service, which impacted workforce planning, and the delay in the finalisation of the organisational structure, which led to role uncertainty and affected retention.

In response, the Department launched a comprehensive Culture Survey aimed at assessing the prevailing organisational culture. This initiative is designed to build a culture that supports:

- Collaboration and teamwork;
- Improved service delivery aligned with the department's strategic objectives;
- Accountability and innovation; and
- The Batho Pele principles of people-first public service.

The results of the survey will inform the development of a Culture Change and Development Plan, which will complement ongoing structural reforms and human resource initiatives. This approach reflects the Department's commitment to fostering a values-based, inclusive, and performance-driven workplace.

Workforce Planning and Strategies to Attract and Retain Skilled Personnel

In January 2024, as per the instruction of the President to Infrastructure Department, the Department successfully commenced a skills audit in collaboration with the National School of Government (NSG). This process will result in the development of a Competency Framework, which will be aligned to the revised Macro Organisational Structure. This alignment is intended to ensure that employees are equipped with the necessary skills and competencies required for their roles.

As part of its strategic workforce planning, the Department will also intensify efforts around the identification and retention of scarce and critical skills, which are essential for delivering on the Department's strategic priorities. This includes proactive talent management, targeted recruitment strategies, and career pathing initiatives to mitigate skills gaps and promote continuity in key functional areas.

Employee Performance Management

The Department adhered to the DPSA Directives on Performance Management and Development Systems (PMDS). Notch progressions were implemented for all eligible employees for the 2023/24 performance cycle.

To support compliance and improve performance, capacity-building workshops were held to guide employees on the contracting and assessment processes. Additionally, consequence management measures were implemented for non-compliance with submission deadlines.

Employee Wellness Programme

The Employee Wellness Programme (EWP) continued to play a critical role in promoting employee health, well-being, and productivity. Key components of the programme included:

- Provision of 24/7 confidential short-term counselling and referral services, addressing emotional intelligence, resilience, and stress management, challenges that were highlighted during the skills audit;

- Coordination of quarterly on-site Wellness Days in partnership with the Government Employees Medical Scheme (GEMS), which included health screenings and HIV Counselling and Testing (HCT);
- Maintenance of an effective Occupational Health and Safety (OHS) management system, with a fully functional statutory OHS Committee;
- Conducting of quarterly OHS audits, with findings addressed through routine facilities management.

Future Human Resource Plans and Goals

Going forward, the department will focus on the following strategic human resource objectives:

- Finalisation and implementation of the revised organisational structure to support the 2025 -2030 Strategic Plan;
- Completion of the Competency Framework in alignment with the Macro Organisational Structure;
- Implementation of the Culture Survey recommendations, including the rollout of a Culture Change and Development Plan;
- Implementation of the Directive on Human Resource Management and Development in support of the Public Service Professionalisation Framework;
- Enhanced focus on professionalisation of the workforce through training, standards, and capacity development aligned to public service values; and
- Targeted identification, development, and retention of scarce and critical skills to ensure the Department remains capable

2. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarises the final audited personnel related expenditure by programme and by salary bands. In particular, it provides an indication of the following:

- amount spent on personnel
- amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2024 and 31 March 2025

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	462 299	223 352	1 252	14 828	48.3	-
Integrated human settlements planning and development	22 725 783	67 912	-	5 862	0.3	971
Informal settlements	8 275 937	35 378	-	8 799	0.4	907
Rental and social housing	877 955	10 648	-	-	1.2	1 183
Affordable housing	507 612	46 071	-	993	9.1	921
Total	32 849 586	383 361	1 252	30 482	1.2	832

Table 3.1.2 Personnel costs by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Skilled (level 3-5)	26 235	3.2	77	340 714
Highly skilled production (levels 6-8)	59 553	7.2	109	546 358
Highly skilled supervision (levels 9-12)	168 938	20.3	183	923 158
Senior and Top management (levels 13-16)	92 409	11.1	59	1 566 254
Contract (levels 1 - 2)	87	-	-	-
Contract (levels 3 – 5)	2 047	0.2	7	292 429
Contract (levels 6 – 8)	3 454	0.4	5	690 800
Contract (level 9 – 12)	7 267	0.9	7	1 038 143
Contract (levels 13 – 16)	21 775	2.6	12	1 814 583
Other	1 596	0.2	2	798 000
Total	383 361	46.1	461	831 586

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2024 and 31 March 2025

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	195 586	87.6	3 286	1.5	4 927	2.2	9 075	4.1
Integrated human settlements planning and development	60 663	89.3	122	0.2	1 107	1.6	1 689	2.5
Informal settlements	31 245	88.3	14	-	697	2.0	1 060	3.0
Rental and social housing	9 652	90.6	-	-	394	3.7	104	1.0
Affordable housing	40 622	88.2	584	1.3	895	1.9	1 327	2.9
Total	337 768	88.1	4 006	1.0	8 020	2.1	13 255	3.5

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2024 and 31 March 2025

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	70	80.5	-	-	-	-	-	-
Skilled (level 3-5)	21 292	85%	625	2.4	1 643	6.3	3 272	12.4
Highly skilled production (levels 6-8)	50 835	87%	1 439	1.3	2 294	2.15	5 126	8.6
Highly skilled supervision (levels 9-12)	157 677	92%	1 876	1.1	2 513	1.5	4 485	2.7
Senior management (level 13-16)	106 433	95%	-	-	1 570	0.9	372	0.2
Other	1 462	91.6	65	4.1	-	-	-	-
Total	337 769	88.1	4 005	1.0	8 020	2.1	13 255	3.5

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

Departments have identified critical occupations that need to be monitored. In terms of current regulations, it is possible to create a post on the establishment that can be occupied by more than one employee. Therefore, the vacancy rate reflects the percentage of posts that are not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2025

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	401	293	27%	22
Integrated human settlements planning and development	108	70	35%	0
Informal settlements	43	39	11%	9
Rental and social housing	14	9	35%	0
Affordable housing	72	50	30%	0
TOTAL	638	461	28%	31

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2025

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)		-	-	-
Skilled (3-5)	116	84	27	7
Highly skilled production (6-8)	161	116	27	5
Highly skilled supervision (9-12)	269	190	29	7
Senior management (13-16)	92	71	23	12
TOTAL	638	461	28	31

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2025

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Engineers and related professionals	8	6	25%	0
Financial and related professionals	40	27	32,50%	0
Legal Administration and related professionals	7	6	14%	0
Total	55	39	29	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

The tables in this section provide information on employment and vacancies as it relates to members of the Senior Management Service by salary level. It also provides information on advertising and filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken.

Table 3.3.1 SMS post information as on 31 March 2025

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0%
Salary Level 16	0	0	0	0	0%
Salary Level 15	6	6	100	0	0%
Salary Level 14	17	12	71	5	29%
Salary Level 13	47	38	81	9	19%
Total	71	57	80	14	20%

Table 3.3.2 SMS post information as on 30 September 2024

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0%
Salary Level 16	0	0	0	0	0%
Salary Level 15	6	6	100	0	0%
Salary Level 14	17	13	76	4	24%
Salary Level 13	47	38	81	9	19%
Total	71	58	82	13	18%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2024 and 31 March 2025

SMS Level	Advertising		Filling of Posts
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
Posts had to be re-advertised due to applicants not meeting the posts requirement.
The process of concurrence with the Department of Public Service and Administration prolonged the advertisement of vacant posts within the prescribed time frames.

Reasons for vacancies not filled within twelve months
Prolonged time to co-ordinate the availability of panel members to conduct the shortlisting and interviews.
The process of concurrence with the Department of Public Service and Administration prolonged the advertisement of vacant posts within the prescribed time frames.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2024 and 31 March 2025

Reasons for vacancies not advertised within six months
None
Reasons for vacancies not filled within six months
None



3.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2024 and 31 March 2025

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	116	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	161	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	269	3	1%	0	0	0	0
Senior Management Service Band A	62	1	1.4%	0	0	0	0
Senior Management Service Band B	22	1	4.3%	0	0	0	0
Senior Management Service Band C	7	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	638	5	5.7%	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2024 and 31 March 2025

Profiles of employees whose positions were upgraded due to their posts being upgraded.	None
--	------

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2024 and 31 March 2024

Total number of employees whose salaries exceeded the level determined by job evaluation	None
--	------

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2024 and 31 March 2025

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
--	------

3.5 Employment Changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 20YY and 31 March 2025

Salary band	Number of employees at beginning of period-1 April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0%
Skilled (Levels 3-5)	83	0	4	4.80%
Highly skilled production (Levels 6-8)	111	0	2	1.80%
Highly skilled supervision (Levels 9-12)	197	2	15	7.60%
Senior Management Service Bands A	41	0	2	4.90%
Senior Management Service Bands B	13	1	2	15.40%
Senior Management Service Bands C	7	0	0	0%
Senior Management Service Bands D	2	2	2	100%
Contracts	35	49	54	154,70%
TOTAL	489	54	81	16,56%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2024 and 31 March 2025

Critical occupation	Number of employees at beginning of period-April 2024	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineering and related professionals	8	0	0	0.00%
Financial and related professionals	40	0	2	6.90%
Legal administration and related professionals	7	0	0	0.00%
TOTAL	55	0	2	6.90

Notes

- ⌚ The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- ⌚ Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

The table below identifies the major reasons why staff left the department.

Table 3.5.3 Reasons why staff left the department for the period 1 April 2024 and 31 March 2025

Termination Type	Number	% of Total Resignations
Death	3	2.77 %
Resignation	21	19.44 %
Expiry of contract	77	72.22 %
Dismissal – operational changes	0	0 %
Dismissal – misconduct	2	0.92 %
Dismissal – inefficiency	0	0%
Discharged due to ill-health	1	0.92 %
Retirement	7	3.70 %
Transfer to other Public Service Departments	4	3.70%
Other	0	0%
Total number of employees who left as a % of total employment	115	24%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2024 and 31 March 2025

Occupation	Employees 1 April 2024	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineering and related professionals	8	0	0	0	0%
Financial and related professionals	40	0	0	1	3,40%
Legal administration and related professionals	7	0	0	0	0%
TOTAL	55	0	0	1	3,40%

Table 3.5.5 Promotions by salary band for the period 1 April 2024 and 31 March 2025

Salary Band	Employees 1 April 2024	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)					
Skilled (Levels 3-5)	83	0	0%	61	73,50%
Highly Skilled Production (Levels 6-8)	111	0	0%	54	48,60%
Highly Skilled Supervision (Levels 9-12)	197	0	%	125	63,50%
Senior Management (Levels 13-16)	63	0	0%	25	39,70%
09 Other, Permanent	30	0	0%	0	0%
10 Contract (Levels 1-2), Permanent	1	0	0%	0	0%
11 Contract (Levels 3-5), Permanent	8	0	0%	0	0%
12 Contract (Levels 6-8), Permanent	7	0	0%	0	0%
13 Contract (Levels 9-12), Permanent	8	0	0%	0	0%
14 Contract (Levels >= 13), Permanent	13	0	0%	0	0%
TOTAL	521	0	0%	265	50,90%

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	78	0	1	3	97	5	3	7	194
Professionals	21	1	1	0	34	4	0	1	62
Technicians and associate professionals	15	0	0	1	18	1	2	1	38
Clerks	36	1	0	2	83	1	4	6	133
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	4	0	0	0	6	0	0	0	10
Elementary occupations	10	0	0	0	13	1	0	0	24
Total	164	2	2	6	251	12	9	15	461
Employees with disabilities	3	0	0	0	7	0	1	0	11

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	1	5	0	1	0	9
Senior Management	26	0	1	1	28	2	1	1	60
Professionally qualified and experienced specialists and mid-management	75	1	1	3	93	6	2	8	189
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	33	1	0	1	66	3	4	6	114
Semi-skilled and discretionary decision making	28	0	0	0	55	1	0	0	84
Unskilled and defined decision making	14	0	0	0	0	1	0	0	14
Total	178	2	2	6	247	13	8	15	470

Table 3.6.3 Recruitment for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	1	0	1	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	1	0	1	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2024 to 31 March 2025

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	8	0	0	0	11	0	0	0	19
Professionally qualified and experienced specialists and mid-management	10	0	0	0	11	0	1	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	4	0	0	1	11
Semi-skilled and discretionary decision making	6	0	0	0	12	0	0	0	18
Unskilled and defined decision making	0	0	0	0	1	0	0	0	1
Total	30	0	0	0	39	0	1	1	71
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2024 to 31 March 2025

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Progressive	1	0	0	0	4	0	0	0	5
Formal disciplinary hearing	2	0	0	0	0	0	1	0	3

Table 3.6.7 Skills development for the period 1 April 2024 to 31 March 2025

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	0	0	23	1	1	0	33
Professionals	25	0	0	0	43	2	0	1	71
Technicians and associate professionals	12	0	0	0	27	3	0	0	42
Clerks	27	0	0	0	63	0	0	0	90
Service and sales workers	4	0	0	0	7	0	0	0	11
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	0	0	0	0	0	2
Total	78	0	0	0	163	6	1	1	249
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific timeframes. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed timeframes and disciplinary steps taken is presented here.

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2024

DPSA compliance due date for PAs: 31 August 2024 due to national elections

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1,00	1,00	1	100%
Salary Level 16	0	0	0	0%
Salary Level 15	6,00	6,00	6,00	100%
Salary Level 14	15,00	15,00	11,00	73%
Salary Level 13	45,00	41,00	39,00	95%
Total	67,00	63,00	57,00	90%

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place.
- This was affected as per DPSA Circular No. 07 of 2024, whereby in the compliance date for submission of Performance Agreements for SMS was 31 August 2024.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2024

Reasons
SMS assigned to another Branch/Chief Directorate or Directorate without being allocated specific duties or responsibilities.
Delay by managers in reviewing the Performance Agreements of their subordinates.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2024

Reasons
None - Officials were issued with non-compliance letters.

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2023 to 31 March 2024

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	415	0	0	0
Male	0	164	0	0	0
Female	0	251	0	0	0
Asian	0	11	0	0	0
Male	0	2	0	0	0
Female	0	9	0	0	0
Coloured	0	14	0	0	0
Male	0	2	0	0	0
Female	0	12	0	0	0
White	0	21	0	0	0
Male	0	6	0	0	0
Female	0	15	0	0	0
Total	0	461	0	0	0

The above total includes 11 officials with disabilities

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Skilled (level 3-5)	0	77,00	0	0	0	0
Highly skilled production (level 6-8)	0	109	0	0	0	0
Highly skilled supervision (level 9-12)	0	183	0	0	0	0
09 Other	0	2	0	0	0	0
11 Contract (Levels 3-5)	0	7	0	0	0	0
12 Contract (Levels 6-8)	0	5	0	0	0	0
13 Contract (Levels 9-12)	0	7	0	0	0	0
Total	0	390	0	0	0	0

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2023 to 31 March 2024

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineers and related professionals	0	6	0	0	0
Financial and related professionals	0	27	0	0	0
Legal Administration and related professionals	0	6	0	0	0
TOTAL	0	39	0	0	0

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2023 to 31 March 2024

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	46,00	0	0	0	0
Band B	0	14,00	0	0	0	0
Band C	0	8,00	0	0	0	0
Band D	0	3,00	0	0	0	0
Total	0	71,00	0	0	0	0

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the department in terms of salary band and major occupation.

