

Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

VOTE 11  
*Annual*  
**REPORT**  
2024/25

*Transforming communities together*

## TABLE OF CONTENT

|                                                                                        |               |
|----------------------------------------------------------------------------------------|---------------|
| <b>PART A: GENERAL INFORMATION .....</b>                                               | <b>4</b>      |
| 1.DEPARTMENT GENERAL INFORMATION .....                                                 | 5             |
| 2.LIST OF ABBREVIATIONS/ACRONYMS .....                                                 | 6             |
| 3.FOREWORD BY THE MEC .....                                                            | 8             |
| 4.REPORT OF THE ACCOUNTING OFFICER .....                                               | 11            |
| 5.STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT ..... | 18            |
| 6.STRATEGIC OVERVIEW .....                                                             | 19            |
| 6.1 vision .....                                                                       | 19            |
| 6.2 mission .....                                                                      | 19            |
| 6.3 values .....                                                                       | 19            |
| 7.LEGISLATIVE AND OTHER MANDATES .....                                                 | 19            |
| 8.ORGANISATIONAL STRUCTURE .....                                                       | 21            |
| 9.ENTITIES REPORTING TO THE MEC.....                                                   | 22            |
| <br><b>PART B: PERFORMANCE INFORMATION .....</b>                                       | <br><b>23</b> |
| 1.AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES .....                             | 24            |
| 2.OVERVIEW OF DEPARTMENTAL PERFORMANCE .....                                           | 24            |
| 2.1.Service Delivery Environment.....                                                  | 24            |
| 2.2.Service Delivery Improvement Plan.....                                             | 29            |
| 2.3.Organisational Environment .....                                                   | 31            |
| 2.4.Key Policy Developments And Legislative Changes.....                               | 31            |
| 3.ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES .....                              | 32            |
| 4.INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION.....                                 | 38            |
| 4.1.Programme 1: Administration .....                                                  | 38            |
| 4.2.Programme 2: Human Settlements Delivery Planning And Performance .....             | 42            |
| 4.3.Programme 3: Housing Development.....                                              | 47            |
| 4.4.Programme 4: Human Settlements Property And Assets Management .....                | 59            |
| 5.TRANSFER PAYMENTS .....                                                              | 64            |
| 5.1.Transfer Payments To Public Entities.....                                          | 64            |
| 5.2.Transfer Payments To All Organisations Other Than Public Entities.....             | 64            |
| 6.CONDITIONAL GRANTS.....                                                              | 64            |
| 6.1.Conditional Grants And Earmarked Funds Paid .....                                  | 64            |
| 6.2.Conditional Grants And Earmarked Funds Received .....                              | 64            |
| 7.DONOR FUNDS .....                                                                    | 83            |
| 8.CAPITAL INVESTMENT .....                                                             | 83            |
| 8.1.Capital Investment, Maintenance, And Asset Management Plan .....                   | 83            |
| <br><b>PART C: GOVERNANCE .....</b>                                                    | <br><b>86</b> |
| 1.INTRODUCTION.....                                                                    | 87            |
| 2.RISK MANAGEMENT .....                                                                | 87            |
| 3.FRAUD AND CORRUPTION .....                                                           | 88            |
| 4.MINIMISING CONFLICT OF INTEREST .....                                                | 88            |
| 5.CODE OF CONDUCT .....                                                                | 88            |
| 6.HEALTH SAFETY AND ENVIRONMENTAL ISSUES.....                                          | 90            |

|                                                                                                          |            |
|----------------------------------------------------------------------------------------------------------|------------|
| 7.PORTFOLIO COMMITTEES.....                                                                              | 90         |
| 8.SCOPA RESOLUTIONS.....                                                                                 | 98         |
| 9.PRIOR MODIFICATIONS TO AUDIT REPORTS .....                                                             | 98         |
| 10.INTERNAL CONTROL UNIT.....                                                                            | 98         |
| 11.INTERNAL AUDIT AND AUDIT COMMITTEES.....                                                              | 99         |
| 12.AUDIT COMMITTEE REPORT .....                                                                          | 100        |
| 13.B-BBEE COMPLIANCE PERFORMANCE INFORMATION.....                                                        | 104        |
| <b>PART D: HUMAN RESOURCE MANAGEMENT .....</b>                                                           | <b>105</b> |
| 1.INTRODUCTION.....                                                                                      | 106        |
| 2.OVERVIEW OF HUMAN RESOURCES .....                                                                      | 106        |
| 3.HUMAN RESOURCES OVERSIGHT STATISTICS.....                                                              | 108        |
| <b>PART E: PFMA COMPLIANCE REPORT .....</b>                                                              | <b>130</b> |
| 1.IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES.....                   | 131        |
| 1.1. Irregular Expenditure .....                                                                         | 131        |
| 1.2. Fruitless and Wasteful Expenditure .....                                                            | 133        |
| 1.3. Unauthorised Expenditure .....                                                                      | 134        |
| 1.4. Additional Disclosure Relating To Material Losses In Terms Of Pfma Section 40(3)(B)(I) &(Iii))..... | 135        |
| 2.LATE AND/OR NON-PAYMENT OF SUPPLIERS.....                                                              | 136        |
| 3.SUPPLY CHAIN MANAGEMENT .....                                                                          | 136        |
| 3.1. Procurement by other means .....                                                                    | 136        |
| 3.2. Contract variations and expansions .....                                                            | 137        |
| <b>PART F: FINANCIAL INFORMATION .....</b>                                                               | <b>138</b> |
| 1. REPORT OF THE AUDITOR-GENERAL .....                                                                   | 139        |
| 2. ANNUAL FINANCIAL STATEMENTS .....                                                                     | 152        |



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

# *Part A*

## **GENERAL INFORMATION**

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## 1. DEPARTMENT GENERAL INFORMATION

|                            |                                                                                   |
|----------------------------|-----------------------------------------------------------------------------------|
| <b>PHYSICAL ADDRESS:</b>   | Steve Tshwete House,<br>31-33 Phillip Frame Road,<br>Waverly Park,<br>Chiselhurst |
| <b>POSTAL ADDRESS:</b>     | Private Bag X 13008,<br>Cambridge – Chiselhurst,<br>East London,<br>5206          |
| <b>TELEPHONE NUMBER/S:</b> | +27 43 711 9837                                                                   |
| <b>FAX NUMBER:</b>         | +27 86 504 3584                                                                   |
| <b>EMAIL ADDRESS:</b>      | BongiweG@ecdhs.gov.za                                                             |
| <b>WEBSITE ADDRESS:</b>    | <a href="http://www.ecdhs.gov.za">www.ecdhs.gov.za</a>                            |

## 2. LIST OF ABBREVIATIONS/ACRONYMS

|              |                                                        |
|--------------|--------------------------------------------------------|
| <b>ACM</b>   | Asbestos Containing Materials                          |
| <b>AGSA</b>  | Auditor General of South Africa                        |
| <b>AFS</b>   | Annual Financial Statements                            |
| <b>APP</b>   | Annual Performance Plan                                |
| <b>AOP</b>   | Annual Operational Plan                                |
| <b>BAC</b>   | Bid Adjudication Committee                             |
| <b>BAS</b>   | Basic Accounting System                                |
| <b>BBBEE</b> | Broad Based Black Economic Empowerment                 |
| <b>BCM</b>   | Buffalo City Municipality                              |
| <b>BEC</b>   | Bid Evaluation Committee                               |
| <b>BEE</b>   | Black Economic Empowerment                             |
| <b>BNG</b>   | Breaking New Ground                                    |
| <b>BSC</b>   | Bid Specification Committee                            |
| <b>CFO</b>   | Chief Financial Officer                                |
| <b>CID</b>   | Corporate Identity                                     |
| <b>CMS</b>   | Case Management System                                 |
| <b>COIDA</b> | Compensation for Occupational Injuries and Disease Act |
| <b>CRU</b>   | Community Residential Units                            |
| <b>CRUP</b>  | Community Residential Units Programme                  |
| <b>DBSA</b>  | Development Bank of Southern Africa                    |
| <b>DDM</b>   | District Development Model                             |
| <b>DORA</b>  | Division of Revenue Act                                |
| <b>DPSA</b>  | Department of Public Service and Administration        |
| <b>DRPW</b>  | Department of Road and Public Works                    |
| <b>ECATU</b> | Eastern Cape Appropriate Technology Unit               |
| <b>ECDHS</b> | Eastern Cape Department of Human Settlements           |
| <b>ECMS</b>  | Electronic Construction Management System              |
| <b>EDMS</b>  | Electronic Document Management System                  |
| <b>EE</b>    | Employment Equity                                      |
| <b>EEDBS</b> | Enhanced Extended Discount Benefit Scheme              |
| <b>EEP</b>   | Employment Equity Plan                                 |
| <b>EHW</b>   | Employment Health and Wellness                         |
| <b>EIA</b>   | Environmental Impact Assessment                        |
| <b>EPHP</b>  | Enhanced Peoples Housing Process                       |
| <b>EPWP</b>  | Expanded Public Works Programme                        |
| <b>EXCO</b>  | Executive Council                                      |
| <b>FET</b>   | Further Education and Training                         |
| <b>FLISP</b> | Finance Linked Individual Subsidy Programme            |
| <b>GBRC</b>  | Green Building Research Conference                     |
| <b>GIS</b>   | Geographical Information System                        |
| <b>HDA</b>   | Housing Development Agency                             |
| <b>HIV</b>   | Human Immune Virus                                     |
| <b>HOD</b>   | Head of Department                                     |
| <b>HRP</b>   | Human Resource Plan                                    |
| <b>HRD</b>   | Human Resource Development                             |
| <b>IFC</b>   | International Finance Corporation                      |

|                |                                                               |
|----------------|---------------------------------------------------------------|
| <b>ISBT</b>    | Innovative Sustainable Building Technology                    |
| <b>MMC</b>     | Member of the Municipal Council                               |
| <b>MINMEC</b>  | Ministers and Member of Executive Council                     |
| <b>MIS</b>     | Management Information System                                 |
| <b>MISP</b>    | Master Information Systems Plan                               |
| <b>MPCC</b>    | Multi-purpose Community Centre                                |
| <b>MTEF</b>    | Medium Term Expenditure Framework                             |
| <b>MUNIMEC</b> | Municipalities and Members of Executive Council               |
| <b>MYHDP</b>   | Multi Year Housing Development Plan                           |
| <b>NHBRC</b>   | National Home Builders Registration Council                   |
| <b>NHFC</b>    | National Housing Finance Corporation                          |
| <b>NMBM</b>    | Nelson Mandela Bay Municipality                               |
| <b>NSDF</b>    | National Spatial Development Framework                        |
| <b>NYDA</b>    | National Youth Development Agency                             |
| <b>NSDP</b>    | National Spatial Development Plan                             |
| <b>NUSP</b>    | National Upgrading Support Programme                          |
| <b>NURCHA</b>  | National Urban Reconstruction and Housing Agency              |
| <b>OAG</b>     | Office of the Auditor General                                 |
| <b>OPS/CAP</b> | Operational Capital Budget                                    |
| <b>OTP</b>     | Office of the Premier                                         |
| <b>ISS</b>     | Institute for Social Studies                                  |
| <b>HRM</b>     | Human Resources Management                                    |
| <b>HSDG</b>    | Human Settlement Development Grant                            |
| <b>HSS</b>     | Housing Subsidy System                                        |
| <b>HSRC</b>    | Human Science Research Council                                |
| <b>IAR</b>     | Immovable Asset Register                                      |
| <b>ICT</b>     | Information and Communication Technology                      |
| <b>IDP</b>     | Integrated Development Plan                                   |
| <b>IGR</b>     | Intergovernmental Relations                                   |
| <b>IOD</b>     | Injury on Duty                                                |
| <b>IT</b>      | Information Technology                                        |
| <b>JE</b>      | Job Evaluation                                                |
| <b>KM</b>      | Knowledge Management                                          |
| <b>LAA</b>     | Land Availability Agreement                                   |
| <b>LAN</b>     | Local Area Network                                            |
| <b>LOGIS</b>   | Logistical Information System                                 |
| <b>LED</b>     | Local Economic Development                                    |
| <b>IPAPE</b>   | Institutional Performance Assessment and Programme Evaluation |
| <b>MEC</b>     | Member of the Executive Council                               |
| <b>MFMA</b>    | Municipal Finance Management Act                              |
| <b>MHSP</b>    | Municipal Housing Sector Plans                                |
| <b>MIG</b>     | Municipal Infrastructure Grant                                |
| <b>PDMS</b>    | Performance Development Management System                     |
| <b>PACom</b>   | Project Assessment Committee                                  |
| <b>Persal</b>  | Personnel and Salary System                                   |
| <b>PFMA</b>    | Public Finance Management Act                                 |
| <b>PGDP</b>    | Provincial Growth and Development Plan                        |
| <b>PGDS</b>    | Provincial Growth and Development Strategy                    |