Table 3.9.1 Foreign workers by salary band for the period 1 April 2024 and 31 March 2025

Total Foreign workers by salary band	None
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Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025

Total Foreign workers by major occupation	None
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3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	1	100%	1	0,30%	1	1,00
Contract (Levels 13-16)	21	95,20%	4	1,10%	5	96,00
Contract (Levels 9-12)	5	100%	1	0,30%	5	20,00
Contract Other	100	60%	23	6,20%	4	34,00
Highly skilled production (Levels 6-8)	867	78%	93	24,90%	9	1 622,00
Highly skilled supervision (Levels 9-12)	1 155	74,50%	155	41,60%	7	3 796,00
Senior management (Levels 13-16)	341	89,40%	40	10,70%	9	1 854,00
Skilled (Levels 3-5)	434	82%	56	15%	8	490,00
TOTAL	2 924	78%	373	100%	8	7 912,00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2024 to 31 December 2024

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	100%	0	0	0	0
Skilled (Levels 3-5)	251	100%	5	16.10	16.10	222.00
Highly skilled production (Levels 6-8)	388	100%	11	35.50	35,50	727.00
Highly skilled supervision (Levels 9-12)	493	100%	11	35.50	35,50	1 277.00
Senior management (Levels 13-16)	208	100%	4	4,00	12,90	1 101
Total	1340	100%	31	31,00	100,00	3 326.00

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2024 to 31 December 2025

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Contract (Levels 1-2)	4	1	4
Contract (Levels 13-16)	77	16	5
Contract (Levels 3-5)	20	4	5
Contract (Levels 6-8)	57	9	6
Contract (Levels 9-12)	33	8	4
Contract Other	455	32	14
Highly skilled production (Levels 6-8)	3 169	114	28
Highly skilled supervision (Levels 9-12)	5 320	196	27
Senior management (Levels 13-16)	1 481	63	24
Skilled (Levels 3-5)	2 111	82	26
TOTAL	12 727	525	24

Table 3.10.4 Capped leave for the period 1 January 2024 to 31 December 2025

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2025
Contract (Levels 13-16)	0	0	0	26
Contract (Levels 3-5)	0	0	0	0
Contract (Levels 6-8)	0	0	0	35
Contract (Levels 9-12)	0	0	0	33
Contract Other	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	35	0
Highly skilled supervision (Levels 9-12)	31,25	3	10	3
Senior management (Levels 13-16)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
TOTAL	31,25	3	10	32

The following table summarise payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave payouts for the period 1 April 2024 and 31 March 2025

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2024/25 due to non-utilisation of leave for the previous cycle	760	20	38 000
Capped leave payouts on termination of service for 2024/25	300	3	100 000,00
Current leave payout on termination of service for 2024/25	1 889,00	66	127 314.00
Total	2949	89	265 314.00

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Cleaners from the Directorate: Facilities Management unit are at high risk of contracting HIV and related diseases.	Continuous health promotion on prevention conducted The use of Personal Protective equipment such as: Gloves, gowns, masks, eye protection (goggles) and face shields is encouraged

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Ms P Mokalapa Director: Organisational Transformation & Integrated Employee Health & Wellness
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Department has an Employee Health & Wellness unit at the level of Sub-directorate with two permanent officials. The EHW Coordinator is at a Deputy-Director level, who is a registered professional nurse and an internal EHW practitioner at Assistant-Director level, who is a registered Social Worker
Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	Yes		The Employee Assistance Programme is offered on a dual model. That is, through the internal EHW practitioner and a contracted external service provider
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		EHW has integrated into OHS committee for that consist of the following officials: Ms V Lubisi; Ms A Masole; Mr. F Hlongwane; Ms S Shabangu; Ms R Kgware; Ms T Mokwera; Mr. T Mthupa; Ms M Rabothatha; Mr T Mtshali; Mr. B Netshikulwe; Ms T Alie; Ms N Majiyezi; Ms M Mogapi; Ms Z Velemani; Ms M Rakomane; Ms D January; Ms J Mlangeni; Mr A Lekalakala; Ms E de Koker
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees based on their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The revised HIV/ AIDS TB and STI Management Policy was approved during this financial year
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		Disciplinary measures are in place for stigmatisation and discrimination employees living with HIV
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		On average, 15% of employees underwent HIV Counselling and Testing, during the quarterly Wellness Days, to know their HIV status
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		* Number of condoms distributed (male & female) * Number of employees who tested for HIV and know their status (male & female) * Number of employees who tested HIV positive (male & female)

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2024 and 31 March 2025

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2024 and 31 March 2025

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	4	66%
Final written warning	1	17%
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	17%
Not guilty	0	0
Case withdrawn	0	0
Total	6	100%

Total number of Disciplinary hearings finalised	1
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2024 and 31 March 2025

Type of misconduct	Number	% of total
Gross financial misconduct, gross insubordination, gross dishonesty, gross misrepresentation, gross violation of prescripts, gross negligence, Financial misconduct	1	33%
Failure to comply with the provisions of the PFMA	1	33%
Gross negligence, gross dishonesty, putting the name of the department in disrepute, gross dereliction of duty	1	34%
Total	3	100%

Table 3.12.4 Grievances logged for the period 1 April 2024 and 31 March 2025

Grievances	Number	% of Total
Number of grievances resolved	10	67%
Number of grievances not resolved	5	33%
Total number of grievances lodged	15	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2024 and 31 March 2025

Disputes	Number	% of Total
Number of disputes upheld	2	14%
Number of disputes dismissed / closed	6	43%
Number of disputes not finalized	6	43%
Total number of disputes lodged	14	100%

Table 3.12.6 Strike actions for the period 1 April 2024 and 31 March 2025

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	0

Table 3.12.7 Precautionary suspensions for the period 1 April 2024 and 31 March 2025

Number of people suspended	0
Number of people who's suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	0

3.13 Skills development

This section highlights the efforts of the department with regard to skills development.

Table 3.13.1 Training needs identified for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	42	0	103	0	103
	Male	32	0	63	0	63
Professionals	Female	83	0	4	0	4
	Male	62	0	7	0	7
Technicians and associate professionals	Female	117	0	11	0	11
	Male	66	0	2	0	2
Clerks	Female	48	0	22	30	52
	Male	23	0	8	30	38
Service and sales workers	Female	11	0	0	0	0
	Male	10	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2024	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	23	0	0	0	0
	Male	9	0	0	0	0
Sub Total	Female	324	0	140	30	170
	Male	202	0	80	30	107
Total		526	0	220	60	280

Table 3.13.2 Training provided for the period 1 April 2024 and 31 March 2025

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	42	0	18	7	25
	Male	32	0	7	1	8
Professionals	Female	83	0	25	21	46
	Male	62	0	9	16	25
Technicians and associate professionals	Female	117	0	27	3	30
	Male	66	0	12	0	12
Clerks	Female	48	0	26	43	69
	Male	23	0	13	16	29
Service and sales workers	Female	11	0	7	0	7
	Male	10	0	3	1	4
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	23	0	0	0	0
	Male	9	0	2	0	2
Sub Total	Female	324	0	103	74	177
	Male	202	0	46	34	80
Total		526	0	149	108	257

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2024 and 31 March 2025

Nature of injury on duty	Number	% of total
Required basic medical attention only	5	1%
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	5	1%

3.15 Utilisation of Consultants

The following tables provide related information on the utilisation of consultants in the Department. In terms of the Public Service Regulations "consultant" means a natural or juristic person or a partnership who or which provides in terms of a specific contract on an ad hoc basis any of the following professional services to a department against remuneration received from any source:

- (a) The rendering of expert advice;
- (b) The drafting of proposals for the execution of specific tasks; and
- (c) The execution of a specific task which is of a technical or intellectual nature, but excludes an employee of a department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2024 and 31 March 2025

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Employee Assistance Programme (EAP) Services	4	24 Months	R736 656.00
Independent auditors to support the municipal capacity support and assessment panel in the assessment of buffalo city municipality for accreditation level 2	3	1 Month	R49 075.47
Internal Audit consultants to review o Leave management process	6	5 Months	R233 344.20
Internal Audit consultants to review of the combined Assurance process	5	1 Month	R311 815.00
Internal Audit consultants to review of the budget management process	4	5 Months	R210 000.00
Internal Audit consultants to review ICT Project management	4	2 Months	R439 800.00
Internal Audit consultants to conduct audit performance audit on land availability and rezoning	3	2 Months	R598 920.00
Internal Audit consultants to conduct audit performance audit on communication services	5	2 Months	R388 700.00
Internal Audit consultants to review user accounts management	4	1 Month	R307 392.42
Appointment of service provider to develop as integrated geographic information system (GIS) strategy	11	6 Months	R 449 017.50
Total number of projects	Total individual consultants	Total duration (Work days)	R 3 724 720,59
Total	49	39	R 3 724 720,59

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Employee Assistance Programme (EAP) Services	26,00%	26,00%	2
Independent auditors to support the municipal capacity support and assessment panel in the assessment of buffalo city municipality for accreditation level 2	100,00%	100,00%	3
Internal Audit consultants to review o Leave management process	100,00%	100,00%	6
Internal Audit consultants to review of the combined Assurance process	69,36%	69,36%	5
Internal Audit consultants to review of the budget management process	100,00%	100,00%	4
Internal Audit consultants to review ICT Project management	75,00%	75,00%	4
Appointment of service provider to develop as integrated geographic information system (GIS) strategy	26%	26%	3
Internal Audit consultants to conduct audit performance audit on land availability and rezoning	65%	65%	3
Internal Audit consultants to conduct audit performance audit on communication services	100,00%	100,00%	5
Internal Audit consultants to review user accounts management	100,00%	100,00%	4

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2024 and 31 March 2025

The department did not have consultants appointed with donor funding in the department.

Project title	Total number of consultants that work on project	Duration (work days)	Donor and contract value in rand

Total number of projects	Total number of individual consultants	Total duration work days	Total value in rand

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2024 and 31 March 2025

The department did not have consultants appointed with donor funding in the department.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 20YY and 31 March 20ZZ

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0



**“Where Every
Wall Shelters,
Every Door Protects,
and Every Room
Embraces You.”**



PART E:

PFMA COMPLIANCE REPORT

1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	8 759	7 899
Adjustment to opening balance		
Opening balance as restated	8 759	7 899
Add: Irregular expenditure confirmed	1 018	860
Less: Irregular expenditure condoned		
Less: Irregular expenditure not condoned and removed	(2 278)	
Less: Irregular expenditure recoverable		
Less: Irregular expenditure not recoverable and written off		
Closing balance	7 499	8 759

Reconciling notes

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure that was under assessment		
Irregular expenditure that relates to the prior year and identified in the current year		
Irregular expenditure for the current year	1 018	860
Total	1 018	860

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description ¹	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	18 416	18 416
Irregular expenditure under determination	1 018	860
Irregular expenditure under investigation		
Total	19 434	19 276

c) Details of irregular expenditure condoned

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	(2 278)	
Total	(2 278)	

e) Details of irregular expenditure recoverable

f) Details of irregular expenditure written off (irrecoverable)

Additional disclosure relating to Inter-Institutional Arrangements

- g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)
- h) Details of irregular expenditure cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)²
- i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Disciplinary action was taken for catering expenditure (R24 997), this was for expenditure incurred during 2023/2024 financial year.

1.2. Fruitless and wasteful expenditure

- a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	1 133	1 164
Adjustment to opening balance		(3)
Opening balance as restated	1 133	1 161
Add: Fruitless and wasteful expenditure confirmed		
Less: Fruitless and wasteful expenditure recoverable ³		
Less: Fruitless and wasteful expenditure not recoverable and written off		(28)
Closing balance	1 133	1 133

Reconciling notes

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description ⁴	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure under assessment		
Fruitless and wasteful expenditure under determination		
Fruitless and wasteful expenditure under investigation		
Total		

The expenditure R954 077,11 (Catering for staff meeting that was cancelled R43 750,00 + Human Settlements Summit cancelled R910 327,11) was incurred during 2018/2019 but still under investigation with SIU.

c) Details of fruitless and wasteful expenditure recoverable

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off		(28)
Total		(28)

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

1.3. Unauthorised expenditure

- a) **Reconciliation of unauthorised expenditure**

Reconciling notes

- b) **Details of unauthorised expenditure (under assessment, determination, and investigation)**

1.4. Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) &(iii)5

- a) **Details of material losses through criminal conduct**
Not Applicable
- b) **Details of other material losses**
Not Applicable
- c) **Other material losses recoverable**
Not Applicable
- d) **Other material losses not recoverable and written off**
Not Applicable

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

During the year under review no supplier invoices were paid after 30 days

3. SUPPLY CHAIN MANAGEMENT

3.1 Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Emergency	Tsentle Family Trading	Emergency	DH-029121	R3 068 904
Emergency	NN Kopi Suppliers	Emergency	DH-029123	R 2 110 482.00
Emergency	Tomatus Trading & Projects	Emergency	DH-029157	R 3 694 996.00
Sole Supplier	Sabinet	Sole Supplier	DH-029243	R 10 000.00
Emergency	Thapedico Business Enterprise	Emergency	DH-029228	R1 687 898.00
Emergency	Thapedico Business Enterprise	Emergency	DH-029230	R 1 566 279.00
Sole Supplier	GP van Niekerk Ondernemings	Sole Supplier	DH-029234	R 16 953.30
Emergency	Kgoalza Pty Ltd	Emergency	HD-442	R 8 754 273.46
Sole Supplier	Surtech Solutions RSA	Sole Supplier	DH-029258	R 140 849.42
Sole Supplier	Wolters Kluwer	Sole Supplier	DH-029269	R 48 509.62
Emergency	Kgoalza Pty Ltd	Emergency	DH-029246	R 2 676 712.00
Emergency	LMP Enterprise	Emergency	DH-029264	R 2 720 640.00
Emergency	Blow By Blow Holdings	Emergency	HD-444	R 13 437 000.00
Emergency	Thalesa Housing	Emergency	DH-029283	R 3 004 046.10
Sole Supplier	Bereau for Economic Research	Sole Supplier	DH-029351	R 116 665.57
Emergency	Andacebo Services	Emergency	DH-029357	R 2 125 193.28
Emergency	Okuhle Multiservices and Construction	Emergency	DH-029384	R 2 095 600.00
Single Sourcing	Zvedza Investments	Single Sourcing	DH-029457	R 165 600.00
Sole Supplier	Sabinet	Sole Supplier		R 375 158.87
Emergency	On Time Projects	Emergency	HD-447	R 1 404 000.00
Emergency	Elite Property	Emergency	AP-2445222	R 19 209 800.00
Emergency	Surtech Solutions RSA	Emergency	DH-029551	R 1 282 500.00
Emergency	Manthwadi Trading	Emergency	DH-029581	R 1 144 485.00

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Emergency	Multiservice Construction	Emergency	DH-029582	R 2 383 200.00
Emergency	Mmkumula Projects Pty Ltd	Emergency	DH-029603	R 4 131 606.00
Emergency	Lenai	Emergency	DH-029600	R 1 138 090.50
Emergency	Vstate Holding Pty Ltd	Emergency	DH-029624	R 2 147 740.00
Emergency	Hustleberg	Emergency	DH-029595	R 1 976 250.00
Emergency	RS Construction	Emergency	DH-029669	R 2 568 568.00
Emergency	The Blue Corp	Emergency	DH-029666	R 1 261 873.00
Emergency	KTM Mojar Projects	Emergency	DH-561	R 1 976 456.00
Emergency	Fierce Dimensions	Emergency	DH-569	R 3 774 258.00
Emergency	Lenai	Emergency	DH-560	R 1 138 090.50
Emergency	Hustleberg	Emergency	DH-562	R 1 976 250.00
Emergency	Mumate Trading	Emergency	AP-2449309	R 1 516 951.80
Sole Supplier	Lexis Nexis	Sole Supplier	DH-029803	R 153 187.38
Sole Supplier	Lexis Nexis	Sole Supplier	DH-029793	R 22 428.04
Sole Supplier	SABC	Sole Supplier	AP-2449143	R 50 000 000.00
Sole Supplier	Wolters Kluwer	Sole Supplier	DH-O29812	R 51 080.63
Total				R147 072 575,47

Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Variation of Scope	Itec Tiyende Pty Ltd	Variation of Scope		R 6 029 848.60		R 77 625.00
Extension of contract	Ernst and Young	Extension of contract	VA49/762	R 4 603 779.28		R 644 529.10
Total						R 722 154,10



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Memories.”**

PART F:

FINANCIAL INFORMATION



*“Secure
Homes.
Warm Hearts.
Lasting Memories.”*

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 33: NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS

Report on the audit of the financial

Opinion statements

1. I have audited the financial statements of the National Department of Human Settlements set out on pages 255 to 320, which comprise the appropriation statement, statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respect, the financial position of the national Department of Human Settlements as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act No. 24 of 2024 (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter. Unaudited supplementary schedules
7. The supplementary information set out on pages 321 to 339 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by NT and the requirements of the PFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 252, forms part of my auditor's report.