|               |                                                         |
|---------------|---------------------------------------------------------|
| <b>PHDP</b>   | People Housing Development Programme                    |
| <b>PILIR</b>  | Procedure on Incapacity Leave and Ill Health Retirement |
| <b>PMDS</b>   | Performance Management and Development System           |
| <b>PMO</b>    | Project Management Office                               |
| <b>PMS</b>    | Performance Management System                           |
| <b>PMU</b>    | Project Management Unit                                 |
| <b>PMQA</b>   | Project Management & Quality Assurance                  |
| <b>PPPFMA</b> | Preferential Procurement Policy Framework Act           |
| <b>PR</b>     | Public Relations                                        |
| <b>PSC</b>    | Project Steering Committee                              |
| <b>PSDP</b>   | Provincial Spatial Development Plan                     |
| <b>PSLVDC</b> | Provincial State Land Vesting and Disposal Committee    |
| <b>PVAS</b>   | Payment Voucher Administration System                   |
| <b>QPMS</b>   | Quarterly Performance Management                        |

|               |                                                  |
|---------------|--------------------------------------------------|
|               | System                                           |
| <b>QPR</b>    | Quarterly Performance Report                     |
| <b>RHLF</b>   | Rural Housing Loan Fund                          |
| <b>RMU</b>    | Revenue Management Unit                          |
| <b>RULIV</b>  | Rural Livelihoods Programme                      |
| <b>SANMVA</b> | South African National Military Veterans Affairs |
| <b>SDIP</b>   | Service Delivery Improvement Plan                |
| <b>SCM</b>    | Supply Chain Management                          |
| <b>SCMU</b>   | Supply Chain Management Unit                     |
| <b>SHI</b>    | Social Housing Institution                       |
| <b>SHRA</b>   | Social Housing Regulatory Authority              |
| <b>SITA</b>   | State Information Technology Agency              |
| <b>SLA</b>    | Service Level Agreement                          |
| <b>SMME</b>   | Small Medium and Micro Enterprises               |
| <b>UNDP</b>   | United Nations Development Programme             |
| <b>USDG</b>   | Urban Settlements Development Grant              |
| <b>WAN</b>    | Wide Area Network                                |
| <b>PSR</b>    | Public Service Regulation                        |
| <b>PSETA</b>  | Public Service Sector Education and Training     |
| <b>WSP</b>    | Workplace Skills Plan                            |

### 3. FOREWORD BY THE MEC

*Ms. Siphokazi*  
**Lusithi**

MEC FOR HUMAN SETTLEMENTS



#### Introduction

The 2024/25 Annual Report marks the fifth performance year of the sixth Administration term. Its presentation fulfils the requirements of Section 26 of the South African Constitution (Act 108 of 1996), reflecting the progress made through the implementation of both the National Development Plan (NDP) 2030 and the Provincial Development Plan (PDP).

The Department is guided by the programme of the ruling party, African National Congress (ANC) as outlined in its 2014 manifesto. Additionally, the Freedom Charter's declaration, "There Shall be Houses, Security, and Comfort," provides a foundation for the department to pursue its mandate. The department continues to create integrated and sustainable human settlements that foster social cohesion, economic opportunity, and spatial justice for the people of the Eastern Cape, particularly serving the most vulnerable communities.

The provision of housing is crucial for restoring the dignity of South Africans, especially after the injustices of the apartheid regime. The democratic government has committed to creating sustainable communities and settlements that integrate housing within its socio-economic context during the 6th administration. As the department approaches the end of this term, it remains resolute in implementing its broader policy priorities, as outlined in the Annual Performance Plan. All available resources, both human and financial, have been dedicated to these priorities to achieve the greatest impact towards Vision 2030.

#### Achievements in relation to policy directives, 2019-24 Medium Term Strategic Framework and department's outcomes

The department's performance for the year under review marks the first year of the 2024-2029 Medium Term Development Plan (MTDP). The Ministry is pleased to share key service delivery highlights undertaken while providing political leadership in pursuit of strategic priorities. The department remains resolutely committed to providing decent shelter and comfort for qualifying individuals, regardless of race, gender, or creed, as guided by government housing policies. It will continue to implement its long-term strategy in line with the Strategic Plan, Outcome 5 of the Provincial Medium-Term Strategic Framework (PMTSF), and Goal 2 of the Provincial Development Plan (PDP) to fulfil its mandate of creating integrated, sustainable human settlements and improving the quality of household life.

The department continues to prioritise the provision of secure and decent shelter to the destitute, elderly and vulnerable people to restore their dignity and give households a catalyst for economic emancipation and sustainable livelihoods. This financial year, the department has delivered 7 090 serviced sites with 5 662 rural and 1 428 urban and 6 115 units completed to shelter destitute households against planned targets of 6 624 and 6 284, respectively. These interventions are targeting the elderly, women, people living with disabilities, child headed households and military veterans.

The department continues to support communities affected by disasters by providing 1 243 temporary shelters through the Emergency Housing Assistance Programme in the current financial year. This intervention is implemented through the three spheres of government, aims to bring relief to those in distress while the department works towards providing permanent housing solutions.

The department is implementing the First Home Finance programme to enable sustainable and affordable first-time homeownership opportunities for qualifying beneficiaries who wish to buy or build their first home affordably. In the year under review, 279 households have received subsidies through this intervention.

The department has made inroads in unblocking all 87 stalled projects in the province. These projects, to be implemented over multiple years, will unlock a total of 12 759 units. Some projects were previously blocked due to contractor underperformance, lack of bulk infrastructure, and social challenges during implementation.

The issuance of title deeds remains a priority for the department, focusing on providing secure tenure rights to beneficiaries and restoring their dignity and property ownership. The department successfully registered 2 369 title deeds in the following categories: pre-1994 (254) and post-1994 (2 115). To accelerate the delivery of the programme, the department has adopted a strategy to issue title deeds upon beneficiary approval, where a site or land can be transferred.

The department prioritised the empowerment of MSMEs and designated groups through various interventions inclusive of training, skills development and provision of work opportunities to the MSMEs. In the financial year under review, 87 MSMEs were trained and 75% of the HSDG construction budget was awarded to women and youth contractors, exceeding 40% targeted for the designated groups.

The department continues to enhance the capacity of municipalities by offering competency-based training to councillors, traditional leaders, and municipal officials in human settlements-related fields, through collaboration with Nelson Mandela University. In the year under review, Buffalo City Metropolitan Municipality (BCMM) was accredited to Level 2, enhancing its participation in human settlements development programmes, including project implementation.

The department continues to implement public education and awareness initiatives to empower citizens with knowledge about its programs, policies, and services. Through a robust communication strategy focused on mass media platforms, the department successfully reached millions of people. Additionally, 6,683 housing beneficiaries were engaged through consumer education to increase the visibility of Human Settlements and its services in transforming communities this year.

Furthermore, the department resolved 313 rental dispute cases through the Rental Housing Tribunal, working closely with municipalities to provide information and advice to tenants and landlords regarding their rights and obligations in relation to dwellings within their jurisdiction.

### Challenges for the financial year under review

- The shrinking fiscal allocation has negatively impacted the implementation and delivery of the department's programmes, hindering efforts to address the housing backlog effectively.
- Climate change poses an imminent threat to the lives of people living in rural areas and informal settlements. This global phenomenon has significantly affected the Eastern Cape, caused major damage and left many people homeless.

### The strategic focus over the medium to long term period

The Department's long-term strategy remains rooted in the national outputs reflected in the Outcome 8 and the Provincial Medium-Term Development Plan; all aligned with the National Development and key considerations include:

- Provision of the housing opportunities and assistance, prioritizing the Destitute, Vulnerable Groups, Military veterans and GBVF victims
- Empowerment opportunities, Skills Development and Job Creation for Micro Small and Medium Enterprise (MSME) including designated groups
- Enhanced partnerships and collaborations with Strategic partners in Mobilising Human Settlements Investments
- Unlocking of local Building Material Manufactures and Suppliers
- Identify, acquire, hold, develop and release residential state land for sustainable Human Settlements development
- Upgrading of informal settlements
- Municipal Support and Accreditation Programme
- Accelerated Registration and Issuance of Title Deeds to homeowners
- Adoption of Innovative and Sustainable Building Technologies (ISBT)
- Strengthen Consumer Education and Community Interventions

## Acknowledgement/Appreciation

I extend my appreciation to the Premier of our Province and my colleagues in the Executive Council for their continued support. I also thank the Portfolio Committee, Audit Committee, and Risk Committee for their constructive oversight, ensuring the department remains accountable and on track in realizing its mandate.

I wish to acknowledge and appreciate the Head of Department, Executive Management, Senior Management, and the entire staff for their remarkable support and dedication to providing care and support to poor and vulnerable communities.

Lastly, I express my gratitude to all our stakeholders for supporting the department in its efforts to create better communities and enrich the lives of our people.

## Conclusion

As a member of the Executive Council responsible for Human Settlements, I am pleased to present the 2024/25 Annual Report of the first year of the seventh term of administration. This report aligns with our accountability prescripts and provides an account of the policy speech directives as outlined in the Annual Performance Plan, as well as the National and Provincial Medium Term Strategic Frameworks.

---

**SIPHOKAZI LUSITHI**  
**MEMBER OF EXECUTIVE COUNCIL**  
**MEC OF THE DEPARTMENT OF HUMAN SETTLEMENTS**

**DATE: 31 JULY 2025**

## 4. REPORT OF THE ACCOUNTING OFFICER



### Overview of the operations of the department

The Eastern Cape Department of Human Settlements hereby submits the 2024/25 Annual Report as part of its constitutional, legislative, and civil responsibility to account for its performance against the allocated resources. The Department remains committed to improving the performance of the sector's set priorities, providing decent shelter to the acute destitute, other vulnerable groups, and addressing collapsed mud houses.

The Annual Report reflects the Department's performance against the targets set out in the revised 2024-25 MEC Policy Speech and Annual Performance Plan, which outline how departmental plans will create sustainable human settlements and progressively improve the quality of household livelihoods in the province. The Department operates within the framework of the National Development Plan and the Provincial Development Plan Vision 2030. Circular 1 of 2024, dated 24 July 2024, allowed departments to revise and re-table their Annual Performance Plans. Accordingly, the Department of Human Settlements revised its outputs and targets in line with the available budget for the current financial year.

### Overview of the results and challenges for the department, briefly commenting on significant events and projects for the year

#### Achievements for the Year

The Department has obtained an unqualified audit opinion for seven consecutive years, with matters of emphasis for the 2023/24 financial year audit. It continues to contribute to the delivery of housing opportunities, with a special focus on destitute individuals, vulnerable groups, and military veterans. During the year under review, the Department successfully delivered 6,115 housing units and 7,090 serviced sites, against the targets of 6,284 and 6,624, respectively. Additionally, housing units at various stages of construction have been attained as follows:

- 1 620 Foundations
- 741 Wall Plates
- 531 Roofs

Through housing construction, 3 396 jobs were created in the following categories.

| Categories              | Statistics   |
|-------------------------|--------------|
| Adult Women             | 408          |
| Adult Men               | 1 300        |
| Female youth            | 464          |
| Male youth              | 1 224        |
| Persons with disability | 0            |
| <b>Total</b>            | <b>3 396</b> |

#### Challenges for the Year

The shortage of adequate bulk infrastructure in secondary and smaller towns continues to hinder the initiation of new projects, especially mixed-mode development. To address this, the Department is working closely with municipalities to prioritise bulk infrastructure for human settlements development within the District Development Model (DDM)

framework. Additionally, the Department will continue to co-fund bulk projects utilizing the Informal Settlements Upgrading Partnership Grant (ISUPG). The ineffective implementation of land-use management practices in some municipalities is often subject to delays due to non-seating of council meetings and is inadequately structured to coordinate development applications.

A lack of integrated planning among the Department, sector departments, municipalities, the private sector, and donor institutions often results in misaligned plans and fragmented human settlements project implementation. The Department has strengthened its participation in IGR structures and cluster systems. Furthermore, the department is in the process of implementing long-term, credible Provincial Project Pipeline to ensure coordinated and integrated human settlements delivery.

There is also a shortage of technical capacity within municipalities, with some lacking dedicated housing directorates. To address this, the Department provides continuous support to municipalities through capacity-building sessions and short learning programmes.

The emergence of construction mafias and vigilantism has disrupted service delivery and posed safety threats to both officials and service providers. The Department is actively engaging with law enforcement agencies within municipalities to address these security concerns and ensure effective implementation of human settlements projects.

### Overview of the financial results of the department:

The total adjusted allocation for the 2024/25 financial year is R 2,448 billion which increased by 3.29% from R2,370 billion in the 2023/24 financial year. The department has spent 99.71% of the allocated budget in the current financial year compared to 99.75% spent in the previous financial year.

#### Equitable Share

The equitable share allocation for 2024/25 was R 512,516 million which has increased by 14.19% compared to R 448,845 million in 2023/24 financial year.

#### Compensation of Employees

For the 2024/25 financial year the department allocated R 390,465 million for compensation of employees which increased by 4.82% from R 372,494 million in the 2023/24 financial year, and the department spent 99.18% of the allocation in the current financial year.

#### Goods and Services

The Goods and Services allocation for 2024/25 financial year was R 96,258 million which increased by 48.95% as compared to R 64,626 million allocated for 2023/24 financial year. The department has spent 100% of the allocation in the current financial year.

Included within the goods and services allocation, is the EPWP grant of which funding for the 2024/2025 financial year was R 2,384 million, which increased by 7.58% compared to R 2,216 million in the previous financial year and 99.37% of this allocation was spent.

#### Capital Assets

The budget for capital assets allocated for 2024/25 financial year is R 25,122 million which increased by 115.97% compared to R 11,632 million in the 2023/24 financial year. The department spent 83.89% and a rollover application of R 2,004 million has been submitted to the Provincial Treasury for the procurement of ICT equipment.

#### Transfers and households

The total allocation for Human Settlements Development Grant for the 2024/25 financial year was R 1,518 billion which increased by 7.97% from R 1,406 billion in the 2023/24 financial year. The department spent 100% of the allocation in the current financial year.

The allocation for the Informal Settlements Development Grant for the 2024/25 financial year was R 414,853 million which decreased by 16.43% from R 496,371 million in the 2023/24 financial year. The department has spent 99.99% of the allocation in the current financial year.

## • Departmental Receipts

| Departmental receipts                                | 2024/2025    |                         |                         | 2023/2024    |                         |                         |
|------------------------------------------------------|--------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|
|                                                      | Estimate     | Actual Amount Collected | (Over)/Under Collection | Estimate     | Actual Amount Collected | (Over)/Under Collection |
|                                                      | R '000       | R '000                  | R '000                  | R '000       | R '000                  | R '000                  |
| Tax Receipts                                         | -            | -                       | -                       | -            | -                       | -                       |
| Casino taxes                                         | -            | -                       | -                       | -            | -                       | -                       |
| Horse racing taxes                                   | -            | -                       | -                       | -            | -                       | -                       |
| Liquor licences                                      | -            | -                       | -                       | -            | -                       | -                       |
| Motor vehicle licences                               | -            | -                       | -                       | -            | -                       | -                       |
| Sale of goods and services other than capital assets | 601          | 326                     | 275                     | 398          | 332                     | 66                      |
| Transfers received                                   | -            | -                       | -                       | -            | -                       | -                       |
| Fines, penalties and forfeits                        | -            | -                       | -                       | -            | -                       | -                       |
| Interest, dividends and rent on land                 | -            | 7,125                   | (7,125)                 | 801          | 25,197                  | (24,396)                |
| Sale of capital assets                               | 1,304        | 21                      | 1,283                   | 624          | 278                     | 346                     |
| Financial transactions in assets and liabilities     | -            | 172                     | (172)                   | -            | 69                      | (69)                    |
| <b>Total</b>                                         | <b>1,905</b> | <b>7,644</b>            | <b>(5,739)</b>          | <b>1,823</b> | <b>25,876</b>           | <b>(24,053)</b>         |

The department collected R 5,739 million more revenue than expected for the 2024/25 financial year. Overcollection is mainly due to the over collection of interest in Trust Accounts.

## • Tariff Register

The Department has an approved Tariff Policy, which mainly addresses the rental stock of the Housing Board assets, and they are predominantly allocated to low income earning citizens of the province. This has influenced the Departments decision to remain with the same tariff structure to accommodate the low-income tenants.

## Programme Expenditure

| Sub Programme Name                | 2024/2025           |                    |                          | 2023/2024           |                    |                          |
|-----------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                                   | 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                    | 216 536             | 210 742            | 5 794                    | 174 221             | 171 547            | 2 674                    |
| Housing Needs Planning & Research | 20 111              | 20 111             | -                        | 21 010              | 21 010             | -                        |
| Housing Development               | 2 188 830           | 2 187 416          | 1 414                    | 2 154 951           | 2 151 395          | 3 556                    |
| Housing Asset Management          | 22 380              | 22 230             | 150                      | 20 004              | 20 004             | -                        |
| <b>Total</b>                      | <b>2 447 857</b>    | <b>2 440 499</b>   | <b>7 358</b>             | <b>2 370 186</b>    | <b>2 363 956</b>   | <b>6 230</b>             |

**Programme 1:** Administration has spent 97.32% of its final budget on the year under review. Included in the programme 1 appropriation and expenditure is the Statutory Appropriation of the Member of Executive Council

**Programme 2:** Housing Needs, Research and Planning has spent 100% of its final budget

**Programme 3:** Housing Development has spent 99.94% of its final budget

**Programme 4:** Housing Asset Management has spent 99.33% of its final budget.

• **Virements /roll overs**

**Transferring Programme 1: Administration**

| Economic Classification      | Adjusted Appropriation | Shifting of funds | Virement       | Final Appropriation |
|------------------------------|------------------------|-------------------|----------------|---------------------|
|                              | R'000                  | R'000             | R'000          | R'000               |
| Compensation of employees    | 130 331                | -                 | (4 308)        | 126 023             |
| Goods & Services             | 58 838                 | -                 | 6 220          | 65 058              |
| Households                   | 95                     | -                 | 215            | 310                 |
| Machinery & Equipment        | 29 532                 | -                 | (4 410)        | 25 122              |
| Payment for financial assets | -                      | -                 | 23             | 23                  |
| <b>Total</b>                 | <b>218 796</b>         | <b>-</b>          | <b>(2 260)</b> | <b>216 536</b>      |

A virement of R 8,718 million was made from Programme 1:

- To fund over expenditure of Goods & Services item within Programmes 2 and 3
- Recognition of the operating costs of the finance lease for cell phones

A virement of R 6,458mil was made to Programme 1:

- To fund over expenditure of Goods & Services item within Programme 1
- To write-off of irrecoverable debt
- To recognise operating costs of the finance lease for cell phones

The net effect of these virements was R 2,260 million.

**Receiving Programme 2: Housing, Needs, Research and Planning**

| Economic Classification   | Adjusted Appropriation | Shifting of funds | Virement   | Final Appropriation |
|---------------------------|------------------------|-------------------|------------|---------------------|
|                           | R'000                  | R'000             | R'000      | R'000               |
| Compensation of employees | 18 340                 | -                 | (635)      | 17 705              |
| Goods & Services          | 1 498                  | -                 | 892        | 2 390               |
| Households                | 16                     | -                 | -          | 16                  |
| <b>Total</b>              | <b>19 854</b>          | <b>-</b>          | <b>257</b> | <b>20 111</b>       |

A virement of R 635k was made from Programme 2:

- To fund over expenditure of Goods & Services within Programme 2

A virement of R 892k was made to Programme 2:

- To fund over expenditure of Goods & Services within Programme 2
- To fund over expenditure of Social Benefits of Programme 2

The net effect of these virements was R 257k

**Transferring Programme 3: Housing Development**

| Economic Classification   | Adjusted Appropriation | Shifting of funds | Virement     | Final Appropriation |
|---------------------------|------------------------|-------------------|--------------|---------------------|
|                           | R'000                  | R'000             | R'000        | R'000               |
| Compensation of employees | 228 367                | -                 | (1 936)      | 226 431             |
| Goods & Services          | 23 513                 | -                 | 4 173        | 27 686              |
| Households - current      | 1 657                  | -                 | 99           | 1 756               |
| Households - capital      | 1 932 957              | -                 | -            | 1 932 957           |
| <b>Total</b>              | <b>2 186 494</b>       | <b>-</b>          | <b>2 336</b> | <b>2 188 830</b>    |

A virement of R 1,936 mil was made from Programme 3:

- To fund over expenditure of goods & services in Programme 3

A virement of R 4,272 mil was made to Programme 3:

- To fund over expenditure of goods & services in Programme 3
- To fund over expenditure of Social Benefits of Programme 3

The net effect of these virements was R 2,336mil.

**Receiving Programme: Programme 4: Housing Asset Management**

| Economic Classification   | Adjusted Appropriation | Shifting of funds | Virement     | Final Appropriation |
|---------------------------|------------------------|-------------------|--------------|---------------------|
|                           | R'000                  | R'000             | R'000        | R'000               |
| Compensation of employees | 20 630                 | -                 | (324)        | 20 306              |
| Goods & Services          | 1 003                  | -                 | 121          | 1 124               |
| Households                | 1 080                  | -                 | (130)        | 950                 |
| <b>Total</b>              | <b>22 713</b>          | <b>-</b>          | <b>(333)</b> | <b>22 380</b>       |

A virement of R 454k was made from Programme 4:

- To fund over expenditure of goods & services in Programme 3
- To fund over expenditure of Social Benefits of Programme 1

A virement of R 121k was made to Programme 4:

- To fund over expenditure of goods & services in Programme 4

The net effect of these virements was R 333k.

• **Unauthorized, fruitless and wasteful expenditure**

The opening balance for irregular expenditure was R721.1 million, with R39.7 million expenditure incurred during the 2024/25 financial year. This expenditure primarily relates to multi-year contracts that had been identified and reported in previous financial years and were included in the R427.7 million condoned during the year under review.

Fruitless and wasteful expenditure totalling to R28.3 million was also identified and disclosed. This mainly pertains to payments made to service providers in cases where funds had been advanced to the Housing Development Agency (HDA), which then failed to pay the service providers. It also includes interest and damages paid as a result of court orders. This expenditure is currently under assessment, and where negligence is confirmed, appropriate corrective action will be taken.

• **Strategic focus over the short to medium term period**

The Departmental focuses in the following outputs for the 2025/26 financial year:

- Complete 4 970 housing units
- Complete 4 345 serviced sites
- Rectify 1 158 pre and post defective houses
- Implement 3 projects with ISBT elements
- Provide 143 housing units for military veterans
- Complete phase 1 of 30 informal settlements
- Complete phase 2 of 47 informal settlements
- Upgrade 83 informal settlements to phase 3
- Approve 260 First Home Finance subsidies
- Provide 77 Individual Subsidy Units
- Finalize 2 social and economic amenities
- Handover 4 827 destitute houses
- Register 1 666 title deeds
- Create 5 834 work opportunities
- Allocate 40% of Human Settlements Conditional Grants to MSME Contractors
- Support 142 Youths in experiential learning and artisan development programme (apprenticeship and learnership)
- Capacitate 39 municipalities to perform Human Settlements functions as per the Housing Code
- Procure 10% of black industrialists building materials procured by contractors contracted
- Devolve 5 land parcels to municipalities

• **Public-private partnerships**

The Department has continued to maintain and extend its research partnerships with Higher Learning Institutions and has concluded Memoranda of Understanding that will expire in 2027 with the following institutions:

- University of Fort Hare

- Rhodes University
- Walter Sisulu University
- Nelson Mandela University
- Stellenbosch University

Furthermore, the Department has concluded a Memorandum of Understanding (MoU) with Agrément South Africa (ASA). This forms part of implementing the resolutions of the Human Settlements Indaba held in Nelson Mandela University in July 2023. The objectives of the MoU are as follows:

- To encourage the use of certified innovative building technologies and products in human settlements development projects to improve efficiency and sustainability.
  - To promote research and development, support new building technologies and systems initiatives,
  - To enhance capacity building and skills transfer: Develop training programs for stakeholders involved in implementing innovative building technologies, and
  - To improve housing delivery: Increase the speed and quality of housing delivery by adopting innovative systems.
- **Discontinued key activities / activities to be discontinued**
    - No discontinued activities or activities to be discontinued in the year under review
  - **New or proposed key activities**
    - None
  - **Supply chain management**
    - The Department did not conclude any unsolicited bid proposals during the year under review.
    - Processes, procedures and internal controls were executed and monitored to ensure compliance with supply chain management prescripts to prevent irregular expenditure.
    - The Base Control Self-Assessment (BCSA) tool is not fully utilized to detect irregular expenditure in the procurement process due to an inadequate staff complement.

#### Challenges experienced in SCM and how they were resolved.

| Challenges in SCM                                       | How they were resolved                                                                                                                                                                                                                                                                |
|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The department faced a challenge of non-responsive bids | <ul style="list-style-type: none"> <li>• The Department advertised an invitation for the Framework Agreement to track the process of procurement and appointment of competent contractors.</li> <li>• The Department has reviewed and standardized the terms of reference.</li> </ul> |

#### • Gifts and donations received in kind from non-related parties

Household furniture and goods were provided by donors and partners for distribution to households of destitute and vulnerable groups during the year under review. These items were directly gifted to the beneficiaries of the units that were handed over, with no benefits received by departmental officials. Further details can be found in Annexure 1C of the Annual Financial Statements.

#### • Exemptions and deviations received from the national treasury

There were no exemptions from financial reporting requirements received from the National Treasury for the 2024/25 financial year

#### • Events after the reporting date

There were no events after the reporting date that are to be disclosed

#### • Other

- None

- **Acknowledgement/s or appreciation**

I wish to express my gratitude to the Member of the Executive Authority for her leadership and continued guidance, the Portfolio Committee, Audit Committee and Risk Committee for their oversight function, our strategic partners for their continuous support, and the entire Human Settlements family for their contribution to this noble cause.

- **Conclusion**

As the Accounting Officer of the Eastern Cape Department of Human Settlements, I have the pleasure and honour of submitting the Annual Report for the 2024/25 financial year.

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**EDMOND VENN**  
**ACCOUNTING OFFICER**  
**DEPARTMENT OF HUMAN SETTLEMENTS**

**Date: 31 JULY 2025**

## 5. 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 E) 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.

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

Yours faithfully

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**EDMOND VENN**  
**ACCOUNTING OFFICER**  
**DEPARTMENT OF HUMAN SETTLEMENTS**

**DATE: 31 JULY 2025**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Integrated sustainable Human Settlements with improved quality of household lives by 2030, for residence of Eastern Cape

### 6.2 Mission

Provision of quality integrated and sustainable Human Settlements that offer our communities a better living environment.