Report on the audit of the annual performance report

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page Numbers	Purpose
Programme 2: integrated human settlements planning and development	63-65	The purpose of programme 2 is to manage the development of policy, planning and research in the creation of sustainable and integrated human settlements, oversee the delivery of the integrated residential development programme, provide public entity oversight, and coordinate intergovernmental partnership with stakeholders.
Programme 3: informal settlements	77-79	The purpose of programme 3 is to provide policy, planning and capacity support for upgrading informal settlements, and oversee implementation of the informal settlements upgrading programme in terms of volume 4, part 3 of the 2009 Housing Code.
Programme 5: affordable housing	88-89	The purpose of programme 5 is to facilitate the provision of affordable housing finance, monitor market trends, and develop research and policies that respond to demand. The overseeing of the housing finance entities that report to the Minister is also included in this programme.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.

15. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the department's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

17. I did not identify any material findings on the reported performance information for programme 2: integrated human settlements planning and development and programme 5: affordable housing.

18. The material finding on the reported performance information for the selected programme is as follows:

Programme 3: informal settlements Informal settlements assessed

19. An achievement of 121 informal settlements assessed was reported against a target of 50 informal settlements assessed. I could not determine if the reported achievement was correct, as adequate supporting evidence was not provided for auditing. Consequently, the achievement might be more or less than the reported and was not reliable for determining whether the target had been achieved.

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements. This information should be considered in the context of the material findings on the reported performance information.

22. The table that follows provides information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on page 78.

Programme 2: integrated human settlements planning and development

Targets achieved: 81%

Budget spent: 99%

Key indicator not achieved	Planned target	Reported achievement
Housing Act reviewed	Housing Act reviewed	Review of the Housing Act not finalised. There was a dependency on the approval of the white Paper.
Housing Code reviewed	Housing Code reviewed	Review of the Housing Code not finalised. There was a dependency on the approval of the white paper.

Programme 3: informal settlements

Targets achieved: 66%

Budget spent: 93%

Key indicator not achieved	Planned target	Reported achievement
Number of provincial emergency housing response and mitigation plans developed	9 provincial emergency housing response and mitigation plans developed	6 provincial emergency housing response and mitigation plans developed
Number of awareness session	4 disaster awareness sessions conducted	3 disaster awareness sessions conducted

Programme 5: affordable housing

Targets achieved: 60%

Budget spent: 94%

Key indicator not achieved	Planned target	Reported achievement
Percentage support provided to provinces in the delivery of BNG units	100% support provided to provinces in the delivery of BNG units	94% support provided to provinces in the delivery of BNG units
Percentage support provided to provinces and metros in the delivery of serviced sites	100% support provided to provinces and metros in the delivery of serviced sites	94% support provided to provinces in the delivery of service sites

Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for the informal settlement programme. Management did not correct all of the misstatements and I reported a material finding in this regard.

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting office is responsible for the department's compliance with legislation.
25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
27. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:
28. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

29. The accounting officer is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. The other information I obtained prior to the date of this auditor's report are report of the accounting officer and human resource management report, and the foreword by minister, deputy minister statement and audit committee report are expected to be made available to us after 31 July 2025.
33. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
34. When I do receive and read the foreword by minister, deputy minister statement and audit committee report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
36. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the opinion and the material findings on the annual performance report and the material findings on compliance with legislation included in this report.
37. Management did not ensure that the registers were updated on a regular basis to support the financial information.
38. Management did not prepare regular, accurate and complete performance reports that are supported and evidenced by reliable information, as material misstatements were identified in the annual performance report.

Auditor-General

Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the department to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(f); 38(1)(h)(iii); 39(1)(a); 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); 43(1); 43(4); 44; 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1; 6.3.1 (a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b); 7.2.1; 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4; 10.1.1(a); 10.1.2; 11.4.1; 11.4.2; 11.5.1; 12.5.1; 15.10.1.2(c); 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(b); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2; 19.8.4
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7 A)
Division of Revenue Act 24 of 2024	Section 11 (6)(a); 12(5); 16(1); 16(3)(a)(i); 16(3)(a)(ii)
National Health Act 61 of 2003	Section 13
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury Instruction No. 7 of 2017 /18	Paragraph 4.3
PFMA National Treasury SCM Instruction No. 03 of 2021 /22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
Public Service Regulations, 2016	Regulation 18(1); 18(2); 25(1)(e)(i); 25(1)(e)(iii)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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NATIONAL DEPARTMENT OF HUMAN SETTLEMENTS VOTE 33

APPROPRIATION STATEMENT for the period ended 31 March 2025

Appropriation per programme									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. ADMINISTRATION	538 378	-	40 442	578 820	462 299	116 521	79,9%	503 414	463 541
2. INTERGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT	22 796 437	-	-	22 796 437	22 725 783	70 654	99,7%	21 308 688	21 291 687
3. INFORMAL SETTLEMENTS	8 884 222	-	(4 000)	8 880 222	8 275 937	604 285	93,2%	8 470 186	8 013 495
4. RENTAL AND SOCIAL HOUSING	923 915	-	(36 442)	887 473	877 955	9 518	98,9%	917 849	911 582
5. AFFORDABLE HOUSING	537 434	-	-	537 434	507 612	29 822	94,5%	557 843	546 618
TOTAL	33 680 386	-	-	33 680 386	32 849 586	830 800	97,5%	31 757 980	31 226 923

APPROPRIATION STATEMENT for the period ended 31 March 2025

	2024/25				2023/24	
	Final Budget	Actual Expenditure			Final Budget	Actual Expenditure
	R'000	R'000			R'000	R'000
Reconciliation with statement of financial performance						
ADD:						
Departmental receipts	1 694				1 859	
Actual amounts per statement of financial performance (Total revenue)	33 682 080				31 759 839	
Actual amounts per statement of financial performance (Total expenditure)		32 849 586				31 226 923

APPROPRIATION STATEMENT for the period ended 31 March 2025

Appropriation per economic classification									
2024/25							2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 125 358	(8 029)	-	1 117 329	831 433	285 896	74,4%	916 417	837 017
Compensation of employees	433 287	-	-	433 287	383 361	49 926	88,5%	415 003	389 802
Goods and services	692 071	(8 029)	-	684 042	448 072	235 970	65,5%	501 414	447 215
Transfers and subsidies	31 700 216	1 767	-	31 701 983	31 699 430	2 553	100,0%	30 364 880	30 364 308
Provinces and municipalities	30 126 737	-	-	30 126 737	30 126 737	-	100,0%	28 736 047	28 736 047
Departmental agencies and accounts	1 540 561	-	-	1 540 561	1 540 561	-	100,0%	1 615 753	1 615 753
Foreign governments and international organisations	23 305	-	-	23 305	22 190	1 115	95,2%	4 120	3 877
Households	9 613	1 767	-	11 380	9 942	1 438	87,4%	8 960	8 631
Payments for capital assets	854 812	6 124	-	860 936	318 586	542 350	37,0%	476 419	25 338
Buildings and other fixed structures	843 710	(18)	-	843 692	308 350	533 342	36,5%	459 465	17 409
Machinery and equipment	11 102	6 142	-	17 244	10 236	7 008	59,4%	16 954	7 929
Payments for financial assets	-	138	-	138	137	1	99,3%	264	260
Total	33 680 386	-	-	33 680 386	32 849 586	830 800	97,5%	31 757 980	31 226 923

APPROPRIATION STATEMENT for the period ended 31 March 2025

Programme 1: ADMINISTRATION									
2024/25							2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MINISTRY	62 354	378	-	62 732	60 689	2 043	96,7%	59 230	57 762
2. DEPARTMENTAL MANAGEMENT	85 496	(41 797)	25 000	68 699	55 391	13 308	80,6%	69 575	66 040
3. CORPARATE SERVICES	262 610	63 598	15 442	341 650	248 828	92 822	72,8%	268 766	238 160
4. PROPERTY MANAGEMENT	55 490	(16 952)	-	38 538	38 317	221	99,4%	41 412	41 409
5. FINANCIAL MANAGEMENT	72 428	(5 227)	-	67 201	59 074	8 127	87,9%	64 431	60 170
Total for sub programme	538 378	-	40 442	578 820	462 299	116 521	79,9%	503 414	463 541
Economic classification									
Current payments	528 420	(5 860)	40 442	563 002	450 133	112 869	80,0%	490 448	455 002
Compensation of employees	256 920	-	-	256 920	223 352	33 568	86,9%	244 570	231 528
Goods and services	271 500	(5 860)	40 442	306 082	226 781	79 301	74,1%	245 878	223 474
Transfers and subsidies	3 718	1 358	-	5 076	5 071	5	99,9%	2 162	2 153
Households	3 718	1 358	-	5 076	5 071	5	99,9%	2 162	2 153
Payments for capital assets	6 240	4 364	-	10 604	6 958	3 646	65,6%	10 728	6 313
Machinery and equipment	6 240	4 364	-	10 604	6 958	3 646	65,6%	10 728	6 313
Payments for financial assets	-	138	-	138	137	1	99,3%	76	73
Total	538 378	-	40 442	578 820	462 299	116 521	79,9%	503 414	463 541

APPROPRIATION STATEMENT for the period ended 31 March 2025

Programme 2: INTERGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT									
2024/25								2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT FOR INTERGRATED HUMAN SETTLEMENTS PLANNING AND DEVELOPMENT	4 055	35	-	4 090	3 457	633	84,5%	3 534	2 955
2. MACRO SECTOR PLANNING	19 466	3 000	-	22 466	15 648	6 818	69,7%	19 241	17 006
3. MACRO POLICY AND RESEARCH	55 638	(2 992)	-	52 646	40 314	12 332	76,6%	50 765	48 693
4. MONITORING AND EVALUATION	66 253	(43)	-	66 210	51 130	15 080	77,2%	51 759	49 218
5. PUBLIC ENTITY OVERSIGHT	254 591	-	-	254 591	254 591	-	100,0%	243 649	243 649
6. GRANT MANAGEMENT	22 360 549	-	-	22 360 549	22 360 549	-	100,0%	20 850 859	20 850 859
7. CAPACITY BUILDING AND SECTOR SUPPORT	35 885	-	-	35 885	94	35 791	0,3%	88 881	79 307
Total for sub programme	22 796 437	-	-	22 796 437	22 725 783	70 654	99,7%	21 308 688	21 291 687
Economic classification									
Current payments	179 123	(716)	-	178 407	109 200	69 207	61,2%	211 729	196 142
Compensation of employees	71 766	-	-	71 766	67 912	3 854	94,6%	68 855	65 227
Goods and services	107 357	(716)	-	106 641	41 288	65 353	38,7%	142 874	130 915
Transfers and subsidies	22 615 140	156	-	22 615 296	22 615 294	2	100,0%	21 094 860	21 094 837
Provinces and municipalities	22 360 549	-	-	22 360 549	22 360 549	-	100,0%	20 850 859	20 850 859
Departmental agencies and accounts	254 591	-	-	254 591	254 591	-	100,0%	243 649	243 649
Households	-	156	-	156	154	2	98,7%	352	329
Payments for capital assets	2 174	560	-	2 734	1 289	1 445	47,1%	2 088	698
Machinery and equipment	2 174	560	-	2 734	1 289	1 445	47,1%	2 088	698
Payment for financial assets	-	-	-	-	-	-	-	11	10
Total	22 796 437	-	-	22 796 437	22 725 783	70 654	99,7%	21 308 688	21 291 687

APPROPRIATION STATEMENT for the period ended 31 March 2025

Programme 3: INFORMAL SETTLEMENTS									
2024/25								2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT FOR INFORMAL SETTLEMENTS	5 256	-	-	5 256	2 604	2 652	49,5%	4 629	3 494
2. GRANTS MANAGEMENT	8 812 997	6421	(4 000)	8 815 418	8 257 511	557 907	93,7%	8 437 894	7 993 889
3. CAPACITY BUILDING AND SECTOR SUPPORT	65 969	(6 421)	-	59 548	15 822	43 726	26,6%	27 663	16 112
Total for sub programmes	8 884 222	-	(4 000)	8 880 222	8 275 937	604 285	93,2%	8 470 186	8 013 495
Economic classification									
Current payments	272 798	(545)	(4 000)	268 253	200 455	67 798	74,7%	123 489	110 461
Compensation of employees	37 572	-	-	37 572	35 378	2 194	94,2%	37 224	36 012
Goods and services	235 226	(545)	(4000)	230 681	165 077	65 604	71,6%	86 265	74 449
Transfers and subsidies	7 766 248	-	-	7 766 248	7 766 246	2	100,0%	7 885 419	7 885 419
Provinces and municipalities	7 766 188	-	-	7 766 188	7 766 188	-	100,0%	7 885 188	7 885 188
Households	60	-	-	60	58	2	96,7%	231	231
Payments for capital assets	845 176	545	-	845 721	309 236	536 485	36,6%	461 276	17 613
Buildings and other fixed structures	843 710	(18)	-	843 692	308 350	535 342	36,6%	459 465	17 409
Machinery and equipment	1 466	563	-	2 029	886	1 143	43,7%	1 811	204
Payments for financial assets	-	-	-	-	-	-	-	2	2
Total	8 884 222	-	(4 000)	8 880 222	8 275 937	604 285	93,2%	8 470 186	8 013 495

APPROPRIATION STATEMENT for the period ended 31 March 2025

Programme 4: RENTAL AND SOCIAL HOUSING									
	2024/25						2023/24		
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT FOR RENTAL AND SOCIAL HOUSING	4 480	-	-	4 480	3 697	783	82,5%	4 073	3 137
2. PUBLIC ENTITY OVERSIGHT	864 090	-	-	864 090	864 090	-	100,0%	897 654	897 654
3. CAPACITY BUILDING AND SECTOR SUPPORT	55 345	-	(36 422)	18 903	10 168	8 735	53,8%	16 122	10 791
Total for sub programmes	923 915	-	(36 442)	887 473	877 955	9 518	98,9%	917 849	911 582
Economic classification									
Current payments	59 507	(460)	(36 442)	22 605	13 309	9 296	58,9%	19 388	13 726
Compensation of employees	12 548	-	-	12 548	10 648	1 900	84,9%	12 968	8 773
Goods and services	46 959	(460)	(36 442)	10 057	2 661	7 396	26,5%	6 420	4 953
Transfers and subsidies	864 090	250	-	864 340	864 339	1	100,0%	897 654	897 654
Departmental agencies and accounts	864 090	-	-	864 090	864 090	-	100,0%	897 654	897 654
Households	-	250	-	250	249	1	99,6%	-	-
Payments for capital assets	318	210	-	528	307	221	58,1%	779	174
Machinery and equipment	318	210	-	528	307	221	58,1%	779	174
Payments for financial assets	-	-	-	-	-	-	-	28	28
Total	923 915	-	(36 442)	887 473	877 955	9 518	98,9%	917 849	911 582

APPROPRIATION STATEMENT for the period ended 31 March 2025

Programme 5: AFFORDABLE HOUSING									
	2024/25							2023/24	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT FOR AFFORDABLE HOUSING	4 409	-	-	4 409	3 084	1 325	69,9%	4 183	2 696
2. PUBLIC ENTITY OVERSIGHT	439 174	-	-	439 174	434 559	4 615	98,9%	490 971	486 500
3. CAPACITY BUILDING AND SECTOR SUPPORT	93 851	-	-	93 851	69 969	23 882	74,6%	62 689	57 422
Total for sub programmes	537 434	-	-	573 434	507 612	29 822	94,5%	557 843	546 618
Economic classification									
Current payments	85 510	(448)	-	85 062	58 336	26 726	68,6%	71 363	61 686
Compensation of employees	54 481	-	-	54 481	46 071	8 410	84,6%	51 386	48 262
Goods and services	31 029	(448)	-	30 581	12 265	18 316	40,1%	19 977	13 424
Transfers and subsidies	451 020	3	-	451 023	448 480	2 543	99,4%	484 785	484 245
Departmental agencies and accounts	421 880	-	-	421 880	421 880	-	100,0%	474 450	474 450
Foreign governments and international organisations	23 305	-	-	23 305	22 190	1 115	95,2%	4 120	3 877
Households	5 835	3	-	5 838	4 410	1 428	75,5%	6 215	5 918
Payments for capital assets	904	445	-	1 349	796	553	59,0%	1 548	540
Machinery and equipment	904	445	-	1 349	796	553	59,0%	1 548	540
Payments for financial assets	-	-	-	-	-	-	-	147	147
Total	537 434	-	-	537 434	507 612	29 822	94,5%	557 843	546 618

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024**1. Detail of transfers and subsidies as per Appropriation Act (after Virement)**

Detail of these transactions can be viewed in the note on Transfers and Subsidies, and Annexure 1A-H of the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement)

Detail of these transactions can be viewed in the note on Annual Appropriation to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):**4.1 Per programme**

ADMINISTRATION	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Current payment	563 002	450 133	112 869	20%
Transfers and subsidies	5 076	5 071	5	0%
Expenditure for capital assets	10 604	6 958	3 646	34%
Financial assets	138	137	1	1%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024**Under spending is due to the following:****Under spending is due to following:****Compensation Of Employees (COE):**

Implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. The Department made significant progress in its efforts to finalise the organisational structure. However, the process could not be completed by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. As a result, filling of vacant positions was negatively impacted.