### 6.3 Values

| CORE VALUES / PRINCIPLES – DEPARTMENT OF HUMAN SETTLEMENTS |                                                                     |
|------------------------------------------------------------|---------------------------------------------------------------------|
| Transparency and accountability                            | Good governance and clear communication                             |
| Respect and courtesy                                       | Acknowledge the centrality of human dignity in all that we do       |
| Professionalism and integrity                              | Ethical conduct that upholds a client oriented public service ethos |
| Commitment and Teamwork                                    | Achieving more and better together                                  |
| Service Standards                                          | High quality service delivery through client-oriented approaches    |

## 7. LEGISLATIVE AND OTHER MANDATES

The mandate of the Department emanates from Section 26 of the RSA Constitution which provides that everyone has the right to have access to adequate housing, the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right and no one may be evicted from their home, or have their home demolished, without an order of court.

The Mandate of the National Department is also embedded in Section 3 of the Housing Act of 1997 as amended which provides that the National government acting through Minister should determine national Policy. Such policy should, include norms and standards in respect of housing Development. The National government should amongst other functions set broad national housing delivery goals and facilitate the setting of provincial and where appropriate, local government housing delivery goals.

General Proclamation Notice No. 1570 of 2009 as signed off by the President of the Republic of South Africa then created the Department of Human Settlements as a successor to Department of Housing. This notice together with the Comprehensive Plan for the Creation of sustainable human settlements adopted by Cabinet in 2004 presents a shift in mandate from providing housing to providing sustainable and integrated human settlements. Chapter eight of the National Development Plan, 2011 further controlled housing to work towards transforming human settlements to eliminate the apartheid spatial geography to create settlements where people can work, pray, play, and have access to social and economic amenities.

The Department's mandate is derived from Chapter 2, the Bill of Rights, Chapters 3 and 6 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). In terms of Section 26 of the Bill of Rights:

- Everyone has the right to have access to adequate housing.
- The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right.
- No one may be evicted from their home, or have their home demolished, without an order of court being made after consideration of all the relevant circumstances. No legislation may permit arbitrary eviction.

The following sections of the Constitution provide the legislative framework for the institutional arrangements used in the development of sustainable human settlements:

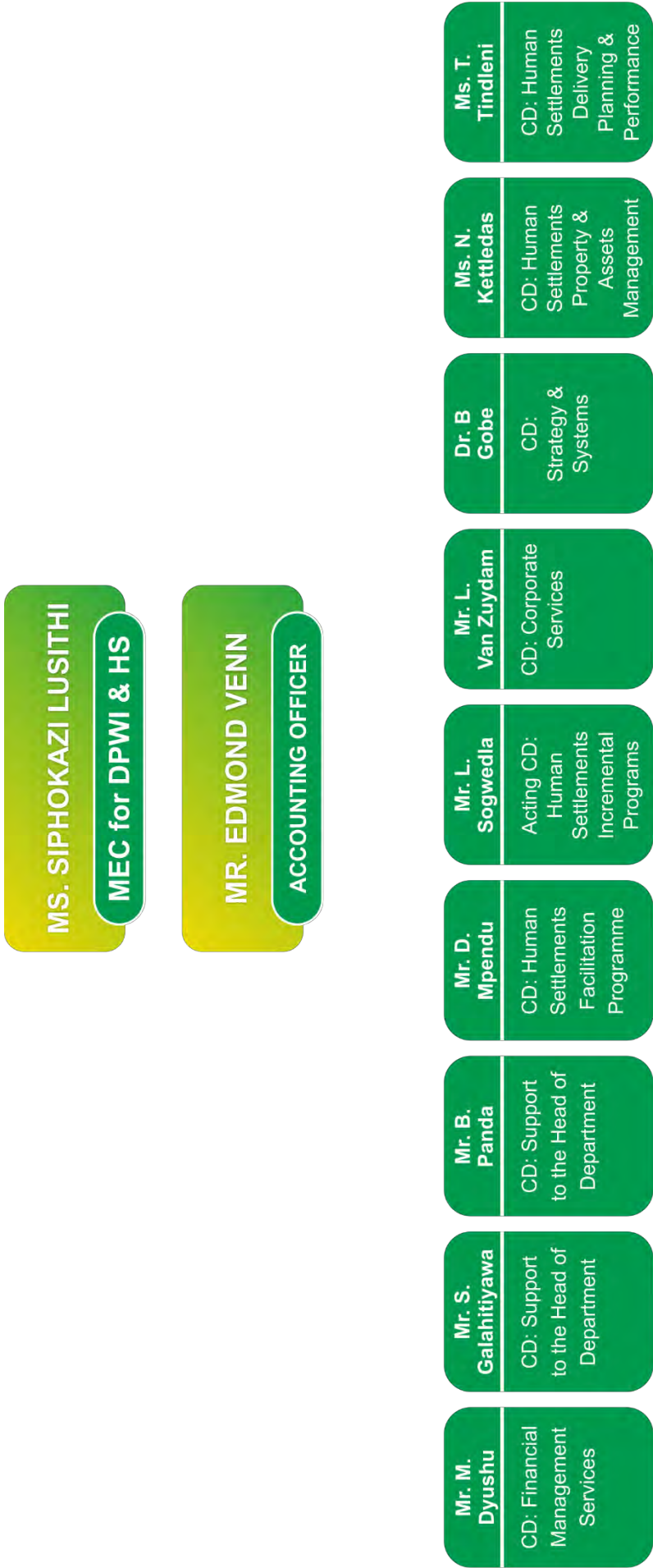
- Part A of Schedule 4, Chapter 14 lists housing, urban and rural development, and regional planning and development as functional areas of concurrent national and provincial legislative competence.
- Section 154(4) further provides for the delegation of powers and functions to local government, by agreement, if municipalities have the necessary capacity and are regarded as the most effective site from which these powers can be exercised.

- Section 125(3) provides that, by legislative and other measures, the national government must assist provinces to develop their administrative capacity, which is required for the effective exercise of their powers and the performance of their human settlements functions.

The table below provides a list of key policies and legislation that support the implementation of the Mandate of the Department of Human Settlements

| Legislative Mandate                                                                            | Brief Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Housing Act, 1997 (Act No. 107 of 1997)                                                    | This act creates the provision for the granting of housing subsidies for low-income earners                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Prevention of Illegal Eviction from Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998) | This act repeals the Prevention of illegal squatting act (Act 52 of 1951) and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act makes it an offence to evict without following the due process of law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| The Housing Consumer Protection Measures Act, 1998 (Act No. 95 of 1998)                        | Provides for the establishment of a statutory regulating body for homebuilders. The National Home Builders Registration Council registers builders engaged in certain categories of housing construction, and regulates the home building industry by formulating and enforcing a code of conduct                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| The Rental Housing Act, 1999 (Act No. 50 of 1999) as Amended                                   | The Rental Housing Act repeals the Rent Control Act (1976) and defines government responsibilities in respect of rental housing property. It creates mechanisms to promote relations between landlords and tenants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Social Housing Act 2008, (Act No.16 of 2008)                                                   | The Act provides for the establishment of affordable rental accommodation for low to medium income households in designated restructuring zones i.e. places of economic opportunities, enabling spatial and social integration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Home Loan and Mortgage Disclosure Act, 2000 (Act No. 63 of 2000)                               | This Act provides for the establishment of the Office of Disclosure and the monitoring of financial institutions serving the housing credit needs of communities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Promotion of Access to Information Act (Act No. 2 of 2000) (as amended)                        | The Act underlines the importance of access to information for an open, democratic, transparent society. The Act gives legislative form to Section 32 of the Bill of Rights of the Constitution and should be interpreted as legislation giving effect to a constitutional right.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Housing Development Agency Act, 2008 (Act No. 23 of 2008)                                      | The Act serves to establish the Housing Development Agency and to provide for its functions and powers. It also outlines the roles of the Agency which is to facilitate the acquisition of land and landed property, in a way that complements the capacities of Government across all spheres, and to fast-track land acquisition and housing development services for the purpose of creating sustainable human settlements.                                                                                                                                                                                                                                                                                                                                                   |
| Community Scheme Ombud Service Act, 2011 (Act No. 9 of 2011)                                   | The Act serves to provide for the establishment of the Community Schemes Ombud Service and to provide for its mandate and functions. The Act also provides for a dispute resolution mechanism in community schemes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Sectional Titles Management Act, 2011 (Act No. 8 of 2011)                                      | The Act provides for the establishment of bodies corporate to manage and regulate sections and common property in sectional titles schemes and for that purpose to apply rules applicable to such schemes. It further requires the bodies corporate to establish a sectional titles schemes management advisory council.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)                        | The Act gives effect to Section 217, Chapter 3 of the Constitution by providing a framework for the implementation of the Procurement Policy contemplated in Section 217, Chapter 2, of the Constitution and to provide for matters connected therewith                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Broad Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)                          | The Act aim act promoting the achievement of the constitutional right to equality by increasing broad-based and effective participation of Black people in the economy. It also sets parameters for the development of the Property Charter and the Constitution Charter as mechanisms to secure commitment from stakeholders in the construction and property industries                                                                                                                                                                                                                                                                                                                                                                                                        |
| Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended                             | This Act regulates financial management in National Government and Provincial Government                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Spatial Planning and Land Use Management Act, 2013 (SPLUMA) (Act No 16 of 2013)                | The Spatial Planning and Land Use Management Act (2013) was adopted shortly after the introduction of the NDP. SPLUMA- is an important component of the drive to set the broad spatial agenda of the country, promoting the development principles of spatial justice, spatial sustainability, efficiency, spatial resilience, and good administration. The status establishes mechanisms for the negotiation of spatial conflicts, issuance of guidelines and monitoring compliance. Although SPLUMA does not dela with fragmentation of the spatial planning function directly, it introduces a new approach to spatial planning that can be refined and linked with overall long-term planning. Embedding spatial planning within the overall system of planning is critical. |

8. ORGANISATIONAL STRUCTURE



## 9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC.



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

# Part B

## PERFORMANCE INFORMATION

*Transforming communities together*

## 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 139 of the Report of the Auditor-General, published as Part F: Financial Information.

## 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

### 2.1. Service Delivery Environment

The department's strategic focus remains firmly rooted in the creation of integrated sustainable human settlements with improved quality of lives for the residents of the province and the strategies guiding this work are informed by the outcomes outlined in the Departmental Strategic Plan (2020–2025). These strategies will detail the key delivery outputs planned for implementation during the 2024/25 financial year, and the department remains committed to advancing its broad policy priorities, which include:

- Strengthening community education and awareness on various housing instruments
- Provision of housing opportunities with special focus and prioritization of Destitute, Vulnerable Groups and Military Veterans
- Systematic unblocking of historically blocked projects
- Accelerated Registration and issuance of Title Deeds to Homeowners
- Empowerment of Designated Groups, Skills Development and Job Creation, including women and youth
- Upgrading of informal settlements and provision of social and economic amenities
- Progressive use and application of Innovative Sustainable Building Technologies (ISBT)
- Investment in Priority Development Areas identified by the province
- Acquisition of land falling within the PDAs rezoned

The priorities outlined above have been translated into measurable targets, as detailed in the 2024-25 Annual Performance Plan, with progress tracked and reported in the performance information section of the 2024-25 Annual Report. Where underperformance has occurred, corrective strategies have been identified and will be closely monitored to enhance performance in the upcoming financial year.

The Department has adopted a systematic and focused approach to driving change and improving service delivery; however, shrinking fiscal allocations continue to constrain the ability to meet the growing demand for housing. Over the MTEF period, reductions in the fiscus, particularly in goods and services and capital expenditure, have posed significant constraints. Additional challenges include inadequate bulk infrastructure within municipalities and a shortage of land suitable for human settlement development. To address these issues, the Department continues to strengthen its participation in Intergovernmental Relations (IGR) forums and maintains ongoing engagements with municipalities to prioritize bulk infrastructure development and the identification of suitable land.

Persistent challenges such as difficult terrain, scattered settlement patterns, and poor access roads in rural areas continue to impede progress in delivering human settlements projects. Furthermore, the impact of climate change has led to increased displacement, leaving many disaster-affected individuals homeless. In response, the Department provides temporary housing as a form of immediate relief to those affected.

### Budget

The expenditure analysis as at 31<sup>st</sup> of March 2025 for Equitable Share expenditure is 98.58%, and Conditional Grant Expenditure is 99.99% of the adjusted budget. The main contributors to the underspending are:

- Compensation of employees – due to vacant funded posts.
- CAPEX - Laptops procured but not delivered at the financial year-end. A rollover application has been made to settle commitments. A vehicle had been budgeted for the MEC but was instead procured by DPWI.