Goods and Services:

Underspending is mainly attributed to an advance payment to the South African Broadcasting Corporation (SABC) as per the Service Level Agreement (SLA) in the last quarter of the financial year, which could not be recognised as expenditure by the end of the financial year. Expenditure will be recognised upon receipt of an invoice substantiated by the work completed from the SABC. In addition, delayed procurement processes for the Information, Communication, and Technology (ICT) infrastructure-related activities contributed to the underspending.

Expenditure for capital assets:

The underspending is mainly due to the non-delivery of audio-visuals equipment and computers and requests for computers towards the end of the financial year.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Integrated Human Settlements Planning and Development	R'000	R'000	R'000	%
Current payment	178 407	109 200	69 207	39%
Transfers and subsidies	22 615 296	22 615 294	2	0%
Expenditure for capital assets	2 734	1 289	1 445	53%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024**Under spending is due to the following:****Compensation of employees:**

Implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. The Department made significant progress in its efforts to finalise the organisational structure. However, the process could not be completed by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. As a result, filling of vacant positions was negatively impacted

Goods and Services:

Underspending is mainly attributable to delays experienced in procurement processes to appoint Project Resource Teams (PRT's) for the Title Deeds Restoration Programme and lower than anticipated expenditure for travel.

Expenditure for capital assets:

The underspending is due to requests received towards the end of the financial year for Information, Communication and Technology (ICT) equipment from business units.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Informal Settlements	R'000	R'000	R'000	%
Current payment	268 253	200 455	67 798	25%
Transfers and subsidies	7 766 248	7 766 246	2	0%
Expenditure for capital assets	845 721	309 236	536 485	63%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024**Compensation of employees:**

Implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. The Department made significant progress in its efforts to finalise the organisational structure. However, the process could not be completed by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. As a result, filling of vacant positions was negatively impacted.

Goods and Services:

The programme underspending on Goods and Services mainly due to lack of panels for the National Upgrading Support Programme (NUSP) and PRT's to develop appropriate disaster preparedness, risk reduction strategies and response initiatives for disasters. Furthermore, Lower than anticipated expenditure for the provision of accommodation to qualifying persons in cases of emergencies/disasters contributed to the underspending.

Expenditure for capital assets:

Underspending is primarily due to Emergency Housing, the budget and spending in Capital Assets is largely related to Temporary Residential Units (TRU's). Due to the nature of the programme, to provide emergency housing, expenditure is linked to disaster responses. As a result, service providers are appointed as and when emergencies/disasters occur. The Department appointed service providers timely. However, there were instances in which service providers failed to deliver on time.

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
Rental and Social Housing	R'000	R'000	R'000	%
Current payment	22 605	13 309	9 296	41%
Transfers and subsidies	864 340	864 339	1	0,0%
Expenditure for capital assets	528	307	221	42,0%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024

Under spending is due to the following:

Compensation of employees:

Implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. The Department made significant progress in its efforts to finalise the organisational structure. However, the process could not be completed by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. As a result, filling of vacant positions was negatively impacted.

Goods and Services:

The programme underspending on Goods and Services is mainly due to less expenditure for travelling and delays in the procurement processes.

Expenditure for capital assets:

The underspending is due to requests received towards the end of the financial year for Information, Communication and Technology (ICT) equipment from business units

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Affordable Housing				
Current payment	85 062	58 336	26 726	31%
Transfers and subsidies	451 023	448 480	2 543	1%
Expenditure for capital assets	1 349	796	553	41%

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 30 June 2024

Under spending is due to the following:

Compensation of employees:

Implementation of cost-containment measures by the National Treasury and the Department of Public Service and Administration (DPSA) has resulted in delays in the filling of identified critical vacant positions. The Department made significant progress in its efforts to finalise the organisational structure. However, the process could not be completed by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. As a result, filling of vacant positions was negatively impacted.

Goods and Services:

The programme underspending on Goods and Services is due to cost containment measures, resulting less travelling was done in the Department. In addition, there was delayed invoicing by the contracted travel agent as well as overestimation of printing costs as the Department is slowly moving towards electronic documentation.

Expenditure for capital assets:

The underspending is due to requests received towards the end of the financial year for Information, Communication and Technology (ICT) equipment from business units.

4.2 Per economic classification

	Final Budget	Actual Expenditure	Variance	Variance as a % of Final Budget
	R'000	R'000	R'000	%
Economic classification				
Current payments				
Compensation of employees	433 287	383 361	49 926	12%
Goods and services	684 042	448 072	235 970	34%
Transfers and subsidies				
Provinces and municipalities	30 126 737	30 126 737	-	0%
Departmental agencies and accounts	1 540 561	1 540 561	-	0%
Foreign governments and international organisations	23 305	22 190	1 115	5%
Households	11 380	9 942	1 438	13%
Payments for capital assets				
Buildings and other fixed structures	843 692	308 350	535 342	63%
Machinery and equipment	17 244	10 236	7 008	41%
Payments for financial assets	138	137	1	1%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 30 June 2024

Under spending is due to the following:

Compensation of employees:

The National Treasury and the Department of Public Service and Administration (DPSA) have implemented cost-containment measures that contributed to underspending and delays in the appointment of critical vacant positions. The Department made significant progress in its endeavours to finalise the organisational structure. However, the process was unable to be finalised by the end of the 2024/25 financial year and has been extended to the 2025/26 financial year. Consequently, filling of vacant positions was negatively affected.

Goods and Services:

Underspending due to:

- a) Delay in procurement processes for the lifestyle audit and ICT-related activities.
- b) Advance payment to the SABC for advertising as per the SLA, which can only be recognised as expenditure upon receipt of invoices for services rendered.
- c) Lack of PRT's the National Upgrading Support Programme, and development of the Emergency Housing Strategy.
- d) Delays in procurement processes for the appointment of PRT's for the Title Deeds Restoration Programme.
- e) Reduced travelling expenditure as part of cost containment measures, and delayed invoices from the travelling agent.

Transfer and subsidies:

The overspending due to the payment of postretirement benefit to a number of staff members who retire or the payment of untaken leave at employment contracts ending.

Expenditure for capital assets:

Underspending mainly due to Emergency Housing.

Due to nature of the programme, to provide emergency housing, expenditure is linked disasters response. The Department appointed Professional Resource Teams which assist the Department with providing building materials and building of Temporary Residential Units. The building of Temporary Residential Units are continuing.

4.3 Per conditional grant

Conditional grant	Final Budget	Actual Expenditure	Variance	Variance as a percentage of Final Budget
	R'000	R'000	R'000	%
Human Settlements Development Grant	13 655 425	13 655 425	-	0%
Informal Settlement upgrading Grants – Provinces	3 250 994	3 250 994	-	0%
Urban Settlements Development Grant	8 705 124	8 705 124	-	0%
Informal Settlement upgrading Grants – Metros	4 515 194	4 515 194	-	0%

STATEMENT OF FINANCIAL PERFORMANCE for the year period ended 31 March 2025

		2024/25	2023/24
	Note	R'000	R'000
REVENUE			
Annual appropriation	1	33 680 386	31 757 980
Departmental revenue	2	1 694	1 859
TOTAL REVENUE		33 682 080	31 759 839
EXPENDITURE			
Current expenditure		831 433	837 017
Compensation of employees	4	383 361	389 802
Goods and services	5	448 072	447 215
Transfers and subsidies		31 699 430	30 364 308
Transfers and subsidies	7	31 699 430	30 364 308
Expenditure for capital assets		318 586	25 338
Tangible assets	8	318 586	25 338
Payments for financial assets	6	137	260
TOTAL EXPENDITURE		32 849 586	31 226 923
SURPLUS/(DEFICIT) FOR THE YEAR		832 494	532 916
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		830 800	531 057
Annual appropriation		830 801	531 057
Departmental revenue and NRF receipts	14	1 694	1 859
SURPLUS/(DEFICIT) FOR THE YEAR		832 494	532 916

STATEMENT OF FINANCIAL POSITION for the period ended 31 March 2025

		2024/25	2023/24
	Note	R'000	R'000
ASSETS			
Current assets		830 510	531 400
Cash and cash equivalents	9	775 375	529 507
Prepayments and advances	10	48 900	713
Receivables	11	6 235	1 180
Non-current assets		2 366 706	2 366 377
Investments	12	2 364 239	2 364 239
Receivables	11	2 467	2 138
TOTAL ASSETS		3 197 216	2 897 777
LIABILITIES			
Current liabilities		832 304	532 666
Voted funds to be surrendered to the Revenue Fund	13	830 801	531 057
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	21	66
Payables	15	520	581
Aid assistance unutilised	3	962	962
Non-current liabilities			
TOTAL LIABILITIES		832 304	532 666
NET ASSETS		2 364 912	2 365 111
Represented by:			
Capitalisation reserve		2 364 239	2 364 239
Recoverable revenue		673	872
TOTAL		2 364 912	2 365 111

STATEMENT OF CHANGES IN NET ASSETS for the period ended 31 March 2025

	2024/25	2024/25
Note	R'000	R'000
Capitalisation reserves		
Opening balance	2 364 239	2 364 239
Closing balance	2 364 239	2 364 239
Recoverable revenue		
Opening balance	872	693
Transfers:	(199)	179
Debts recovered (included in departmental revenue)	(844)	(579)
Debts raised	645	758
Closing balance	673	872
TOTAL	2 364 912	2 365 111

CASH FLOW STATEMENT for the period ended 31 March 2025

		2024/25	2024/25
	Note	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		33 682 080	31 759 839
Annual appropriation funds received	1.1	33 680 386	31 757 980
Departmental revenue received	2	1 311	1 017
Interest received	2.2	383	842
Net (increase)/decrease in net working capital		(53 303)	(595)
Surrendered to Revenue Fund		(532 796)	(622 578)
Current payments		(831 433)	(837 017)
Payments for financial assets		(137)	(260)
Transfers and subsidies paid		(31 699 430)	(30 364 308)
Net cash flow available from operating activities	16	564 981	(64 919)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(318 586)	(25 338)
(Increase)/decrease in non-current receivables	11	(329)	(360)
Net cash flow available from investing activities		(318 915)	(25 698)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(198)	179
Net cash flows from financing activities		(198)	179
Net increase/(decrease) in cash and cash equivalents		245 868	(90 438)
Cash and cash equivalents at beginning of period		529 507	619 945
Cash and cash equivalents at end of period	17	775 376	529 507

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1	Basis of preparation
	The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern
	The financial statements have been on a going concern basis.
3	Presentation currency
	Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department
4	Rounding
	Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation
	Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information
	Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget
	A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

7.	Revenue
7.1	Appropriated funds Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. Appropriated funds are measured at the amount's receivable. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Departmental revenue is measured at the cash amount received. In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue. Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: · it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and · the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold. Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.
8.3	Accruals and payables not recognised. Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the commencement of the lease term are recorded and measured at the lower of: · the fair value of the leased asset; or if lower, · the present value of the minimum lease payments.
9	Aid assistance
9.1	Aid assistance received. Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. CARA Funds are recognised when receivable and measured at the amount's receivable. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid. Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. These advances are expensed once the respective department(s) paid the accounts on behalf of the department and provide the necessary source documents to the department. Subsistence and Travel advances(S&T) are expensed once the S&T claim is authorised on the system.
12	Loans and receivables Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	Investments Investments are recognised in the statement of financial position at cost.
	Financial assets
14.1	Financial assets (not covered elsewhere) A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	Impairment of financial assets Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital assets
16.1	Immovable capital assets Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

16.3	Intangible capital assets Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and contingents
17.1	Contingent liabilities Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.2	Capital commitments. Capital commitments are recorded at cost in the notes to the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**18****Unauthorised expenditure**

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

19**Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

20	Irregular expenditure Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable. Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of: · irregular expenditure that was under assessment in the previous financial year; · irregular expenditure relating to previous financial year and identified in the current year; and · irregular expenditure incurred in the current year.
21	Changes in accounting policies, estimates and errors. Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	Events after the reporting date Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	Departures from the MCS requirements The Department did not deviate from the Modified Cash Standard requirements.
24	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period, but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/ Provincial Revenue Fund when the underlying asset is disposed, and the related funds are received.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

25	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
26	Related party transactions Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The full compensation of key management personnel is recorded in the notes to the financial statements.
27	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or were intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
28	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is recorded in the Employee benefits note. Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date. The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**1. Annual Appropriation****1.1. Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds).

	2024/25			2023/24		
	Final Budget	Actual Funds Received	Funds not requested / not received	Final Budget	Appropriation Received	Funds not requested / not received
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	538 378	538 378	-	503 414	498 814	4 600
Integrated Human Settlements Planning & Development	22 796 437	22 796 437	-	21 308 688	21 268 188	40 500
Informal Settlements	8 884 222	8 884 222	-	8 470 186	8 473 486	(3 300)
Rental And Social Housing	923 915	923 915	-	917 849	933 349	(15 500)
Affordable Housing	537 434	537 434	-	557 843	584 143	(26 300)
Total	33 680 386	33 680 386	-	31 757 980	31 757 980	-

All funds were requested for the financial year 2024 /2025.

2. Departmental revenue

	Note	2024/25	2023/24
		R'000	R'000
Sales of goods and services other than capital assets	2.1	274	236
Interest, dividends and rent on land	2.2	383	842
Transactions in financial assets and liabilities	2.3	1 037	781
Total revenue collected		1 694	1 859
Total		1 694	1 859

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**2.1. Sales of goods and services other than capital assets**

		2024/25	2023/24
	Note	R'000	R'000
Sales of goods and services produced by the department		203	215
Sales by market establishment		53	54
Other sales		150	161
Sales of scrap, waste, and other used current goods		71	21
Total	2	274	236

2.2. Interest, dividends and rent on land

		2024/25	2023/24
	Note	R'000	R'000
Interest		383	842
Total	2	383	842

2.3. Transactions in financial assets and liabilities

		2024/25	2023/25
	Note	R'000	R'000
Other receipts including recoverable revenue		1 037	781
Total	2	1 037	781

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**3. Aid assistance**

		2024/25	2023/24
	Note	R'000	R'000
Opening balance	3.1	962	962
As restated	3.2	962	962
Closing balance		962	962

3.1. Analysis of balance by source

		2024/25	2023/24
	Note	R'000	R'000
Aid assistance from other sources		962	962
Closing balance	3	962	962

3.2. Analysis of balance

		2024/25	2023/24
	Note	R'000	R'000
Aid assistance unutilised		962	962
Closing balance	3	962	962

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**4. Compensation of employees****4.1. Salaries and Wages**

		2024/25	2023/24
	Note	R'000	R'000
Basic salary		261 536	265 001
Performance award		10	10
Service based		421	381
Compensative/circumstantial		10 271	11 808
Other non-pensionable allowances		65 530	67 260
Total		337 768	344 460

4.2. Social contributions

		2024/25	2023/24
Employer contributions	Note	R'000	R'000
Pension		32 163	32 159
Medical		13 370	13 120
Bargaining council		60	63
Total		45 593	45 342
Total compensation of employees		383 361	389 802
Average number of employees		457	526

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**5. Goods and services**

		2024/25	2023/24
	Note	R'000	R'000
Administrative fees		5 495	7 440
Advertising		38 547	12 706
Minor assets	5.1	1 122	334
Bursaries (employees)		2 070	1 728
Catering		11 792	19 921
Communication		9 455	10 406
Computer services	5.2	52 512	55 612
Consultants: Business and advisory services		30 484	29 174
Legal services		4 849	3 918
Contractors		9 791	9 359
Audit cost – external	5.3	9 204	9 614
Fleet services		1 145	991
Inventories	5.4	118 970	59 371
Consumables	5.5	2 728	4 210
Operating leases		27 754	36 682
Property payments	5.6	20 281	12 250
Travel and subsistence	5.7	75 454	61 620
Venues and facilities		20 163	26 293
Training and development		1 252	1 360
Other operating expenditure	5.8	5 004	84 226
Total		448 072	447 215

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

5.1. Minor assets

		2024/25	2023/24
		R'000	R'000
	Note		
Tangible capital assets		1 122	334
Machinery and equipment		1 122	334
Total	5	1 122	334

5.2. Computer services

		2024/25	2023/24
		R'000	R'000
	Note		
SITA computer services		42 196	41 204
External computer service providers		10 316	14 408
Total	5	52 512	55 612

5.3. Audit cost - external

		2024/25	2023/24
		R'000	R'000
	Note		
Regularity audits		9 204	9 614
Total	5	9 204	9 614

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**5.4. Inventories**

		2024/25	2023/24
	Note	R'000	R'000
Materials and supplies		118 970	59 371
Total	5	118 970	59 371

5.5. Consumables

		2024/25	2023/24
	Note	R'000	R'000
Consumable supplies		1 292	2 503
Uniform and clothing		203	719
Household supplies		236	1 292
IT consumables		409	74
Other consumables		444	418
Stationery, printing, and office supplies		1 436	1 707
Total	5	2 728	4 210

5.6. Property payments

		2024/25	2023/24
	Note	R'000	R'000
Municipal services		7 286	6 960
Property maintenance and repairs		3 699	141
Other (Cleaning Services, Security Services)		9 296	5 149
Total	5	20 281	12 250

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**5.7. Travel and subsistence**

		2024/25	2023/24
	Note	R'000	R'000
Local		67 895	55 816
Foreign		7 559	5 804
Total	5	75 454	61 620

5.8. Other operating expenditure

		2024/25	2023/24
	Note	R'000	R'000
Professional bodies, membership, and subscription fees		43	126
Resettlement costs		157	169
Other		4 804	83 931
Total	5	5 004	84 226

6. Payments for financial assets

		2024/25	2023/24
	Note	R'000	R'000
Other material losses written off	6.1	75	104
Debts written off	6.2	62	10
Forex losses	6.3	-	146
Total		137	260

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

6.1. Other material losses written off

		2024/25	2023/24
Nature of losses	Note	R'000	R'000
Damages		75	93
No shows		-	11
Total	6	75	104

6.2. Debts written off

		2024/25	2023/24
Nature of debts written off	Note	R'000	R'000
Other debt written off			
Bad debt		62	10
Total debt written off	6	62	10

6.3. Forex losses

		2024/25	2023/24
Nature of losses	Note	R'000	R'000
Cities Alliance		-	146
Total	6	-	146

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**7. Transfers and subsidies**

		2024/25	2023/24
	Note	R'000	R'000
Provinces and municipalities	31,32	30 126 737	28 736 047
Departmental agencies and accounts	Annex 1B	1 540 561	1 615 753
Foreign governments and international organisations	Annex 1E	22 190	3 877
Households	Annex 1G	9 942	8 631
Total		31 699 430	30 364 308

7.1 Donations made in kind (not included in the main note)

		2024/25	2023/24
	Note	R'000	R'000
Donations	Annex 1J	2 175	2 397
Total		2 175	2 397

8. Expenditure for capital assets

		2024/25	2023/24
	Note	R'000	R'000
Tangible capital assets		318 586	25 338
Building and other fixed structures		308 350	17 409
Machinery and equipment	26	10 236	7 929
Total		318 586	25 338

The difference of R 311 thousand, between additions of R10 391 million (Note 26) and R10 080 million (Note 8) is due to the assets that were received, but not yet paid.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

8.1. Analysis of funds utilised to acquire capital assets - Current year

	2024/25		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	318 586	-	318 586
Building and other fixed structures	308 350	-	308 350
Machinery and equipment	10 236	-	10 236
Total	318 586	-	318 586

8.2. Analysis of funds utilised to acquire capital assets - Prior year

	2023/24		
	Voted funds	Aid assistance	Total
Name of entity	R'000	R'000	R'000
Tangible capital assets	25 338	-	25 338
Building and other fixed structures	17 409	-	17 409
Machinery and equipment	7 929	-	7 929
Total	25 338	-	25 338

8.3. Finance lease expenditure included in Expenditure for capital assets

	Note	2024/25	2023/24
		R'000	R'000
Tangible capital assets		157	-
Machinery and equipment		157	-
Total		157	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**9. Cash and cash equivalents**

	2024/25	2023/24
	R'000	R'000
Consolidated Paymaster General Account	775 280	529 412
Cash on hand	95	95
Total	775 375	529 507

There is no significant amount of cash and cash equivalent balances held by the department that is not available for use.

There are no amounts of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities, and the amount and nature of the restricted cash balances.

10. Prepayments and advances

	2024/25	2023/24
	R'000	R'000
Travel and subsistence	-	-
Advances paid (Not expensed)	48 900	713
Total	48 900	713
Analysis of Total Prepayments and advances		
Current Prepayments and advances	48 900	713
Total	48 900	713

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 202510.1. **Advances paid (Not expensed)**

2024/25					
	Amount as at 1 April 2024	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2025
Note	R'000	R'000	R'000	R'000	R'000
National departments	713	(404)	(309)	-	-
Public Entities	-	-	-	48 900	48 900
Total	713	(404)	(309)	48 900	48 900

2023/24					
	Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year advances	Amount as at 31 March 2024
Note	R'000	R'000	R'000	R'000	R'000
National departments	53	(8 902)	(1 840)	11 402	713
Total	53	(8 902)	(1 840)	11 402	713

10.2. **Prepayments (Not expensed)**

2023/24					
	Amount as at 1 April 2023	Less: Amounts expensed in current year	Add / Less: Other	Add Current year prepay-ments	Amount as at 31 March 2024
Note	R'000	R'000	R'000	R'000	R'000
Goods and services	279	(279)	-	-	-
Total	279	(279)	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**11. Receivables**

		2024/25			2023/24		
		Current	Non-current	Total	Current	Non-current	Total
	Note	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	11.1	203	59	262	247	53	300
Recoverable expenditure	11.2	673	215	888	115	132	247
Staff debt	11.3	289	999	1 288	818	759	1 577
Other receivables	11.4	5070	1 194	6 264	-	1 194	1 194
Total		6 235	2 467	8 702	1 180	2 138	3 318

11.1. Claims recoverable

		2024/25	2023/24
	Note	R'000	R'000
National departments		18	291
Provincial departments		244	9
Total	11	262	300

11.2. Recoverable expenditure

		2024/25	2023/24
	Note	R'000	R'000
Disallowance Miscellaneous		375	101
Damage Vehicles		408	41
Supplier Overpayment		105	105
Total	11	888	247

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**11.3. Staff debt**

		2024/25	2023/24
	Note	R'000	R'000
Ex- Employees (Cellphone)		42	38
Study		580	727
Vehicle		338	423
No Show		1	1
SARS Debt+Tax Debt		26	29
Leave without pay		23	23
Compensation of Employees (salary and contributions)		243	242
Ex-Employees Laptops		19	-
Employees (Equipment: Laptop and camera)		16	94
Total	11	1 288	1 577

11.4. Other receivables

		2024/25	2023/24
	Note	R'000	R'000
Fruitless and wasteful expenditure		30	30
Suppliers Fraud		6 234	1 164
Total		6 264	1 194

11.5. Impairment of receivables

		2024/25	2023/24
	Note	R'000	R'000
Estimate of impairment of receivables		2 041	2 039
Total		2 041	2 039

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**12. Investments**

		2024/25	2023/24
Non-current	Note	R'000	R'000
Shares and other equity			
NHFC		2 363 635	2 363 635
SERVCON		604	604
Total		2 364 239	2 364 239
Total non-current investments		2 364 239	2 364 239

		2024/25	2023/24
Analysis of non-current investments	Note	R'000	R'000
Opening balance		2 364 239	2 364 239
Closing balance		2 364 239	2 364 239

12.1. Impairment of investments

		2024/25	2023/24
	Note	R'000	R'000
Estimate of impairment of investments		604	604
Total		604	604

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**13. Voted funds to be surrendered to the Revenue Fund**

		2024/25	2023/24
	Note	R'000	R'000
Opening balance		531 057	620 760
As restated		531 057	620 760
Transferred from statement of financial performance (as restated)		825 731	531 057
Paid during the year		(531 057)	(620 760)
Closing balance		830 801	531 057

14. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund

		2024/25	2023/24
	Note	R'000	R'000
Opening balance		66	25
As restated		66	25
Transferred from statement of financial performance (as restated)		1 694	1 859
Paid during the year		(1 739)	(1 818)
Closing balance		21	66

15. Payables - current

		2024/25	2023/24
	Note	R'000	R'000
Clearing accounts	15.1	90	276
Other payables	15.2	430	305
Total		520	581

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**15.1. Clearing accounts**

		2024/25	2023/24
Description	Note	R'000	R'000
Sal: Income tax		89	157
Sal: GEHS Refund		-	118
Sal: Pension Fund		1	1
Total	15	90	276

15.2. Other payables

		2024/25	2023/24
Description	Note	R'000	R'000
Ceta fund		414	259
Free State Human Settlements+		-	46
Leave discounting payment		16	-
		-	-
Total	15	430	305

16. Net cash flow available from operating activities

		2024/25	2023/24
	Note	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		832 494	532 916
Add back non-cash/cash movements not deemed operating activities		(267 513)	(597 835)
(Increase)/decrease in receivables		(5 055)	144
(Increase)/decrease in prepayments and advances		(48 187)	(378)
Increase/(decrease) in payables – current		(61)	(361)
Expenditure on capital assets		318 586	25 338
Surrenders to Revenue Fund		(532 796)	(622 578)
Net cash flow generated by operating activities		564 981	(64 919)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**17. Reconciliation of cash and cash equivalents for cash flow purposes**

	2024/25	2023/24
Note	R'000	R'000
Consolidated Paymaster General account	775 280	529 412
Cash on hand	95	95
Total	775 375	529 507

18. Contingent liabilities and contingent assets**18.1. Contingent liabilities**

			2024/25	2023/24
Liable to	Nature	Note	R'000	R'000
Housing loan guarantees	Employees	Annex 3A	105	105
Claims against the department		Annex 3B	1 990 257	1 996 194
Intergovernmental payables		Annex 5	1 876	102
Other		Annex 3B	67 644	66 447
Total			2 059 882	2 062 848

It is premature for the Department to state whether the cases in which the Minister has been cited can or cannot be won. It must be noted that in all these cases the Minister is not the first respondent. The Department is defending these cases and will continue to do so until finality. Should the verdict be in the complainant's favour, all spheres of government will be affected as all spheres are cited. It must also be noted that in terms of Schedule four (4) of the constitution, housing is a concurrent function.

There is no reimbursement expected by the Department.

All the contingent liabilities known to the Department have been disclosed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**19. Capital commitments**

	2024/25	2023/24
Note	R'000	R'000
Buildings and other fixed structures	511 049	93 990
Machinery and equipment	1 786	2 409
Total	512 835	96 399

Due to the nature of the Emergency Housing fund and responses thereof, it was agreed during the year to review the performance of the Service Providers constructing the Temporary Residential Units. It is important to note that during the year under review, a number of commitments in relation to emergency housing had to be cancelled due to poor performance of service providers. Several meetings were held with appointed Service Providers to discuss the slow pace of delivery and to determine if it is still an emergency or not. During the month of March while preparing for year-end closures it was also agreed to review the long outstanding purchase orders where the Service Providers had not delivered. It was then agreed that some of the purchase orders needed to be cancelled and the cancellation happened before issuing of Annual Financial Statements.

20. Accruals and payables not recognised**20.1. Accruals**

2024/25					2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		5 980	1 251	7 231	11 995
Transfers and subsidies		4	-	4	426
Capital assets		10 495	-	10 495	1 692
Total		16 479	1 251	17 730	14 113

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

		2024/25	2023/24
Listed by programme level	Note	R'000	R'000
Administration		3 227	6 651
Integrated Human Settlements Planning and Development		2 817	2 560
Informal Settlements		11 133	4 208
Rental and Social Housing		59	32
Affordable Housing		494	662
Total		17 730	14 113

20.2. Payables not recognised

		2024/25			2023/24
		30 Days	30+ Days	Total	Total
Listed by economic classification	Note	R'000	R'000	R'000	R'000
Goods and services		2 260	86	2 346	19 018
Transfers and subsidies		-	106	106	23
Capital assets		22 086	-	22 086	9 083
Total		24 346	192	24 538	28 124

		2024/25	2023/24
Listed by programme level	Note	R'000	R'000
Administration		1 959	18 585
Integrated Human Settlements Planning and Development		27	117
Informal Settlements		22 518	9 178
Rental and Social Housing		2	-
Affordable Housing		32	244
Total		24 538	28 124

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

		2024/25	2023/24
<i>Included in the above totals are the following:</i>	<i>Note</i>	<i>R'000</i>	<i>R'000</i>
Confirmed balances with other departments	<i>Annex 5</i>	4	2 204
Total		4	2 204

21. Employee benefits

		2024/25	2023/24
	<i>Note</i>	<i>R'000</i>	<i>R'000</i>
Leave entitlement		18 371	16 989
Service bonus		8 845	8 911
Capped leave		3 959	4 217
Other (Long Service awards and Overtime)		276	198
Total		31 451	30 315

Disclosed under other Employees Benefit is an amount of R276 thousand for overtime liability. The full leave entitlement becomes due on the first day of each leave cycle (January-December). In addition to leave entitlements provision, there are negative leave credits to the value of R136 000, which relates to leave taken in excess of the accrued leave credits as at 31 March 2025 and R 1,3 million from previous leave cycle 2024.

		2024/25	2023/24
<i>Included in the above totals are the following:</i>	<i>Note</i>	<i>R'000</i>	<i>R'000</i>
Confirmed balances with other departments	<i>Annex 5</i>	4	2 204
Total		4	2 204

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**22. Lease commitments****22.1. Operating leases**

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	27 507	1 376	28 825
Later than 1 year and not later than 5 years	-	-	73 253	647	73 900
Total lease commitments	-	-	100 760	2 023	102 783

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	25 950	1 895	27 845
Later than 1 year and not later than 5 years	-	-	100 760	1 483	102 243
Total lease commitments	-	-	126 710	3 378	130 088

The Department's operating leases comprise leasing of multi-function copiers, Audio visuals and two buildings 240 and 260.

22.2 Finance leases **

	2024/25				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	375	375
Later than 1 year and not later than 5 years	-	-	-	359	359
Total lease commitments	-	-	-	734	734

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	82	82
Later than 1 year and not later than 5 years	-	-	-	46	46
Total lease commitments	-	-	-	128	128

The Department's financial leases comprise cellphone contracts.