## Progress on Key Deliverables:

The table below presents a summary of progress made toward key delivery targets outlined in the Department's Annual Performance Plan for the 2024/25 financial year:

| KEY DELIVERY OUTPUTS                                                    | 2024/25 ANNUAL TARGET | 2024/25 ACTUAL OUTPUT |
|-------------------------------------------------------------------------|-----------------------|-----------------------|
| Housing Subsidies (low-cost housing)                                    | 6 284 houses          | 6 115                 |
| Individual Subsidies (facilitated for payment)                          | 40                    | 44                    |
| FLISP (allocated)                                                       | 330                   | 279                   |
| Socio-economic facilities                                               | 2                     | 0                     |
| Informal Settlements upgraded to phase 3                                | 29                    | 1                     |
| Title Deeds (Pre- 1994)                                                 | 500                   | 254                   |
| (Post- 1994)                                                            | 2 847                 | 2 115                 |
| (Post -2014)                                                            | 4 130                 | 0                     |
| (New title deeds)                                                       | 1 095                 | 0                     |
| Job Opportunities                                                       | 5 000                 | 3 396                 |
| Rectification                                                           | 1 277                 | 801                   |
| Access to Basic Services                                                | 6 624                 | 7 090                 |
| Youth empowerment opportunities                                         | 150                   | 150                   |
| SMME contractors provided with training                                 | 85                    | 87                    |
| Historical projects closed                                              | 30                    | 40                    |
| Projects supported on innovative and sustainable buildings technologies | 6                     | 6                     |
| Municipalities supported on human settlements programmes                | 20                    | 20                    |
| Short learning programmes implemented                                   | 4                     | 0                     |
| Verification of destitute persons                                       | 1 053                 | 1 053                 |
| Houses handed over to Military Veterans                                 | 65                    | 15                    |

### • Strengthen integrated spatial planning for human settlements

In line with the aspiration of the Housing Act, the Comprehensive Plan for the Development of Sustainable Human Settlements and the Housing Code, the National Development Plan (2030) gives a clear mandate on the transformation of the South African spatial landscape which is aggravated by past imbalances and inequality. It further acknowledges that this will take a long-term process of transforming urban and rural settlement patterns through policy and delivery. The Provincial Development Plan (PDP), being conscious of this, highlights the importance of improved and integrated infrastructure and spatial planning in creating vibrant and equitably enabled communities. The PDP proposes a centralized effort for coordinated information management, a centralized planning system, long term spatial planning, and adequately resourced planning function. The PDP also proposes that there should be diversification of human settlements offering to address densification, informal settlements upgrading, social and rental housing, land assembly and mobilization of additional resources.

The department has endeavoured to contribute to the realisation of this mandate through the prioritisation of support to municipalities in human settlements planning, participating in municipal and provincial integrated planning forums and inclusive provincial human settlements planning processes. We continue to prioritise these platforms, as they have been critical in coordinating departmental input to the integrated planning processes of municipalities and provincial government. The Department has also reprioritised the support towards the development of Municipal Human Settlements Sector Plans and this process will be concluded in the 2025/26 financial year.

Through the prioritisation of 12 potential high impact urban centres, using the Priority Humans Settlements Development Areas Programme (PDA), the department has been deliberate in investing in the PDA's as per the sector priorities, however, more engagement is needed with municipalities to integrate the PDA Implementation Plans with municipal plans so that its objectives are realised. The department is also exploring the possibility of having more PDA's declared in the province.

The department has improved its spatial information through Geographic Information System (GIS). This data has been consolidated by Provincial Treasury for improved coordination and provincial decision making. It is hoped that this will assist not only the department but also sector departments for integrated government service delivery.

Integrated spatial planning requires a concerted effort to define, develop and implement sustainable development, working with partners communities and business. The Department continues to support the implementation of the District Development Model (DDM) which seeks to streamline “all of government” planning so that development has impact and is accelerated. The Department will synthesise its planning so that it maximises its impact through DDM and implement a forward planning regime that coordinates integration in the coming financial year. This will include a deliberate effort to ensure that the department contributes to catalytic projects and scales up on mixed mode developments throughout the province

### District coordination and project management overview

The primary purpose of the District Coordination and Project Management Programme is to ensure effective and efficient coordination and management of projects through dedicated District Teams. The programme is responsible for implementing sound project management principles across all construction activities and overseeing the execution and control of projects in alignment with the approved Conditional Grant Business Plan (CGBP).

The implementation of the programme includes the delivery of Breaking New Ground (BNG) houses, achieving a 97% performance. Service sites delivery exceeded expectations, reaching 107%, while 63% of houses with defects were successfully rectified across all eight regions during the year under review. The Amathole, Buffalo City Metro, Chris Hani, and OR Tambo regions achieved and exceeded their annual targets for BNG housing units. Similarly, Chris Hani, OR Tambo, and Sarah Baartman regions exceeded their targets for service sites. Despite a constrained 10% budget allocation for rectification, the Amathole, OR Tambo, and Sarah Baartman regions also exceeded their annual rectification targets.

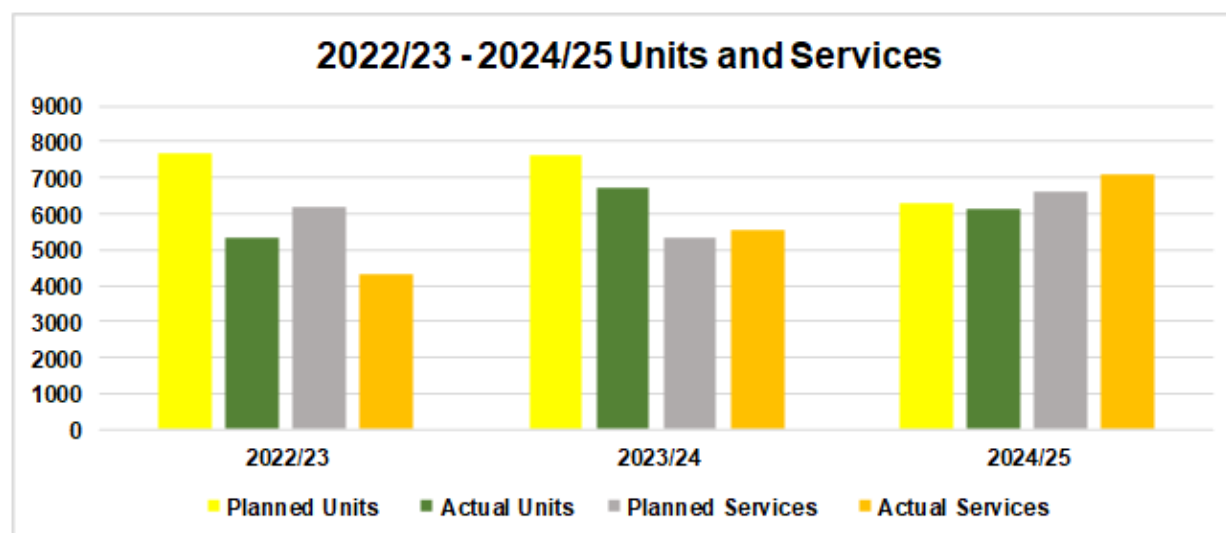
Joe Gqabi, Nelson Mandela Metro, and Sarah Baartman regions recorded underperformance in the BNG housing units, achieving less than 60% of their targets. Similarly, site delivery performance was low in Joe Gqabi (32%), Buffalo City Metro (79%), and Alfred Nzo (92%). Rectification efforts also fell short in Buffalo City Metro, Nelson Mandela Metro, and Amathole regions, with a performance below 24%. Contributing factors to this underperformance included project disruptions caused by construction mafias in various regions, which affected the delivery of BNG units, service sites, and rectification activities. Additionally, delays by contractors and implementing agents for site establishment and insufficient investment for onsite teams to convert various stages into completions.

The Department is continuously engaging Nelson Mandela Metro to consider increasing the available security escorts during milestone inspections and project-level monitoring, with the aim of enhancing on-site performance and quality assurance. Furthermore, contractors and implementing agents have been engaged through regional and provincial accountability sessions to strengthen on-site capacity and reinforce adherence to approved project implementation plans.

The table below provides an overview of performance against planned outputs on key delivery indicators.

| UNITS, SITES & RECTIFICATION ANNUAL PERFORMANCE |              |              |            |              |              |             |               |            |            |
|-------------------------------------------------|--------------|--------------|------------|--------------|--------------|-------------|---------------|------------|------------|
| DISTRICTS                                       | UNITS        |              |            | SERVICES     |              |             | RECTIFICATION |            |            |
|                                                 | Target       | Actual       | % Progress | Target       | Actual       | % Progress  | Target        | Actual     | % Progress |
| Alfred Nzo                                      | 712          | 654          | 92%        | 712          | 654          | 92%         | -             | -          | -          |
| Amathole                                        | 746          | 835          | 112%       | 918          | 814          | 89%         | 75            | 212        | 283%       |
| BCMM                                            | 988          | 990          | 100%       | 1,915        | 1,452        | 76%         | 155           | 36         | 23%        |
| Chris Hani                                      | 882          | 991          | 112%       | 1,052        | 1,492        | 142%        | 50            | -          | 0%         |
| Joe Gqabi                                       | 509          | 272          | 53%        | 716          | 232          | 32%         | -             | -          | -          |
| NMBM                                            | 1 006        | 592          | 59%        | -            | -            | -           | 787           | 77         | 10%        |
| OR Tambo                                        | 1 080        | 1 585        | 147%       | 954          | 1 616        | 169%        | 110           | 124        | 113%       |
| Sarah Baartman                                  | 361          | 196          | 54%        | 357          | 830          | 232%        | 100           | 352        | 352%       |
| <b>TOTAL</b>                                    | <b>6 284</b> | <b>6 115</b> | <b>97%</b> | <b>6 624</b> | <b>7 090</b> | <b>107%</b> | <b>1 277</b>  | <b>801</b> | <b>63%</b> |

The graph below shows three-year perspective on houses delivered and sites serviced



The graph above illustrates the three-year performance of units deliverables and serviced sites from 2022/23 to 2024/25 financial years. BNG units' deliveries were 70%, 88%, and 97%, while serviced site performance was 70%, 104%, and 107% over the same period. The Department continued to implement its turnaround plans to improve performance and will further develop and execute strategies aimed at meeting and surpassing its planned targets.

### • Transforming the economy to create jobs and sustainable livelihoods

In alignment with the National Development Plan (NDP), Provincial Development Plan (PDP), and key policy priorities, the Department continues to implement its programmes while promoting empowerment through the Expanded Public Works Programme (EPWP), a critical tool in the fight against unemployment. During the reporting period, a total of 3 396 job opportunities were created through 48 active EPWP compliant projects. These opportunities benefited 408 adult women, 1,300 adult men, 464 female youth, and 1,224 male youth.

In addition, the Department provided 150 empowerment opportunities for youth through skills development initiatives focused on housing construction. Of these beneficiaries, 113 were female youth and 37 were male youth, across the following regions and projects

| REGION                          | PROJECT DESCRIPTION               | PARTICIPANTS |
|---------------------------------|-----------------------------------|--------------|
| Buffalo City Metro Municipality | Orange Groove 3500 project        | 50           |
| Chris Hani                      | Cofimvaba Enyanisweni 169         | 50           |
| OR Tambo                        | Mthatha Mandela Destitute 400-200 | 21           |
|                                 | Mthatha Qweqwe Destitute 1000-300 | 29           |
| <b>TOTAL</b>                    | -                                 | <b>150</b>   |

### Upgrading of informal settlements

The Upgrading of Informal Settlements Programme (UISP) is one of the key interventions identified by the Department of Human Settlements for implementation under the Medium-Term Strategic Framework (MTSF), aligned with the National Development Plan and the United Nations Sustainable Development Goals (SDG) for 2030.

The UISP aims to improve the living conditions of households within informal settlements through in situ upgrading. The programme focuses on providing access to basic services such as water, sanitation, waste collection, electricity, roads, and stormwater management, as well as secure tenure (title deeds and permission to occupy). Additionally, it promotes community empowerment through job creation and skills development, ultimately enhancing residents' overall quality of life. UISP follows a four-phase implementation process that emphasizes community participation and an area-based upgrading approach. It forms a critical part of the government's broader strategy to address housing delivery challenges and ensures inclusive options for all citizens.

In the Eastern Cape, the Department of Human Settlements began implementing the UISP in the 2021/22 financial year following the introduction of the Informal Settlements Upgrading Partnership Grant (ISUPG). Initially, 115 informal

settlements were targeted for upgrading over a 36-month period across three phases. In the 2024/25 financial year, an additional 45 informal settlements were included, bringing the total to 160 settlements at various stages of the upgrading process. To date, 45 informal settlements have been upgraded with Phase 1 and 2 activities. In addition, 1 informal settlement was upgraded with phase 3 activities of the Upgrading Informal Settlements Programme (UISP).

### Title deeds programme

The Comprehensive Plan for the Development of Sustainable Human Settlements, commonly known as the Breaking New Ground (BNG) strategy of 2004, explicitly prioritizes ensuring that beneficiaries of subsidized housing have access to title deeds. In response, the Department of Human Settlements implemented the Title Deeds Programme, aligned with the Provincial Development Plan Vision 2030, the Medium-Term Strategic Framework (MTSF), and MEC priorities.

The programme aims to provide secure land tenure through free or affordable homeownership, access to safe and secure rental opportunities, and the issuance of title deeds to rightful beneficiaries. The implementation of the programme restores dignity and promotes property ownership among previously disadvantaged individuals.