There are no assets that are sub-leased.

23 Unauthorised, Irregular and Fruitless and wasteful expenditure

	2024/25		2023/24
	Note	R'000	R'000
Irregular expenditure - current year		1 018	860
Total		1 018	860

24 Related party transactions

The following entities are reporting to the Minister of Department of Human Settlements: South African Housing Fund, National Home Builders Registration Council, National Housing Finance Corporation, Thubelisha Homes, Housing Development Agency, Social Housing Regulatory Authority, Community Scheme Ombuds Service, Property Practitioners Regulatory Authority (PPRA) and SERVCON.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**25 Key management personnel**

	2024/25	2023/24
	R'000	R'000
Political office bearers	7 257	4 781
Officials:		
Level 15 to 16	18 946	17 467
Level 14	28 508	29 985
Total	54 711	52 233

26 Movable Tangible Capital Assets**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD ENDED 31 DECEMBER 2024**

	2024/25				
	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	102 565	-	10 391	4 751	108 205
Transport assets	3 873	-	-	-	3 873
Computer equipment	63 140	-	7 209	3 306	67 043
Furniture and office equipment	19 780	-	837	377	20 240
Other machinery and equipment	15 772	-	2 345	1 068	17 049
FINANCE LEASE ASSETS	189	-	626	161	654
Finance lease assets	189	-	626	161	654
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	102 754	-	11 017	4 912	108 859

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

The difference of R 311 thousand, between additions of R10 391 million (Note 26) and R10 080 million (Note 8) is due to the assets that were received, but not yet paid.

a. MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	103 609	(76)	8 005	8 973	102 565
Transport assets	3 873	-	-	-	3 873
Computer equipment	62 658	(76)	5 078	4 520	63 140
Furniture and office equipment	22 511	-	864	3 595	19 780
Other machinery and equipment	14 567	-	2 063	858	15 772
FINANCE LEASE ASSETS	-	189	-		189
Finance lease assets	-	189	-		189
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	103 609	113	8 005	8 973	102 754

		2023/24
Prior period error	Note	R'000
Nature of prior period error		113
Relating to 2023/24 [affecting the opening balance]		113

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Total prior period errors

115

b. Minor assets**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE PERIOD ENDED 31 MARCH 2025**

2024/25							
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	122	13	11 073	-	-	11 208
Additions	-	-	-	1 143	-	-	1 143
Disposals	-	-	-	(1 037)	-	-	(1 037)
Total Minor assets	-	122	13	11 179	-	-	11 314

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	1	-	1
Number of minor assets at cost	-	36	27	8112	-	8 175
TOTAL NUMBER OF MINOR ASSETS	-	36	27	8113	-	8176

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

2023/24							
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Finance lease assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 294	13	13 277	-	-	14 584
Additions	-	-	-	334	-	-	334
Disposals	-	(1 172)	-	(2 538)	-	-	(3 710)
Total Minor assets	-	122	13	11 073	-	-	11 208
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Number of R1 minor assets	-	-	-	1
Number of minor assets at cost	-	36	27	8 216
TOTAL NUMBER OF MINOR ASSETS	-	36	27	8 217

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2024

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	6 972	-	7 523	-	14 495
TOTAL MOVABLE ASSETS WRITTEN OFF	-	6 972	-	7 523	-	14 495

27 Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD ENDED 31 MARCH 2025**

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	424	-	-	424
MASTHEADS AND PUBLISHING TITLES	36	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	460	-	-	460

a. MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	6 224	-	-	(5 800)	424

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

MASTHEADS AND PUBLISHING TITLES	36	-	-	-	36
TOTAL INTANGIBLE CAPITAL ASSETS	6 260	-	-	(5 800)	460

28 Immovable Tangible Capital Assets**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD ENDED 31 MARCH 2025**

	2024/25			
	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	339 674	(282 879)	57 031
Dwellings	-	339 674	(282 879)	56 795
Other fixed structures	236	-	-	236
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	339 674	(282 879)	57 031

The opening balance relates to refurbishment and upgrade of the building in Cape Town. The immovable capital will be transferred to Public Works after the completion of joint verification.

a. MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024

	2023/24				
	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	236	-	24 844	(24 844)	236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Dwellings	-	-	24 844	(24 844)	-
Other fixed structures	236	-	-	-	236
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	236	-	24 844	(24 844)	236

b. Immovable tangible capital assets: Capital Work-in-progress**CAPITAL WORK-IN-PROGRESS FOR THE PERIOD ENDED 31 MARCH 2025**

	2024/25			
	Opening balance 1 April 2024	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2025
	<i>Note Annex 7</i> R'000	R'000	R'000	R'000
Buildings and other fixed structures	1 646	-	(1 646)	-
Total	1 646	-	(1 646)	-

Work in progress is in relation to the temporary residential units on various stages of completion, not finalised and handed over as at the reporting period.

CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 March 2024

	2023/24			
	Opening balance 1 April 2023	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2024

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

	Note Annex 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		-	1 646	-	1 646
Total		-	1 646	-	1 646

29 Changes in accounting estimates and Changes in accounting policies**29.1 Changes in accounting policies**

		2023/24				
		Opening balance before the change (1 Apr 2023)	Adjust-ment of opening balance	Restated opening balance after the change (1 Apr 2023)	Adjust-ment for 2023/24	Restated closing balance (31 Mar 2024)
Nature of change in accounting policy	Note	R'000	R'000	R'000	R'000	R'000
Finance lease assets						
Movable Tangible Capital Assets	26	-	189	189	-	189

Included in the opening balances for 2024/25 is a change in accounting policy made in terms of the MCS requirements whereby assets under finance leases are recorded by a department at the commencement of the lease term rather than at the end of the lease term. The change in accounting policy is applied retrospectively.

30 Prior period errors**30.1 Correction of prior period errors**

		2023/24		
		Amount bef error correction	Prior period error	Restated
Note		R'000	R'000	R'000
Assets				
Computer Equipment		63 216	(76)	63 140

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Net effect

63 216

(76)

63 140

The Department bought assets last financial year 2023/24, it was received but not yet paid. In the current financial year, the assets that were bought were reversed and cancelled the new order was created.

31 Statement of conditional grants paid to the provinces

	2024/25											2023/24	
	GRANT ALLOCATION				TRANSFER			SPENT					
Name of Province / Grant	Division of Revenue Act	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury or National department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act / Provincial grants	Actual transfers
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Summary by province													
Eastern Cape	1 879 524	3 433	-	1 882 957	1 929 524		50 000	1 932 957	1 932 873	84	0,0%	1 884 265	1 830 201
Free State	990 991	12 102	-	1 003 093	990 991	(50 000)	50 000	1 003 093	1 002 936	157	100,0%	850 308	821 803
Gauteng	4 820 976	212 942	-	5 033 918	4 370 976	(450 000)	-	4 583 918	4 575 836	8 082	99,8%	4 833 135	4 694 462
Kwazulu-Natal	3 104 988	263 741	-	3 368 729	3 204 988		100 000	3 468 729	3 468 729	-	0,0%	3 587 794	3 498 481
Limpopo	1 105 456	59 751	-	1 165 207	1 305 456		200 000	1 365 207	1 363 909	1 298	0,0%	1 477 401	1 445 603
Mpumalanga	1 126 743	7 840	-	1 134 583	1 376 743		250 000	1 384 583	1 384 411	172	0,0%	1 251 035	1 218 625
Northern Cape	333 410	-	-	333 410	333 410		-	333 410	333 333	77	100,0%	370 191	370 191
Northwest	1 556 144	57 899	-	1 614 043	1 706 144		150 000	1 764 043	1 763 240	803	0,0%	1 560 070	1 515 309
Western Cape	1 988 187	-	-	1 988 187	1 688 187	(300 000)	-	1 688 187	1 688 187	-	100,0%	1 743 203	1 686 014
TOTAL	16 906 419	617 708	-	17 524 127	16 906 419	(800 000)	800 000	17 524 127	17 513 454	10 673		17 557 402	17 080 689

Summary by grant

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Human Settlements Development Grant	13 655 425	347 354	-	14 002 779	13 655 425	(550 000)	550 000	14 002 779	13 995 328	7 451	99.9%	13 254 681	13 254 681
Upgrading of Informal Settlements Partnership Grant	3 250 994	270 354	-	3 251 348	3 250 994	(250 000)	250 000	3 521 348	3 518 126	3 222	99.9%	4 302 721	3 826 008
TOTAL	16 906 419	617 708	-	17 524 127	16 906 419	(800 000)	800 000	17 524 127	17 513 454	10 673		17 557 402	17 080 689

1. Human Settlements Development Grant

Eastern Cape	1 518 104	-	-	1 518 104	1 518 104	-	-	1 518 104	1 518 031	73	100.0%	1 405 922	1 405 922
Free State	800 430	7 602	-	808 032	750 430	(50 000)	-	758 032	757 980	52	100.0%	598 099	598 099
Gauteng	3 893 933	68 158	-	3 962 091	3 593 933	(300 000)	-	3 662 091	3 656 562	5 529	99.8%	3 606 186	3 606 186
Kwazulu-Natal	2 507 919	263 741	-	2 771 660	2 607 919		100 000	2 871 660	2 871 660	-	0.0%	2 797 568	2 797 568
Limpopo	892 884	13	-	892 897	1 092 884		200 000	1 092 897	1 091 918	979	0.0%	1 196 060	1 196 060
Mpumalanga	910 077	7 840	-	917 917	1 160 077		250 000	1 167 917	1 167 745	172	0.0%	964 277	964 277
Northern Cape	269 298	-	-	269 298	269 298		-	269 298	269 298	-	100.0%	285 336	285 336
Northwest	1 256 908	-	-	1 256 908	1 256 908		-	1 256 908	1 256 262	646	99.9%	1 164 028	1 164 028
Western Cape	1 605 872	-	-	1 605 872	1 405 872	(200 000)	-	1 405 872	1 405 872	-	100.0%	1 237 205	1 237 205
TOTAL	13 655 425	347 354	-	14 002 779	13 655 425	(550 000)	550 000	14 002 779	13 995 328	7 451		13 254 681	13 254 681

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**2. Upgrading of Informal Settlements Partnership Grant**

Eastern Cape	361 420	3 433	-	364 853	411 420	50 000	414 853	414 842	11	0,0%	478 343	424 279
Free State	190 561	4 500	-	195 061	240 561	50 000	245 061	244 956	105	0,0%	252 209	223 704
Gauteng	927 043	144 784	-	1 071 827	777 043	(150 000)	921 827	919 274	2 553	99,7%	1 226 949	1 088 276
Kwazulu-Natal	597 069	-	-	597 069	597 069		597 069	597 069		100,0%	790 226	700 913
Limpopo	212 572	59 738	-	272 310	212 572		272 310	271 991	319	99,9%	281 341	249 543
Mpumalanga	216 666	-	-	216 666	216 666		216 666	216 666		100,0%	286 758	254 348
Northern Cape	64 112	-	-	64 112	64 112		64 112	64 035	77	100,0%	84 855	84 855
Northwest	299 236	57 899	-	357 135	449 236	150 000	507 135	506 978	157	0,0%	396 042	351 281
Western Cape	382 315	-	-	382 315	282 315	(100 000)	282 315	282 315		100,0%	505 998	448 809
TOTAL	3 250 994	270 354	-	3 521 348	3 250 994	(250 000)	250 000	3 521 348	3 518 126	3 222	4 302 721	3 826 008

In terms of DORA 2024 Section (14)(1) (a) R13.655 billion was transferred to Provinces. (b) R550 million (R50 million Free State, R300 million Gauteng and R200 million Western Cape) was stopped in terms section 18 due to under expenditure (. (c) Funds were transferred according to the approved payment schedule. (d) R550 million (R100 million Kwazulu Natal, R200 million Limpopo and R250 million Mpumalanga) was re-allocated by National Treasury in terms of section 19. (e) Funds were transferred into the provinces' primary bank accounts(f) The Human Settlements Development Grant (HSDG) was not utilised for other administrative purposes.

In terms of DORA 2024 Section 14(1)(a) an amount of R 3 250 994 000 was transferred to the Provinces (b) R250 000 000 (R150 million Gauteng, R100 million Western Cape) was stopped in terms section 18 due to under expenditure(c) Funds were transferred according to the approved payment schedule. (d) R250 million (R50 million Eastern Cape, R50 million Free State and R150 million North West) was re-allocated by National Treasury in terms of section 19. (e) Funds were transferred into the provinces' primary bank accounts(f) The Informal Settlements Upgrading Partnership Grant (ISUPG) was not utilised for other administrative purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

National Department surrender of unspent conditional grant not approved for rollover

Name of province	Related to conditional grants schedule of 2023/24			
	Amount not approved for rollover	Amount received	Amount surrendered to National Revenue Fund	Amount still due
	R'000	R'000	R'000	R'000
Eastern Cape	98	98	(98)	-
Gauteng	147 684	147 684	(147 684)	-
Limpopo	791	791	(791)	-
Mpumalanga	86	86	(86)	-
Northern Cape	21	21	(21)	-
North West	31 006	31 006	(31 006)	-
Western Cape	222 396	222 396	(222 396)	-
Free State	6 976	6 976	(6 976)	-
Total	409 058	409 058	(409 058)	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**32 Statement of conditional grants and other transfers paid to municipalities**

Urban Settlements Developments Grants	2024/25							2023/24	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjust- ments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department		
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	535 365	-	-	535 365	625 365		90 000	518 034	618 034
Nelson Mandela Bay	635 473	26 500	-	661 973	567 997	(67 476)	-	614 902	522 204
Mangaung	530 611	-	-	530 611	465 611	(65 000)	-	513 434	477 782
City of Ekurhuleni	1 383 500	-	-	1 383 500	1 320 416	(63 084)	-	1 338 713	1 255 757
City of Johannesburg	1 953 667	1 410	-	1 955 077	1 919 693	(33 974)	-	1 642 596	1 535 158
City of Tshwane	1 126 600	5 800	-	1 132 400	1 056 600	(70 000)	-	1 090 129	948 462
eThekweni	1 498 083	-	-	1 498 083	1 657 617	-	159 534	1 423 408	1 330 681
City of Cape Town	1 041 825	56 346	-	1 098 171	1 091 825	-	50 000	1 008 100	938 100
TOTAL	8 705 124	90 056	-	8 795 180	8 705 124	(299 534)	299 534	8 149 316	7 596 178

In terms of DORA 2024 Section 14(1)(a) an amount of R 8705 124 000 was transferred to the Metro's (b) R299 534 000 (R67 million Nelson Mandela Bay, R65 million Mangaung, R63 million City of Ekurhuleni, R34 million City of Johannesburg and R70 million City of Tshwane) was stopped in terms section 18 due to under expenditure(c) Funds were transferred according to the approved payment schedule. (d) R299 534 000 (R90 million Buffalo City, R159 million Ethekeeni and R50 million City of Cape Town) was re-allocated by National Treasury in terms of section 19. (e) Funds were transferred into the Metros' primary bank accounts(f) The Urban Settlements Development Grant (USDG) was not utilised for other administrative purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Upgrading of informal settlements Partnership Grant	2024/25						2023/24		
	GRANT ALLOCATION				TRANSFER				
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury / National Department	DORA and other transfers	Actual transfer
Name of municipality	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Buffalo City	304 707	-	-	304 707	235 622	(69 085)	-	294 556	277 122
Nelson Mandela Bay	361 684	-	-	361 684	361 684	-	-	349 635	301 567
Mangaung	302 002	-	-	302 002	232 944	(69 058)	-	291 940	175 532
City of Ekurhuleni	787 428	-	-	787 428	731 806	(55 622)	-	761 197	773 030
City of Johannesburg	739 714	-	-	739 714	739 714	-	-	715 075	620 962
City of Tshwane	641 212	4 500	-	645 712	731 212	-	90 000	619 851	535 042
eThekwini	785 485	-	-	785 485	919 844	-	134 359	759 318	769 653
City of Cape Town	592 962	-	-	592 962	562 368	(30 594)	-	573 210	606 272
TOTAL	4 515 194	4 500	-	4 519 694	4 515 194	(224 359)	224 359	4 364 782	4 059 180