Effective implementation of the programme relies on coordinated efforts between municipalities, conveyancers, and the Department. However, several challenges have hindered progress, including pre-planning and planning activities that must be resolved before the title deed can be registered to the rightful beneficiary, winding up of deceased beneficiaries' estates, untraceable or missing beneficiaries, illegal occupation of housing units, disputed ownership (including divorce-related conflicts), defective structures, site encroachments, and incomplete township establishment processes such as unopened township registers.

To address these issues, the department has introduced a turnaround strategy that includes increasing conveyancing capacity and enhancing collaboration with municipalities to reduce the backlog. Additionally, title deeds will also be issued upon beneficiary approval, where the site or land is eligible for transfer. In the 2024/25 financial year, the department successfully registered 2 369 title deeds across all categories (pre-1994, post-1994, and post-2014). The Department will continue to work with appointed conveyancers to address outstanding pre-conveyancing tasks and improve the performance.

### Social housing programme

The Social Housing Development Programme is implemented through the Social Housing Regulatory Authority (SHRA), with ongoing oversight by the Department in identifying and packaging new projects. As part of the Small-Town Revitalisation Programme, the Department is expanding the initiative to secondary cities by designating new Restructuring Zones. During the review period, the National Minister gazetted the following municipalities as Restructuring Zones to promote social housing development: Buffalo City Metro (Mdantsane Highway CBD and Mount Ruth), Intsika Yethu (Cofimvaba), Enoch Mgijima (Komani), and Umzimvubu (eMaxesibeni and Kwa-Bhaca). This effort aims to support spatial restructuring, stimulate socio-economic development, and create job opportunities in these secondary towns. Additionally, the Steve Biko Precinct project, implemented by Qhama Social Housing Institution in Gqeberha within the Nelson Mandela Bay Metropolitan Municipality, is currently under construction. During the 2024–25 financial year, the Department has delivered 24 units of affordable rental housing and decent accommodation for low- to middle-income earners.

### First home finance programme

First Home Finance, formerly known as the Finance Linked Individual Subsidy Programme (FLISP), is a once-off housing subsidy designed to assist qualifying beneficiaries in accessing affordable homeownership. The subsidy supports individuals by bridging the gap between the cost of a home and what they can afford through a home loan or other approved financing. To qualify for First Home Finance, applicants must meet the following criteria:

- Be a South African citizen with a valid ID or a permanent resident with a valid permit.
- Be over 18 years of age and legally competent to enter into a contract.
- Have never previously benefited from any government housing subsidy scheme.
- Possess an 'Approval in Principle' for a home loan or an unsecured loan from an accredited South African financial institution, such as SA Home Loans.

During 2024/25 financial year, a total of 279 households were assisted through First Home Finance to purchase homes. This intervention enables the Department to support both urban and rural housing development, while also offering beneficiaries access to alternative financing solutions.

## 2.2. Service Delivery Improvement Plan

The department finalised a Service Delivery Improvement Plan, which was monitored throughout the year during its implementation. The implementation report was developed in alignment with the department's actual annual service delivery.

The tables below highlight the service delivery plan and the achievements for 2024/25 financial year.

### Main services and standards

| Main services                                                                                                         | Beneficiaries            | Current/Actual standard of service 2023/24                        | Desired standard of service 2024/25      | Actual achievement 2024/25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| First service: Allocation of quality houses to qualifying beneficiaries.                                              | Eastern Cape Communities | 6 177 destitute beneficiaries approved for housing opportunities. | 4 000                                    | 7 702 destitute beneficiaries have been approved for housing opportunities. Over performance was due to disaster and destitute projects that required urgent approvals in Alfred Nzo, Amathole, Buffalo City, OR Tambo, Nelson Mandela and Chris Hani regions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Second service: Registration of Title Deeds for ownership of property (house) handed over to qualifying beneficiaries | Eastern Cape Communities | 214 Pre-1994 Title Deeds registered.                              | 500 Pre-1994 Title Deeds registered.     | 254 Pre 1994 Title Deeds were registered. Underperformance was due to outstanding beneficiary verification and tracking by municipalities, Lost Mother Title deeds and delays in signing of deed of sale. This resulted in delays in the registration of individual transfer. The Department will provide support to municipalities for beneficiary verification, tracking and fast-tracking signing of deeds of sale. In addition, the contracts of conveyancers have been revised to include the scope of mother title deeds.                                                                                                                                                                                                                                                                                                 |
|                                                                                                                       |                          | 1 456 Post- 1994 Title Deeds registered.                          | 2 847 Post- 1994 Title Deeds registered. | 2 115 Post-1994 Title Deeds were registered. Underperformance was due to delays regarding the opening of township register, beneficiary administration challenges and lost mother title to unlock transfers<br><br>A total of 134 title deeds were registered in the previous year and not reported to the department, however, title deeds were received in the current financial year. The Department will engage municipalities to address lost mother title issues and beneficiary challenges. Conveyancers will be assisted with the required information to unlock transfers by the first quarter of 2025/26 financial year                                                                                                                                                                                               |
|                                                                                                                       |                          | 664 Post- 2014 Title Deeds registered.                            | 4 130 Post- 2014 Title deeds registered. | 0 Post 2014 title deeds registered. Under performance was due to the following: <ul style="list-style-type: none"> <li>Beneficiary administration challenges that have delayed the process of transfers in Orange Groove (Boxwood) project.</li> <li>NMBM experienced beneficiary management and verification delays in some projects, that resulted in slow delivery performance. In addition, Joe Slovo 4000 project delayed transfers due to land ownership issues and beneficiary management challenges.</li> </ul> The Department will engage municipalities, conveyancers and beneficiaries to resolve beneficiary administration challenges from the first quarter of the 2025/26 financial year. In addition, it will work closely with NMBM to priorities transfers on these projects in the first quarter of 2025.26. |

| Main services | Beneficiaries | Current/Actual standard of service 2023/24 | Desired standard of service 2024/25 | Actual achievement 2024/25                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------|---------------|--------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|               |               | 0 New Title Deeds issued to beneficiaries. | 1095 new Title deeds registered.    | 0 New Title Deeds registered. Underperformance was due to the challenges experienced by the NMBM municipality regarding land assembly as the land originally belonged to Communal Property Administration and has just recently been transferred to the Metro. The Department will continuously engage NMBM municipality to priorities title deeds transfers from the first quarter of 2025/26 financial year. |

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

| Current/Actual arrangements 2023/24                                                                                                                                                                                                                                                                                                                                | Desired arrangements 2024/25                                                                                                                                                                                             | Actual achievements 2024/2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5 983 housing beneficiaries were consulted before the project starts, during and after completion of the projects. Stakeholders were consulted through fortnightly site meetings, monthly PSC meetings, monthly contract meetings, bimonthly district forums, general interaction with beneficiaries and quarterly bilateral with individual local municipalities. | Educate 6 284 housing beneficiaries before the projects start, during and after completion of the project                                                                                                                | 6 683 beneficiaries were educated before the projects start, during and after completion of projects. Over performance was due to the following: <ul style="list-style-type: none"> <li>Commencement of new projects in Alfred Nzo region</li> <li>MEC title deeds handover in Amathole</li> <li>Educated potential beneficiaries during the interfaith prayer and Africa day which was held in Chris Hani</li> <li>Educated community members on various departmental programmes as prospective beneficiaries in those events</li> <li>Human Rights Commission outreach programme that was held in Enoch Mgijima local municipality</li> </ul> |
| 19 PSC have been established and supported. Issues relating to the community are lifted and promptly addressed. Feedback on the housing beneficiary applications have been provided to the community.                                                                                                                                                              | Establishment of 20 PSC at project level and issues related to the community are lifted and promptly addressed. Feedback on the housing beneficiary applications will be provided to the community.                      | 23 Project Steering Committees (PSCs) have been established and are actively supported. Community-related issues are promptly identified and addressed, ensuring responsive engagement. Feedback on housing beneficiary applications has been communicated to the community                                                                                                                                                                                                                                                                                                                                                                     |
| 4 Communication Strategy Programmes implemented i.e., Event, Newsletter, Media, Marketing                                                                                                                                                                                                                                                                          | 4 Communication Strategy Programmes implemented.                                                                                                                                                                         | 4 Communication Strategy Programmes were implemented, including events, newsletters, media engagement, and marketing initiatives. The Department's statutory plans and reports have been published on the departmental website to enable communities to access information about the services offered, as well as to track departmental plans and progress through annual reports                                                                                                                                                                                                                                                               |
| Cases were received and resolved within 30 days. The platforms were established to allow beneficiaries to lodge grievances and complaints. A toll-free number is issued to report Corruption and customer care team information is available.                                                                                                                      | The Department will effectively manage grievances and complaints and provide corrective action for identified problems and complaints. Investigate the complaint and provide a written explanation with remedial action. | The department has finalised disciplinary cases within an average timeframe of 90 days. A total of 313 rental dispute cases were resolved. Moreover, all customer care beneficiary administration related cases in relation to housing instruments were investigated and written response were issued within 30 days except for those that were referred. A toll-free number is issued to report Corruption and customer care team information is available.                                                                                                                                                                                    |

**Service delivery information tool**

| Current/actual information tools | Desired information tools                                                                                                                                                                                                                                                                                                                                | Actual achievements                                                                                                                                                                                                                                                                                                                                                    |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Information sessions</b>      | Consultation of stakeholders through fortnightly site meetings, monthly PSC meetings, monthly contract meetings, bimonthly districts forums and quarterly bilateral with individual local municipalities. Issuing of Pamphlets, Newspapers and Brochures were issued in Xhosa, English and Afrikaans. A toll-free number is issued to report Corruption. | A total of 23 Project Steering Committees (PSC) has been established at project level and issues related to communities where projects are being implemented have been lifted and promptly addressed. Feedback on the housing beneficiary applications were provided to the affected communities. Translation of some pamphlets into Xhosa from English has been done. |
| <b>Brochures</b>                 | Issuing of Pamphlets, Newspapers and Brochures were issued in Xhosa, English and Afrikaans. A toll-free number is issued to report Corruption.                                                                                                                                                                                                           | During social facilitation sessions, beneficiaries were provided with brochures in both English and Xhosa outlining departmental products. Additionally, the Department utilized newsletters and social media                                                                                                                                                          |

| Current/actual information tools | Desired information tools                                                                                                                                                                                    | Actual achievements                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                                                                                                              | platforms to communicate project handovers to the public.                                                                                                                                                                                                                                                                                                                                                   |
| <b>PSC</b>                       | Consultation of stakeholders through fortnightly site meetings, monthly PSC meetings, monthly contract meetings, bimonthly districts forums and quarterly bilateral with local municipalities were conducted | 23 Consultative engagements with stakeholders were conducted through fortnightly site meetings, monthly Project Steering Committee (PSC) meetings, monthly contract meetings, bi-monthly district forums, regular interactions with beneficiaries, and quarterly bilateral meetings with individual local municipalities. Departmental information was also shared with beneficiaries via radio broadcasts. |

#### Complaints mechanism

| Current/actual complaints mechanism | Desired complaints mechanism                                                                                                                                                                                                                           | Actual achievements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Beneficiary Management</b>       | The Department will efficiently handle grievances and complaints, taking appropriate corrective actions to address identified issues. Each complaint will be investigated, and a written explanation along with any remedial measures will be provided | The department has finalised disciplinary cases within an average timeframe of 90 days. A total of 313 rental dispute cases were resolved, and grievance cases were finalised within an average of 30 days. All beneficiary management cases in relation to housing instruments were investigated and a written response was issued within 30 days except for those that were referred. A toll-free number (0800 701 701) and the departmental line (043 711 9917) have been issued to report corruption. our Customer Care team responds within 72 hours (During normal operating hours) and a switchboard for Head Office: 086 000 0039. |

### 2.3. Organisational environment

The reviewed Service Delivery Model (SDM) has been approved by the MEC and is set to enhance departmental performance through the decentralization of core functions, increased municipal accreditation, and the automation of business processes. In alignment with the approved SDM, the Department has initiated the process of reviewing its organizational structure to strengthen service delivery.

Constraints within the current fiscal framework led to delays in the approval of the Annual Recruitment Plan, contributing to a vacancy rate of 14% at the end of the financial year. However, during the fourth quarter the Provincial Coordinating and Monitoring Team (PCMT) approved the Annual Recruitment Plan and Departmental vacancies were advertised. The selection processes are to continue as a matter of urgency at the beginning of the 2025/2026 financial year.

The employment relations environment remains stable due to continuous engagement among stakeholders and a shared commitment to collaborate in solving challenges in the best interest of the Department. Issues related to the safety of the Head Office building have also been effectively resolved.

To enhance human resource capacity, the Department continues to utilize the Skills Levy Budget to provide employees with service delivery-focused short courses and bursaries aimed at long-term skills and competency development.

### 2.4. Key policy developments and legislative changes

Following a series of collaborative consultative sessions led by the National and Provincial Departments of Human Settlements, the Minister of Human Settlements officially approved the White Paper on Human Settlements in January 2025. The Department did not develop any key policies and legislations during the year under review.