In terms of DORA 2024 Section 14(1)(a) an amount of R 4 515 194 000 was transferred to the Metro's (b) R224 359 000 (R69 million Buffalo City, R69 million Mangaung, R56 million City of Ekurhuleni, R31 million City of Cape Town) was stopped in terms section 18 due to under expenditure(c) Funds were transferred according to the approved payment schedule. (d) R224 359 000 (R90 million City of Tshwane, R134 million Ethekekwini) was re-allocated by National Treasury in terms of section 19. (e) Funds were transferred into the Metros' primary bank accounts(f) The Informal Settlements Upgrading Partnership Grant (ISUPG) was not utilised for other administrative purposes.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 1B****STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

	2024/25						2023/24	
	TRANSFER ALLOCATION				TRANSFER			
Departmental Agency or Account	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing Development Agency	254 591	-	-	254 591	254 591	100.0%	243 649	243 649
National Housing Finance Corp (FLISP)	401 415	-	-	401 415	401 415	100.0%	454 865	454 865
National Housing Finance Corp (FLISP ADMIN)	20 465	-	-	20 465	20 465	100.0%	19 585	19 585
Social Housing Regulatory Authority (CGC)	763 051	-	-	763 051	763 051	100.0%	800 958	800 958
Social Housing Regulatory Authority (INST INV)	24 684	-	-	24 684	24 684	100.0%	23 623	23 623
Social Housing Regulatory Authority (OPERATIONS)	76 355	-	-	76 355	76 355	100.0%	73 073	73 073
TOTAL	1 540 561	-	-	1 540 561	1 540 561		1 615 753	1 615 753

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 1E****STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
Foreign government / International organisation	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
UN Habitat Foundation Membership Fees	22 333	-	-	22 333	21 275	95.3%	3 333	3 090
Cities Alliance	972	-	-	972	915	94.1%	787	787
TOTAL	23 305	-	-	23 305	22 190		4 120	3 877

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 1G**
STATEMENT OF TRANSFERS TO HOUSEHOLDS

Household	2024/25						2023/24	
	TRANSFER ALLOCATION				EXPENDITURE			
	Adjusted Budget	Roll overs	Adjustments	Total Available	Actual transfer	% of available funds transferred	Final Budget	Actual transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Leave Gratuity	3 188	-	-	3 188	3 168	99,4%	2 599	2 270
Bursaries (non-employees)	5 720	-	-	5 720	4 303	75,2%	5 345	5 345
Donations	200	-	-	200	200	100,0%	-	-
H/H Claims against the state	6	-	-	6	6	100,0%	-	-
Retirement Benefits	2 266	-	-	2 266	2 265	100,0%	1 016	1 016
TOTAL	11 380	-	-	11 380	9 942		8 960	8 631

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 1I****STATEMENT OF AID ASSISTANCE RECEIVED**

Name of donor	Purpose	Opening balance	Revenue	Expenditure	Paid back on / by 31 March	Closing balance
		R'000	R'000	R'000	R'000	R'000
Aid assistance received in cash						
PSETA		533	-	-	-	533
CETA		429	-	-	-	429
TOTAL AID ASSISTANCE RECEIVED		962	-	-	-	962

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 1J****STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

Nature of gift, donation, or sponsorship	2024/25	2023/24
	R'000	R'000
Donations		
Lepono Primary	-	468
LM Mokoena	-	326
Tladistad Primary	-	330
Tlotlomphe Primary	-	382
TM Modise Primary	-	353
South African National Library	-	4
Mmanotshe	-	236
Sedibeng	-	298
Bethesda	113	-
Emshukantabo	127	-
Hammanskraal	208	-
Hebron	153	-
HL Setlaleto	198	-
Kgadime Matsepo	147	-
Kroondal	226	-
Mashilo	96	-
Mathaga	122	-
Micha-Kgasi	119	-
Mmatope	228	-
Rethusitswe	170	-
Tolamo	128	-
Tshepo ya Rona	140	-
Total donations	2 175	2 397
TOTAL GIFTS, DONATIONS AND SPONSORSHIPS MADE IN KIND	2 175	2 397

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 2A****STATEMENT OF INVESTMENTS IN AND AMOUNTS OWING BY/TO NATIONAL/PROVINCIAL PUBLIC ENTITIES**

Name of public entity	State Entities' PFMA Schedule type (state yearend if not 31 March)			Number of shares held		Cost of investments		Net asset value of investments		Profit/(Loss) for the year		Losses guaran-teeed
				R'000		R'000		R'000		R'000		
				2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	Yes/No
National / Provincial Public entity												
National Housing Finance Corporation	Schedule 3A	100	100	84 187 332	84 187 332	2 363 635	2 363 635	5 680 320	5 068 991	66 824	57 437	No
Servcon Housing Solution	Schedule 3A	100	100	100	100	604	604	-	-	-	-	No
TOTAL				84 187 432	84 187 432	2 364 239	2 364 239	5 680 320	5 068 991	66 824	57 437	

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 3A****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2024	Guarantees drawdowns during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2025	Revaluation due to inflation rate movements	Accrued guaranteed interest for period ended 31 March 2025
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
Nedbank	Housing	-	75	-	-	-	75	-	-
First Rand Bank	Housing	-	24	-	-	-	24	-	-
Old Mutual	Housing	-	6	-	-	-	6	-	-
	TOTAL	-	105	-	-	-	105	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 3B****STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025**

Nature of liability	Opening balance 1 April 2024	Liabilities incurred during the year	Liabilities paid / cancelled / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Tsoga ka Bohlaswa Trading Enterprise	401	-	-	-	401
Sunjith Singh vs Minister of Human Settlements & NHBRC	327 586	-	-	-	327 586
Angelina B Pitso vs Minister of Human Settlements and 5 others	30 000	-	-	-	30 000
Mokgale AT vs Tshwane Metro Municipality and 6 others	1 000 000	-	-	-	1 000 000
Mjayeli Security (PTY) LTD/ The Director-General: Human Settlements N.O/ CASE NO: 77417/ 18	3 129	-	-	-	3 129
Reagile Consulting Services 7 Projects CC/ National Department of Human Settlements & another	60	-	-	-	60
Jibeng Investments (PTY) LTD / Minister of Human Settlements and Others	288 919	-	-	-	288 919
Honono Ongezwa // Minister of Human Settlements	3 000	-	-	-	3 000
Mbangata Vuyokazi // Minister of Human Settlements	4 600	-	-	-	4 600
Kruishoek Properties (PTY) LTD vs Minister of Human Settlements & 3 Others	3 800	-	-	-	3 800
Bestsaid Rovhanga vs Minister of Human Settlements and Housing Development Agency	840	-	-	-	840
Dainah and Joyce Business Enterprises CC/ The Minister of Human Settlements and 2 others	961	-	-	-	961
F Matlatsi vs Department of Human Settlements and Others	5 935	-	(5 935)	-	-
NU-WAYS Housing Development (PTY) LTD	150 000	-	-	-	150 000
Tawana Business Projects (PTY)LTD	6 448	-	-	-	6 448
Tanielle Cloete vs The City of Ekurhuleni Metro & Min of Hunam Settlements	167 303	-	-	-	167 303
SC LETELE vs DEPARTMENT OF HUMAN SETTLEMENTS	1 711	-	-	-	1 711
Ceda Usizi Trading Ent vs The Min of the Dept of H/S and Another 1582/2023	1 484	-	-	-	1 484
Charles Lekoloane and another v Portia Mahlodi Malatsi and Others IN RE/ Portia Mahlodi and another v Charles Lekoloane and Others	15	-	-	-	15
Subtotal	1 996 192		(5 935)	-	1 990 257

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**Other**

SITA	6 939	4 447	(2 538)	-	8 848
Public Works Department	56 954	-	-	-	56 954
Bontle Ke Botho (Bothomark Group)	221	-	-	-	221
MTN	132	-	-	-	132
Governments Printing Works	15	-	-	-	15
Vodacom	17	-	-	-	17
Thmdzabuko	30	-	(30)	-	-
Nsovo Constructions	2 139	289	(2 428)	-	-
SHUMBA INC	-	100	(100)	-	-
VHARANANI PROPERTIES PTY LTD	-	1 261	(1 261)	-	-
Dept. of Justice	-	307	-	-	307
Gauteng Human Settlements	-	27	-	-	27
Open House Consulting	-	106	(106)	-	-
Phaahla Mmakadikwe Trading and Projects	-	83	(83)	-	-
Sinopa	-	1 075	(1 075)	-	-
Sabinet Online	-	118	(118)	-	-
Shwings Construction and Projects	-	2 577	(2 577)	-	-
Cobotech Trading	-	281	(281)	-	-
Apex	-	1	(1)	-	-
Baikal Trading Projects	-	94	(94)	-	-
Gubevu Msuthu (PTY) LTD	-	16	(16)	-	-
Dalitso Business Equipment	-	53	(53)	-	-
NHBRC	-	1 406	(1 406)	-	-
Mumate Trading Enter	-	914	-	-	914
Travel with Flair	-	268	-	-	268
TTS	-	27	-	-	27
Subtotal	66 447	13 450	(12 167)	-	67 730
TOTAL	2 062 639	13 450	(18 102)	-	2 057 987

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Parties	Nature of Claim
1. Angelina Buninki Pitso vs Minister of Human Settlements & 5 others. Case no. 25048/17.	Plaintiff is claiming ownership of a property located at 481B Kopase Street, Soweto and alleges that this property was illegally transferred to the 6th defendant in March 1998. Plaintiff alleges that she suffered damages as result of being deprived of her right to housing. The plaintiff is praying to court to order restoration of the property to her as a lawful owner, violation of her fundamental rights to human dignity, honour, self-esteem, and personal liberty on which she suffered damages to a sum of R30 000 000 (thirty million rand) State Attorney instructed to serve and file upon the Plaintiff Rule 35 Notice requiring her to discover.
2. Mbangata Vuyokazi vs Minister of Human Settlements. Case no. 19/25492	Plaintiff is suing the Minister for an amount of R4 600 000 after her husband's death in a social housing dwelling in Tembisa. This amount is claimed for loss of support for the surviving spouse and descendants. Matter removed from the roll-on 8 September 2022 as it was opposed. Plaintiff filed opposing papers. Pleadings to be exchanged until exception is heard.
3. Matter: Honono Ongezwa vs Minister of Human Settlements. Case no. 19/25491	Plaintiff is suing the Minister for an amount of R3000 000 after her husband's death in a social housing dwelling in Tembisa. This is claimed as amount for loss of support for the surviving spouse and descendants. Matter removed from the roll-on 8 September 2022 as it was opposed. Plaintiff filed opposing papers. Pleadings to be exchanged until exception is heard.
4. Bestsaid Rhovhanga/ The H D A & Minister of Human Settlements	Contractual dispute between the Housing Development Agency and the plaintiff, arising from a contract to construct residential unit on behalf of the Housing Development Agency. Litigation was put in abeyance pending negotiations. Parties entered into settlement negotiations which subsequently deadlocked. The claimants have since indicated that they will refer the matter to Arbitration. The Department was never served with the court papers. The Department became aware of the litigation through the Housing Development Agency, when it was reporting this matter in terms of Section 35 of the I Act of 2008.
5. Dainah and Joyce Business Enterprises cc vs the Minister of Human Settlements and 2 others/ CASE NO. 22/12988	This is an action arising from a contractual dispute between the plaintiff who is a service provider and the Gauteng Provincial Department of Human Settlements. It its particulars of claim, the plaintiff is praying to the High Court to order defendants to effect a payment of the amount of R961 205.00 plus interest for the alleged work done on behalf of the Gauteng Provincial Department of Human Settlements. No direct allegation is made against the Minister or the National Department of Human Settlements. Department has filed a special plea of misjoinder.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Parties	Nature of Claim
6. Nu-Way Housing Development (PTY) LTD vs Minister of Human Settlements & 8 Others. Case no: 2022-050803	In this matter, Nu-Way is suing the first, alternatively, the second and alternatively the third defendant an amount comprising of: Claim 1: Common Law damages: R75, 000, 000.00 and Claim 2: Constitutional Damages: R75, 000,000.00. bringing the entire claim to R150 000, 000.00 The plaintiff basis its claim on: The continued illegal occupation by the fifth to seventh defendants on the affected property and further states that the continuous illegal occupation by the first defendant and/or its predecessors affects the plaintiff's constitutional rights. The department is defending the matter and has since issued the instructions to file the notice of the departments to defend to the Pretoria state attorney on 08 January 2023.
7. Tawana Business Projects (PTY) LTD/ MEC for Human Settlements: Gauteng & Another Case no. 2023/017001	The Plaintiff (Tawana Business Projects (PTY LTD) is suing the MEC for Human Settlements: Gauteng (1st Defendant) and the National Minister of Human Settlements (2nd Defendant) for: Claim: 1 R673,923.00; Claim: 2 R4,183,576.10; and Claim: 3 R1,590,887.00 Total R6 448 383.1 This claim has arisen out of the contract which was entered into and between the Gauteng Provincial Department of Human Settlements and the Plaintiff (Tawana Business Projects (PTY LTD). According to the Plaintiff's particulars of claim, on/about 1 March 2014, the Human Settlements Department of Gauteng Provincial Government (hereinafter the Department) duly appointed the Plaintiff as the lead contractor to build 200 low cost houses for the Department at Soshanguve Extensions 4 and 5 (hereinafter referred to as (the project). The appointment was made verbally at Pretoria by the Head of Department (HOD), Mr Daniel Molokomme. In this matter, the National Minister of Human Settlements was not a party to the said contract and did not represent the MEC for Gauteng Provincial Department. In light of foregoing, Legal Services deemed it appropriate to have this matter defended by instructing the State Attorney to prepare and file the Notice to Defend and to appoint Counsel for further Handling. Mr Lucky Nkuna of the Pretoria State Attorney offices was allocated the matter in his capacity as the State Attorney.
8. Taneille Cloete vs the City of Ekurhuleni Metropolitan Municipality and Minister of Human Settlements	The Applicant is claiming an amount of R167,303 863.00 which is for the maintenance and alleged expropriated property by the 1st Respondent. The Minister of Human Settlement is cited as the 2nd Respondent. There is no substantive relief sought against the Minister and she is joined only insofar as she may have interest in the outcome of this matter seeing that it is the Minister's portfolio that benefitted from the unlawful conduct of the 1st Respondent.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Parties	Nature of Claim
9. Ceda Usizi Trading Enterprise vs The Minister of the Department of Human Settlements and the Other 1582/2023	The Plaintiff alleges that it entered into an agreement with the Head of the Department Mr PE Moloko of the Second Defendant. The Plaintiff alleges further that it carried out its obligations and the 2nd Defendant failed to make such payment that was agreed on in the amount of R1 484 753.00. the Minister was not a party to the alleged agreement, however, was cited as a first Defendant.
10. The Minister of Human Settlements vs General Public Service Sectoral Bargaining Council and 3 others (seeng Catherine Letele)	Advocate Catherine Letele (Adv. Letele) was employed as a Chief Director: Legal Services on contract of three (3) years commencing on 01 April 2015 and ending on 30 April 2019. In 2017, Adv Letele was seconded to the Community Schemes Ombud Services (CSOS) as a Chief Ombud for a duration equivalent to her contract of employment with the Department of Human Settlements (Department). She was suspended for contravening the PFMA and referred the matter to bargaining council for arbitration. An award was granted against the department, The Department applied in court for the review of the award. The matter to be heard on 12 January 2024.
11. Kruishoek Properties vs Minister of Housing & 79 others; Gauteng High Court. Case no 6646/2018	Plaintiff is claiming the amount of R3 800 000.00 as damages resulting from loss of property rights occasioned by the illegal invasion, occupation and/or alienation, on or around 1997, of 76 erven owned by the plaintiff in Soshanguve South, caused by the alleged breach of legal duty owed to the plaintiff and/ or the occupiers of the properties by the Minister and Director General. Department is defending and has filed a notice to defend followed by a plea. Awaiting plaintiff's reply.
12. Charles Lekoloane and another vs Portia Mahlodi Malatsi and Others. Case No 18/41884	In the main application, the Plaintiff is claiming ownership of a property situated at 544 Maphike street, Motsamai Township, Katlehong. There is a dispute in respect of the title holder of the property between the Plaintiff and the Defendants. Mr Charles Lokoloane brought an Interlocutory Application against the Department of Human Settlements alleging that on 10 September 1999, the Department approved a subsidy in an amount of R15 000.00 in his favour and was paid into the bank account of Baphuting Community Development CC as the seller. On 11 August 2010, the subsidy was withdrawn without explanation.
13. Tsoga ka Bohlaswa Trading Enterprise CC vs Minister of Human Settlements. Case No 26178/11	This is a defended action for a claim of R 401 233, 00 for furniture sold to the department. The defence is that the furniture was defective and of poor quality. The Plaintiff's Attorneys of record have since withdrawn as attorneys of record for the Plaintiff. Both parties were therefore not able to meet in order to arrange the pre-trial conference.
14. Sharm Singh Sunjith vs Minister of Human Settlements and NHBRC. Case no. 14871/14	Plaintiff is claiming an amount of R327 586 348.00 from the defendants, which amount is alleged to be the total damages suffered by him, alternatively, his company because of the suspension of the Plaintiff's registration as a home builder by the NHBRC. We were informed that the Defendant's Attorneys do not want to settle the matter. A Trial date is expected to be allocated shortly after the Case Flow Management date. According to the correspondence from the NHBRC's attorneys of records, it is stated that the plaintiff attorneys of record in this matter have since withdrawn. Efforts by the NHBRC's attorneys to locate the plaintiff to find out if the plaintiff was still prepared to proceed with the matter bore no fruits. Therefore, the file had to be provisionally closed and remained closed up to date.
15. Reagile Consulting Services & Projects vs National Department of Human Settlements & another. Case no. 10753/2019	A court action for an amount of R59 838.28 for services rendered. Department has filed a notice to defend. On the Department's BAS records the service provider was paid a once off fee of R56 000. Plaintiff did not attach the contract or invoice she is referring to in her summons. Department through legal representatives, will be requesting a pre-trial conference.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025