### 3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department approved its Strategic Plan for 2020–2025 and in line with planning regulations, departments are permitted to revise their strategic plans annually through the Annual Performance Plan (APP) process. These revisions are essential to ensure alignment between departmental priorities and the realities of a shrinking budget, which continues to impact the delivery of planned outputs and outcomes identified at the start of the Medium-Term Strategic Framework (MTSF) period.

The Department revised its Strategic Plan following a directive from the National Department of Human Settlements in the previous financial years. This directive required the inclusion of standardized Human Settlements sector indicators in both the Strategic Plan and APPs for implementation and reporting within the current administration. While the overall impact statement of the Strategic Plan remains unchanged, the five-year targets were adjusted accordingly. The table below outlines the revised targets, along with progress made toward their achievement.

| Impact statement       |                                                                          | Sustainable Human Settlements and improved quality living environment through spatial integration                                                                                                                                          |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                            |                                                                                                                                                                                                            |
|------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome                | Outcome indicator                                                        | Baseline                                                                                                                                                                                                                                   | Initial Approved 5-year targets 2020/25                                                                                                                                                                                                    | Revised Five-year Targets 2020/25                                                                                                                                                                                                          | Progress made towards achievement of the targets (5-year performance)                                                                                                                                      |
| <b>Good governance</b> | Unqualified audit opinion with no matters of emphasis                    | Unqualified audit opinion                                                                                                                                                                                                                  | Unqualified audit opinion                                                                                                                                                                                                                  | Unqualified audit opinion                                                                                                                                                                                                                  | The Department obtained unqualified audit opinion and will continue to strengthen its audit outcomes by closely monitoring the implementation of the Audit Improvement Plan.                               |
|                        | Percentage of invoices paid within 30 days from date of invoices receipt | On average, responded to 100% of payment of creditors within 30 days of invoices receipt                                                                                                                                                   | On average, respond to 100 % of payment of creditors within 30 days of invoices receipt                                                                                                                                                    | 100% of payment of creditors within 30 days of invoice receipt                                                                                                                                                                             | The Department successfully paid 93% of its creditors within 30 days of receiving invoices and remains committed to improving its processes to achieve 100% compliance with the 30-day payment requirement |
|                        | Number of Human Resources Plan priorities implemented                    | 5 Human Resource Plan priorities implemented                                                                                                                                                                                               | 5 Human Resource Plan priorities implemented                                                                                                                                                                                               | 5 Human Resource Plan priorities implemented                                                                                                                                                                                               | Five (5) Human Resources Plan priorities have been implemented                                                                                                                                             |
|                        | Number of policy frameworks implemented                                  | 5 <ul style="list-style-type: none"> <li>Corporate governance of ICT Policy Framework.</li> <li>M&amp;E Policy Framework</li> <li>IGR framework</li> <li>Communication Strategy Framework</li> <li>Strategic planning framework</li> </ul> | 5 <ul style="list-style-type: none"> <li>Corporate governance of ICT Policy Framework.</li> <li>M&amp;E Policy Framework</li> <li>IGR Framework</li> <li>Communication Strategy Framework</li> <li>Strategic Planning Framework</li> </ul> | 5 <ul style="list-style-type: none"> <li>Corporate governance of ICT Policy Framework.</li> <li>M&amp;E Policy Framework</li> <li>IGR framework</li> <li>Communication Strategy Framework</li> <li>Strategic Planning Framework</li> </ul> | Five (5) policy frameworks were implemented                                                                                                                                                                |
| <b>Evidence based</b>  | Number of evidence                                                       | 7                                                                                                                                                                                                                                          | 8                                                                                                                                                                                                                                          | 8                                                                                                                                                                                                                                          | Six (6) evidence-                                                                                                                                                                                          |

| Outcome                                                                          | Outcome indicator                                                                                 | Baseline                                                          | Initial Approved 5-year targets 2020/25 | Revised Five-year Targets 2020/25 | Progress made towards achievement of the targets (5-year performance)                                                                                            |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>integrated plans and Policies in line with the District Development Model</b> | Policies and Implementation Guidelines approved                                                   |                                                                   |                                         |                                   | based policies have been developed                                                                                                                               |
|                                                                                  | Number of evidence-based Research Projects approved                                               | 7                                                                 |                                         | 8                                 | Nine (9) Evidence-based research projects were approved                                                                                                          |
|                                                                                  | Number of integrated Human Settlements Plans developed                                            | 10                                                                | 10                                      | 10                                | Seven (7) integrated Human Settlements Plans were developed                                                                                                      |
|                                                                                  | Number of Municipalities capacitated to perform Human Settlement function as per the Housing Code | 39                                                                | 39                                      | 39                                | Thirty-nine (39) municipalities were capacitated to perform Human Settlements functions in accordance with the provisions of the Housing Code                    |
|                                                                                  | Number of Integrated Implementation Plans for priority Development areas completed per year       | New Indicator                                                     | New Indicator                           | 7                                 | Eleven (11) Implementation Plans for Priority Development Areas were completed.                                                                                  |
|                                                                                  | Number of Priority Development Areas (PDA's) invested per year                                    | New indicator                                                     | New Indicator                           | 3                                 | The Department invested in eight Priority Development Areas (PDA's) in the province. An average of 8% of the total Human Settlements Allocation was in the PDAs. |
| <b>Empowered and integrated sustainable communities</b>                          | Percentage of HSDG construction budget allocated to women, Youth SMME's contractors               | New Indicator                                                     | 30%                                     | 40%                               | 48% of the Human Settlements Development Grant (HSDG) construction budget was allocated to women, youth, and youth-owned SMME contractors                        |
|                                                                                  | Number of community members accessing consumer education tailored for human settlements           | 80 000                                                            | 46 074                                  | 17 254                            | A total of 28,459 community members has received consumer education specifically tailored to human settlements                                                   |
|                                                                                  | Number of beneficiaries approved to access adequate housing opportunities                         | 69 000 approved beneficiaries (As per HSS) have not been assisted | 69 000                                  | 3 500                             | A total of 23 803 destitute beneficiaries has been approved to access adequate housing opportunities                                                             |

| Outcome | Outcome indicator                                                                                            | Baseline                                                                                                                                                                                                                                             | Initial Approved 5-year targets 2020/25                                                                                                                                                                                                              | Revised Five-year Targets 2020/25                                                                                                                                                                                                                    | Progress made towards achievement of the targets (5-year performance)                                                                                          |
|---------|--------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         | Number of individual subsidies facilitated for payment                                                       | 857                                                                                                                                                                                                                                                  | New Indicator                                                                                                                                                                                                                                        | 193                                                                                                                                                                                                                                                  | A total of 241 individual subsidies were facilitated for payment                                                                                               |
|         | Number of beneficiaries accessing empowerment opportunities through training & work opportunities            | 648 (training & work opportunities)                                                                                                                                                                                                                  | 680 (training & work opportunities)                                                                                                                                                                                                                  | 300 (training & work opportunities)                                                                                                                                                                                                                  | A total of 484 beneficiaries accessed empowerment opportunities through training & work opportunities                                                          |
|         | Number of incremental subsidies programmes implemented                                                       | 8<br>Incremental subsidies program<br>• EPHP<br>• Emergency Housing<br>• Informal Settlements upgrading<br>• Socio-Economic Facilities<br>• Destitute and other vulnerable groups<br>• Military Veterans<br>• Remedial Works<br>• Catalytic Projects | 8<br>Incremental subsidies program<br>• EPHP<br>• Emergency Housing<br>• Informal Settlements upgrading<br>• Socio-Economic Facilities<br>• Destitute and other vulnerable groups<br>• Military Veterans<br>• Remedial Works<br>• Catalytic Projects | 8<br>Incremental subsidies program<br>• EPHP<br>• Emergency Housing<br>• Informal Settlements upgrading<br>• Socio-Economic Facilities<br>• Destitute and other vulnerable groups<br>• Military Veterans<br>• Remedial Works<br>• Catalytic Projects | 8 incremental subsidies programmes have been implemented                                                                                                       |
|         | Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP) | 0                                                                                                                                                                                                                                                    | New indicator                                                                                                                                                                                                                                        | 115                                                                                                                                                                                                                                                  | A total of 83 informal settlement projects is currently in Phase 3, while 32 projects are in Phase 2 of the Upgrading of Informal Settlements Programme (UISP) |
|         | Number of socio-economic facilities provided                                                                 | 3                                                                                                                                                                                                                                                    | New Indicator                                                                                                                                                                                                                                        | 8                                                                                                                                                                                                                                                    | Three (3) socio-economic facilities were provided                                                                                                              |
|         | Number of households benefited from informal settlement upgrading                                            | 0                                                                                                                                                                                                                                                    | New Indicator                                                                                                                                                                                                                                        | 39 250                                                                                                                                                                                                                                               | A total of 26 112 households benefited from informal settlement upgrading                                                                                      |
|         | Number of fully subsidised houses delivered                                                                  | 60 159                                                                                                                                                                                                                                               | 52 251                                                                                                                                                                                                                                               | 33 459                                                                                                                                                                                                                                               | A total of 30 387 fully subsidized houses were delivered                                                                                                       |
|         | Number of serviced sites delivered.                                                                          | 49 208                                                                                                                                                                                                                                               | 14 341                                                                                                                                                                                                                                               | 31 944                                                                                                                                                                                                                                               | A total of 27 645 serviced sites were delivered                                                                                                                |
|         | Number of job opportunities reported through EPWP compliant Projects                                         | 57 354                                                                                                                                                                                                                                               | 54 950                                                                                                                                                                                                                                               | 43 603                                                                                                                                                                                                                                               | A total of 29 071 job opportunities have been created through EPWP compliant project.                                                                          |
|         | Number of empowerment opportunities                                                                          | 299                                                                                                                                                                                                                                                  | 1 400                                                                                                                                                                                                                                                | 950                                                                                                                                                                                                                                                  | A total of 904 empowerment opportunities were                                                                                                                  |

| Outcome                                                                       | Outcome indicator                                                                                       | Baseline                 | Initial Approved 5-year targets 2020/25 | Revised Five-year Targets 2020/25 | Progress made towards achievement of the targets (5-year performance)                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------------------------|-----------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                               | created for youth through youth brigade programme                                                       |                          |                                         |                                   | created for youth through youth brigade programme                                                                                                                                                                                                                                                                           |
|                                                                               | Number of historical projects closed                                                                    | 50                       | 2 502                                   | 250                               | A total of 67 historical projects were closed                                                                                                                                                                                                                                                                               |
|                                                                               | Number of Projects supported on innovative and sustainable building Technologies                        | 20                       | 100                                     | 50                                | A total of 31 projects were supported on innovative and sustainable building Technologies                                                                                                                                                                                                                                   |
|                                                                               | Number of projects assessed for quality standards                                                       | 64                       | 320                                     | 250                               | A total of 314 projects were assessed for quality standards                                                                                                                                                                                                                                                                 |
| <b>Security of land tenure and affordable residential and rental services</b> | Number of pre-1994 title deeds registered                                                               | 13 192                   | 60 000                                  | 1 200                             | A total of 783 pre-1994 title deeds registered                                                                                                                                                                                                                                                                              |
|                                                                               | Number of post-1994 title deeds registered                                                              |                          |                                         | 25 000                            | A total of 9 429 Post 1994 title deeds were registered.                                                                                                                                                                                                                                                                     |
|                                                                               | Number of post-2014 title deeds registered                                                              | Post 2014 title deeds: 0 | 32 000                                  | 17 000                            | A total of 1 130 post 2014 title deeds were registered                                                                                                                                                                                                                                                                      |
|                                                                               | Number of new title deeds registered                                                                    | New title deeds: 0       | 0                                       | 5 703                             | A total of 448 new title deeds were registered                                                                                                                                                                                                                                                                              |
|                                                                               | Percentage of land acquired during 2014-2019 within the PDA's rezoned                                   | 0                        | 0                                       | 100%                              | The Department is exempt from reporting on this indicator, and no land acquisitions requiring rezoning were undertaken during the reporting period                                                                                                                                                                          |
|                                                                               | Number of states subsidised rental units transferred for security of tenure to qualifying Beneficiaries | 409                      | 48                                      | 48                                | A total of 19 state subsidised rental units was transferred for security of tenure to qualifying beneficiaries                                                                                                                                                                                                              |
|                                                                               | Number of rental housing units delivered                                                                | 1 140                    | 1 400                                   | 2 160                             | A total of 914 Social rental housing units have been accessed for qualifying beneficiaries                                                                                                                                                                                                                                  |
|                                                                               | Number of community residential units (CRU) delivered                                                   | 0                        | 550                                     | 50                                | The Department was exempted from reporting for the 2022/23, 2023/24, and 2024/25 financial years. No Community Residential Units (CRUs) were accessed by qualifying beneficiaries during this period, as the Department is currently engaged in pre-planning activities necessary for the implementation of these projects. |

| Outcome | Outcome indicator                                                               | Baseline | Initial Approved 5-year targets 2020/25 | Revised Five-year Targets 2020/25 | Progress made towards achievement of the targets (5-year performance)                                                                         |
|---------|---------------------------------------------------------------------------------|----------|-----------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
|         | Number of households that receive financial assistance and purchase units FLISP | 1 223    | 1 420                                   | 1 420                             | A total of 1 279 households has received financial assistance and purchased units through Finance Linked Individual Subsidy Programme (FLISP) |



# *programme* **ADMINISTRATION**



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

## 4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 4.1. Programme 1: ADMINISTRATION

**Purpose:** To Provide Administrative function to core programmes to enhance service delivery

**Sub-programmes:** Programme 1 sub-programmes and their purposes are available in the Annual Operational Plan

**Outcome:** Good governance

#### Outcomes, outputs, output indicators, targets and actual achievements

- The Chief Directorate: Strategy and Systems participated in 23 Intergovernmental Relations (IGR) forums, surpassing the planned target of 16, and successfully implemented the 4 elements of Corporate Governance of ICT.