Parties	Nature of Claim
16. Mokgale Andrew Tladi n.o/ Tshwane Metropolitan Municipality and 6 others Case NO. 541/ 18	The plaintiffs herein claim ownership of an immovable property on which he alleges that the defendants have erected structures. Plaintiff is an executor of a deceased's estate, therefore claims in that capacity. Plaintiff claims return of the property, alternatively payment in the amount of R1 000 000 000 (One Billion Rand) from the defendants, which is allegedly the market value of the property which is in the defendants' possession. It is alleged that the Department of Human Settlements has also erected houses on this property. An Exception hearing of the 1st, 5th and 7th defendants was on the roll on the 18th of March 2019 and allocated to be heard on the 20th March 2019. Adv. Bester SC was instructed to attend a watching in brief hearing for the 2nd, 3rd, and 6th defendants, which include the Minister. Plaintiff was ordered to amend particulars of claim, which amendment the plaintiff deed effect. As a result, the plaintiff claims of R500 000 000 (Five hundred million rands) became to one billion. Plaintiff served notice for the defendants to discover documents the defendant is in possession thereof in relation to this matter.
17. Mjayeli Security (PTY) LTD vs The Director-General: Human Settlements n.o Case no: 77417/ 18	Plaintiff has instituted action proceedings against the Department for an outstanding account belonging to the Gauteng Provincial Department of Human Settlements. Legal Services instructed State Attorney to make an application to the Court to set aside the summons for non-compliance with the Uniform Rules of the High Court and the Institution of proceedings against certain organs of State Act 3 of 2002. The Department did not receive the requisite Notice prior to the service of the Summons which such Provision has to be complied with in terms of the Act of 2002 as amended. On the other hand, we engaged the Gauteng Provincial Department of Human Settlements' Legal Services, which investigated the matter. They confirmed that they have business relationship with plaintiff. They further confirmed that their finance unit was working on this matter. The court process was therefore stayed pending this process of finalizing their administrative disputes. Legal Services was informed by the ombuds office that the province has settled the outstanding amounts. We are waiting for the notice withdrawing this matter, which has to be filed by the plaintiff.
18. Jibeng Investments (PTY) LTD vs Minister of Human Settlements and others. case no. 07/2019	Application in the Land Claims Court against the Minister of Human Settlements and 11 others. The applicant is intending to make an application that the Court orders the plaintiffs to purchase his property for an amount of R288 919 000.00 for the residence of the Motjwadibe Informal Settlers and the Jibeng Informal Settlers. Alternatively, applicant intends to apply to the court for an order evicting the aforementioned settlers. Land claim action in the land claims court against several government departments. Parties are in the process of negotiations.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 4 CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25 *	
							Receipt date up to six (6) working days after year end	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Water & Sanitation	-	-	14	14	14	14	-	-
DIRCO	-	-	4	4	4	4	-	-
Department of Public works	-	-	-	35	-	35	-	-
Department of Health	-	-	41	41	41	41	-	-
Free State Human Settlements	203	-	-	9	203	9	-	-
DPSA	-	68	-	-	-	68	-	-
E-GOV	-	-	-	40	-	40	-	-
GDE	-	-	-	89	-	89		
TOTAL	203	68	59	232	262	300	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 5 INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2024/25	
							Payment date up to six (6) working days after year end	
	31/03/2025	31/03/2024	31/03/2025	31/03/2024	31/03/2025	31/03/2024		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice & Constitutional Development	-	2 204	1 872	-	1 872	2 204	-	-
South African Police Service	4	-	-		4			
Total Departments	4	2 204	1 872	-	1 876	2 204	-	-
OTHER GOVERNMENT ENTITIES								
Current								
National School of Government	-	-	-	102	-	102	-	-
Total Other Government Entities	-	-	-	102	-	102	-	-
TOTAL INTERGOVERNMENT PAYABLES	4	2 204	1 872	102	1 876	2 306	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 6 INVENTORIES**

	Building Materials	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2025	R'000	R'000	R'000	R'000	R'000
Opening Balance	2 312				2 312
Add: Additions/Purchases - Cash	118 970	-	-	-	118 970
(Less): Issues	(112 862)	-	-	-	(112 862)
Add/(Less): Adjustments(Theft)	(63)	-	-	-	(63)
Closing balance	8 357	-	-	-	8 357

	Building Materials	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	Total
Inventories for the year ended 31 March 2024	R'000	R'000	R'000	R'000	R'000
Add: Additions/Purchases - Cash	59 371	-	-	-	59 371
(Less): Disposals	(1 275)	-	-	-	(1 275)
(Less): Issues	(58 360)	-	-	-	(58 360)
Add/(Less): Received current, not paid; (Paid current year, received prior year)	2 576	-	-	-	2 576
Closing balance	2 312	-	-	-	2 312

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 7 MOVEMENT IN CAPITAL WORK IN PROGRESS****Movement in capital work in progress for the period ending 31 March 2025**

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	1 646	-	(1 646)	-
Dwellings	1 646	-	(1 646)	-
TOTAL	1 646	-	(1 646)	-

MOVEMENT IN CAPITAL WORK IN PROGRESS**Movement in capital work in progress for the period ending 31 March 2024**

	Opening balance	Current year CWIP	Ready for use (Asset Register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	1 646	1 646
Dwellings	-	-	1 646	1 646
TOTAL	-	-	1 646	1 646

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 8A****INTERENTITY ADVANCES PAID (Note 13)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2025	31/03/2024	31/3/2025	31/03/2024	31/3/2025	31/03/2024
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
GCIS	-	713	-	-	-	713
SUBTOTAL	-	713	-	-	-	713
PUBLIC ENTITIES						
SABC	-	-	48 900	-	48 900	-
Subtotal	-	-	48 900	-	48 900	-
TOTAL	-	713	48 900	-	48 900	713

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS for the period ended 31 March 2025**ANNEXURE 12****ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTES 4 AND 13)**

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2024	Total amount prepaid / advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2025
				R'000	R'000	R'000	R'000	R'000	R'000
Prepayments									
Advances									
GCIS	Government	Goods and services	National departments	-	713	-	(404)	(309)	-
SABC	State Owned Entity			-	-	48 900	-	-	48 900
Total				-	713	48 900	(404)	(309)	48 900
TOTAL PREPAYMENTS AND ADVANCES				-	713	48 900	(404)	(309)	48 900

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN HOUSING FUND

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the South African Housing Fund set out on pages 343 to 348, which comprise the statement of financial position as at 31 March 2025, cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the South African Housing Fund as at 31 March 2025, and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP).

Basis for opinion

Context for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the South African Housing Fund in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code), as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Liquidation

7. As disclosed in note 1 to the financial statements, the financial statements are prepared on the liquidation basis since the entity no longer conduct its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of my auditor's report.

Reporting on performance information

12. As the fund was dormant for the year under review, no work was performed on the audit of performance information.

Report on compliance with legislation

13. As the fund was dormant for the year under review, no work was performed to test compliance with key legislation.

Other information in the annual report

14. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements and the auditor's report.
15. My opinion on the financial statements does not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
16. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

17. I obtained the other information prior to the date of this auditor's report except for the Minister's report and Deputy Minister's report which are expected to be made available to us after 31 July 2025.
18. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
19. When I do receive and read the Minister's report and Deputy Minister's report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

20. I considered internal control relevant to my audit of the financial statements; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Pretoria

31 July 2025



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE TO THE AUDITOR'S REPORT: AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Fund to continue as a going concern. If I conclude that a material uncertainty exists, I am required

to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause a Fund to cease operating as a going concern

- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025

1. General review of the state of financial affairs

The change in focus in housing delivery to quality housing and a shift to alternative forms of housing tenure have formed the background against which sustainable housing delivery was achieved. As reported in 2003/04, changes in the financial management legislative environment precipitated a need to review the funds flow mechanisms to provinces. On 15 August 2003, MINMEC approved the disestablishment of the South African Housing Fund (SAHF). The final disestablishment of the SAHF can only be effected through the repeal of the Housing Act, Act 107 of 1997. The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

2. Accounting Authority's emoluments

In terms of section 11(5)(a) of the Housing Act (Act No 107 of 1997) the Director-General: Human Settlements is the accounting officer of the South African Housing Fund.

No emoluments were paid to the accounting authority from the funds of the South African Housing Fund since the accounting officer is being remunerated by the Department of Human Settlements (previously Department of Housing).

3. Auditors

In terms of section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1998) read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 11(8) of the Housing Act, 1997 (Act No. 107 of 1997) the Auditor-General has the responsibility to audit the books and statements of account and balance sheet of the South African Housing Fund. The Office of the Auditor-General will continue to perform the statutory audit of the South African Housing Fund.

4. Approval of financial statements

The financial statements for the South African Housing Fund were approved by the Accounting Officer.

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025**STATEMENT OF FINANCIAL POSITION**

		2024/25	2023/24
		R'000	R'000
	Notes		
ASSETS			
Current Assets		32 585	32 585
Cash and Cash Equivalents	5	32 585	32 585
TOTAL ASSETS		32 585	32 585
EQUITY AND LIABILITIES			
Capital and Reserves		31 958	31 958
Accumulated profits/(Losses)		31 958	31 958
Current Liabilities		627	627
Trade and other payables	3	627	627
TOTAL EQUITY AND LIABILITIES		32 585	32 585

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025**CASH FLOW STATEMENT**

	2024/25	2023/24
	R'000	R'000
	<u>Note</u>	
CASH FLOWS FROM FINANCE ACTIVITIES:		
Cash and cash equivalents at beginning of period	32 585	32 585
Cash and cash equivalents at end of period	5 32 585	32 585

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025

ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below.

1. BASIS OF PREPARATION

The financial statements are prepared on the liquidation basis as set out below since the entity no longer conduct its function in terms of the National Housing Act and is awaiting to be disestablished and the Housing Act to be amended accordingly.

1.1 Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, receivables, and creditors

Measurement

Financial instruments are initially measured at cost. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are measured at cost.

Financial liabilities

Financial liabilities are recognized at cost.

1.2 Administration Costs

All administration costs are borne by Department of Human Settlements

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025

NOTES TO THE STATEMENT OF FINANCIAL POSITION

NO.	2024/25		2023/24	
	R'000		R'000	
2. TRADE AND OTHER RECEIVABLES				
Debtors		421		421
Less: Provision for bad debt		(421)		(421)
Total		-		-
3. TRADE AND OTHER PAYABLES				
Post office account		627		627
Total		627		627

4. Disestablishment of the S A Housing Fund

The final disestablishment of the SAHF will be effected upon the promulgation of the Human Settlements Act.

The SAHF was delisted from the Public Finance Management Act with effect from 18 November 2003.

SOUTH AFRICAN HOUSING FUND for the period ended 31 March 2025**NOTES TO THE CASH FLOW STATEMENT****5. Cash and cash equivalents**

Cash with CPD	32 585	32 585
Total	32 585	32 585

The SAHF does not earn any interest on its funds in the Corporation for Public Deposits (CPD). This is because in terms of the current National Treasury arrangement, the National Treasury borrows funds in all CPD accounts at 0% interest and utilizes such funds to fund its daily cash flows, hence interest earned on the deposit at CPD is not disclosed as income earned.

The National Department of Human Settlements is a related party to the South African Housing Fund.

ANNEXURE A

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

Sector Standardised Indicators																				
Indicators	EC		FS		GP		LP		MP		KZN		NC		NW		WC		Total	
	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output	Annual Target	Annual Output
Number of integrated implementation programmes for priority development areas completed per year	2	2	1	0	0	0	0	0	1	0	3	4	0	0	0	0	5	5	12	11
Percentage of investment of the total Human Settlements allocation in PDAs	8%	6.1%	40%	56,38%	32%	34%	30%	30%	12%	15,20%	10%	17%	30%	30,99%	57%	68%	40%	49%	**	**
Percentage of land acquired during 2014-2019 within the PDA's rezoned	0	0	0	0	40%	40%	0	0	0	0	5%	0%	100%	100%	10%	0	0%	0%	**	**
Number of households that received subsidies through FLISP(Finance Linked Individual Subsidy Programme)	330	279	200	11	30	87	70	73	50	44	400	330	20	14	70	35	1 000	1 330	2170	2203
Number of Breaking New Ground (BNG) houses delivered	6 284	6 115	2049	573	5914	7237	4 555	5 0 66	2542	1728	6946	8738	2758	178	3376	3189	3 645	2 633	38069	35457
Number of serviced sites delivered	6 624	7 090	1755	5287	233	474	5 309	3 254	5499	4583	1405	835	1065	9571	6054	9841	4 328	4 853	32272	45788
Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)	29	1	9	0	1	0	4	5	1	0	2	0	1	5	3	0	1	1	51	12
Number of rental social housing units delivered	0	0	0	0	0	0	0	0	0	0	0	0	80	0	0	0	0	0	80	0
Number of Community Residential Units (CRU) delivered	0	0	270	0	0	0	514	0	220	78	270	0	0	0	0	0	0	0	1274	78
Number of Pre-1994 title deeds registered	500	254	4923	63	537	166	30	28	0	0	1418	337	150	182	1098	107	500	1 607	9156	2744
Number of Post- 1994 title deeds registered	2 847	2 115	1589	0	6 847	3 335	514	267	0	0	705	54	100	216	6632	3044	900	1 248	20134	10279
Number of Post- 2014 title deeds registered	4 130	0	824	0	2 085	1 101	325	360	0	0	462	544	150	184	2136	2166	1 000	2 337	11112	6692
Number of New title deeds registered	1 095	0	530	0	847	1 642	591	258	3500	3002	300	660	343	434	941	992	500	1 323	8647	8311

** Individual provincial percentage
Source: Audited provincial figures

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