#### Response to prioritising women, youth and persons with disabilities in its service delivery environment

The programme response in prioritising women, youth and persons with disabilities is as follows:

- **Filling of vacant funded posts**
  - o The Chief Directorate Cooperate Services completed the recruitment process for 29 carry-over posts from the 2023/24 financial year during the year under review. A total of 17 positions were filled by women, including 3 at the Senior Management Service (SMS) level, and 4 posts were filled by youth. There were no posts filled by persons with disabilities, as the few applicants in this category did not meet the minimum requirements for the advertised positions. Although the Department is below the target for the employment of persons with disabilities, it remains committed to improvement by continuing to ring-fence posts and encouraging qualified persons with disabilities to apply.
- **Provision of trainings**
  - o The Department trained 233 employees and 126 were women and 246 were youth, including interns and experiential learners. The department has 5 employees with disabilities and 4 of these were trained during the financial year.
- **Internship and learnership programme**
  - o During the financial year, the Department hosted 12 interns and 60 experiential learners. Of the interns, 10 were female, and among the learners, 54 were women. In total, 19 interns and all 60 learners were classified as youth. There were no participants with disabilities in the internship and experiential learning programmes. However, the Department engaged with Disabled People of South Africa (DPSA) to support the recruitment of interns with disabilities and remains committed to encouraging persons with disabilities to apply for future opportunities under the programme
- **Bursaries**
  - o The Department awarded a total of 89 bursaries during the 2024/25 financial year, with 61 granted to female recipients and 7 awarded to youth. No bursaries were awarded to persons with disabilities during this period.
- **Bids awarded to designated groups**
  - o During the 2024/25 financial year, the Department awarded 75 contracts to women and 55 contracts to youths. The huge significant improvement was as a result of the implementation of the Framework Agreements for both Contractors and Professional Service Providers. Briefing sessions were also held to ensure inclusive participation throughout the province and that yielded good results through information sharing.

**PROGRAMME 1:**  
Outcomes, outputs, outputs indicators, targets, and actual achievements  
**Table 2.4.4.2**

| 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                                                                                                                                                                                                                                                                                          |
| <b>Good Governance</b> | Vacant posts                                              | Turnaround time to fill vacant funded posts from Provincial Co-ordination and Monitoring Team (PCMT) approval (days) | 266 days                             | 352 days                             | 240 days                                                       | 193 days                     | 47                                                            | Overperformance was due to the conclusion of recruitment processes during the previous financial year and this expedited the appointment of 29 employees during the 2024/2025 financial year                                                                                                                    |
|                        | Human Resource Plan Implemented                           | Number of Resource priorities implemented                                                                            | 3                                    | 3                                    | 5                                                              | 5                            | -                                                             | None                                                                                                                                                                                                                                                                                                            |
|                        | Invoices paid within 30 days from date of invoice receipt | Percentage of invoices paid within 30 days from date of invoice receipt                                              | 90%                                  | 91%                                  | 100% of payment of creditors within 30 days of invoice receipt | 99%                          | (1%)                                                          | Under performance was due to change of banking details by the suppliers/contractors without updating Centralised Supplier Database, and payments could not be made to bank account that is not on CSD. Delays in the approval of business plans and budgetary constraints contributed to the delays in payment. |
|                        | Internal audits conducted                                 | Number of internal audits conducted                                                                                  | 13                                   | 11                                   | 10                                                             | 10                           | -                                                             | None                                                                                                                                                                                                                                                                                                            |
|                        | Corporate Governance of ICT elements implemented          | Number of Corporate Governance of ICT elements implemented                                                           | 4                                    | 4                                    | 4                                                              | 4                            | -                                                             | None                                                                                                                                                                                                                                                                                                            |
|                        | IGR forums reinforced                                     | Number of IGR forums reinforced                                                                                      | 26                                   | 17                                   | 16                                                             | 23                           | 7                                                             | Over performance was due to additional District Development Model sessions and IGR Forums held in various municipalities                                                                                                                                                                                        |
|                        | Departmental business continuity plan approved            | Number of departmental business continuity plan approved                                                             | 0                                    | 0                                    | 1                                                              | 1                            | -                                                             | None                                                                                                                                                                                                                                                                                                            |

### Strategy to overcome areas of underperformance.

| Area of Under Performance                                               | Planned Target 2024/2025                                       | Actual Achievement 2024/2025 | Comment on underperformance                                                                                                                                                                                                                                                                                     | Strategy to overcome areas of under_performance                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of invoices paid within 30 days from date of invoice receipt | 100% of payment of creditors within 30 days of invoice Receipt | 99%                          | Under performance was due to change of banking details by the suppliers/contractors without updating Centralised Supplier Database, and payments could not be made to bank account that is not on CSD. Delays in the approval of business plans and budgetary constraints contributed to the delays in payment. | Communication with service providers about the requirement to update CSD with any changes. Rejection of invoices where these are not aligned. The department will implement cost containment measures to address budgetary constraints, and National Department will be engaged in relation to business plan approval |

### Linking performance with budget

**Programme 1:** has an overall expenditure of 97.33% as compared to 98.47% of the previous financial year. Underspending is due to compensation of employees due to vacant funded posts and delays in the delivery of ICT equipment that has been committed and procured. A rollover application has been made to settle commitments. Further, A vehicle had been budgeted for the MEC but was procured by DPWI.

### Sub-programme expenditure

| Sub-Programme Name | 2024/2025           |                    |                          | 2023/2024           |                    |                          |
|--------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                    | 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                    |
| Office of the MEC  | 9 480               | 8 709              | 771                      | 11 638              | 11 638             | -                        |
| Corporate Services | 207 056             | 202 033            | 5 023                    | 162 583             | 159 909            | 2 674                    |
| <b>Total</b>       | <b>216 536</b>      | <b>210 742</b>     | <b>5 794</b>             | <b>174 221</b>      | <b>171 547</b>     | <b>2 674</b>             |

Included in the Programme 1 appropriation and expenditure is the Statutory Appropriation of the Member of Executive Council.



*programme*  
**HUMAN SETTLEMENTS  
 DELIVERY PLANNING  
 AND PERFORMANCE**



#### 4.2. PROGRAMME 2: HUMAN SETTLEMENTS DELIVERY PLANNING AND PERFORMANCE

**Purpose:** To manage Human Settlements Planning and Performance Management

The programme consists of three (3) sub-programmes, namely:

- **Human Settlements Research and Policy Development:** To manage human settlements Research and the Development of policies
- **Human Settlements Delivery Planning:** To manage, Review and Develop Integrated Human Settlements Plans
- **Capacity Building and Municipal Support:** To Capacitate and Support Municipalities with regard to Human Settlements Development

**Outcome:** Evidence based integrated plans and Policies in line with the District Development Model

##### Outcomes, outputs, output indicators, targets and actual achievements

- Three (3) Human Settlements Policies were developed and approved against one (1) policy that was targeted.
- Eighteen (18) municipalities were supported in establishing the Housing Needs Register exceeding the target of 13, in collaboration with the National Department of Human Settlements (NDOHS) as part of a national priority initiative.

##### **Response to prioritising women, youth and persons with disabilities in its service delivery environment**

The programme response in prioritising women, youth and persons with disabilities is as follows:

- **Hands on support programme**

In the 2024/25 financial year, the Department engaged 23 women, 2 youth, and 1 person with a disability to provide hands-on support to municipalities across the province. This programme supports municipalities in beneficiary administration and the monitoring of human settlements projects. No challenges related to the participation of designated groups have been encountered in the implementation of the programme.

**PROGRAMME 2:**  
Outcomes, outputs, outputs indicators, targets, and actual achievements table  
Table 2.4.4.2

| 2.1 HUMAN SETTLEMENTS RESEARCH AND POLICY DEVELOPMENT                                    |                                                                     |                                                                                                  |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                               |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                        |
| Evidence based Integrated plans and Policies in line with the District Development Model | Human Settlements research reports developed                        | Number of Human Settlements research reports developed                                           | 2                                    | 3                                    | 2                               | 2                            | -                                                             | None                                                                                                                                                          |
|                                                                                          | Dissemination reports developed                                     | Number of dissemination reports developed                                                        | 2                                    | 2                                    | 2                               | 2                            | -                                                             | None                                                                                                                                                          |
|                                                                                          | Human Settlements policies developed                                | Number of Human Settlements policies developed                                                   | 1                                    | 0                                    | 1                               | 3                            | 2                                                             | Over performance was due to policies that were developed in 2023/24 and approved in 2024/25 financial year                                                    |
| 2.2 HUMAN SETTLEMENTS DELIVERY PLANNING                                                  |                                                                     |                                                                                                  |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                               |
| 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                                                                                                                                        |
| Evidence based Integrated plans and Policies in line with the District Development Model | Integrated Implementation programmes for priority development areas | Number of integrated implementation programmes for priority development areas completed per year | 2                                    | 2                                    | 2                               | 2                            | -                                                             | None                                                                                                                                                          |
|                                                                                          | Investment of the total Human Settlements in PDAs                   | Percentage of investment of the total Human Settlements allocation in PDAs                       | 8.14%                                | 9.7%                                 | 8%                              | 6.1%                         | (1.9%)                                                        | The projected PDA projects were in Nelson Mandela Metro, which was affected by extortion by construction mafia's. This has decreased investment in the PDA's. |

| 2.3 CAPACITY BUILDING AND MUNICIPAL SUPPORT                                              |                                                                                    |                                                                                                           |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                         |
|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                  |
| Evidence based Integrated plans and Policies in line with the District Development Model | Municipalities supported on Human Settlements programs                             | Number of municipalities supported on Human Settlements programs                                          | 17                                   | 22                                   | 20                              | 20                           | -                                                             | None                                                                                                                                                    |
|                                                                                          | Short Learning Programs implemented                                                | Number of Short Learning Programs implemented for Councilors, Traditional Leaders and Municipal officials | 4                                    | 0                                    | 4                               | 0                            | (4)                                                           | Under performance was due to delays in procurement processes that were finalized in the last quarter                                                    |
|                                                                                          | Municipalities supported towards fully functioning National Housing Needs Register | Number of municipalities supported towards fully functioning National Housing Needs Register              | 17                                   | 15                                   | 13                              | 18                           | 5                                                             | Over performance was due to request for support received from Dr AB Xuma, KSD, Umzimvubu, Sakhisizwe and Winnie Madikizela Mandela local municipalities |

### Strategy to overcome areas of under performance

| Area of Under Performance                                                  | Planned Target 2024/2025 | Actual Achievement 2024/2025 | Comment on under performance                                                                                                                                | Strategy to overcome areas of under performance                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------|--------------------------|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Percentage of investment of the total Human Settlements allocation in PDAs | 8%                       | 6.1%                         | The projected PDA projects were in Nelson Mandela Metro, which was affected by extortion by construction mafias. This has decreased investment in the PDAs. | The department will continue monitoring the implementation of investment in PDAs as Crime Intelligence and State Security address the extortion challenges.<br><br>The sector indicator has been reviewed and it's not part of the 2025/26 financial year plans |
| Short Learning Programs implemented                                        | 4                        | 0                            | Under performance was due to delays in procurement processes that were finalized in the last quarter.                                                       | The programme will be implemented in 2025/26 financial year.                                                                                                                                                                                                    |

### Linking performance with budget

**Programme 2:** This programme has spent 100% of its allocated budget.

### Sub-programme expenditure

| Sub-Programme Name | 2024/2025           |                    |                          | 2023/2024           |                    |                          |
|--------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                    | 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     | 2 558               | 2 558              | -                        | 2 192               | 2 192              | -                        |
| Policy             | 5 951               | 5 951              | -                        | 6 456               | 6 456              | -                        |
| Planning           | 5 805               | 5 805              | -                        | 5 489               | 5 489              | -                        |
| Research           | 5 797               | 5 797              | -                        | 6 873               | 6 873              | -                        |
| <b>TOTAL</b>       | <b>20 111</b>       | <b>20 111</b>      | <b>-</b>                 | <b>21 010</b>       | <b>21 010</b>      | <b>-</b>                 |



*programme*

## HOUSING DEVELOPMENT



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

#### 4.3. PROGRAMME 3: HOUSING DEVELOPMENT

The programme consists of three (3) Programmes, namely:

##### 3.1 HUMAN SETTLEMENTS FACILITATION PROGRAMME

**Purpose:** To manage effective and efficient Human Settlements facilitation programme

The programme consists of three (3) Sub-programmes namely:

- **Beneficiary Management:** To administer Beneficiary Management and Corporate Secretariat Services
- **Social Facilitation and Customer Care:** To provide social facilitation and customer care to human settlements beneficiaries
- **Emerging Contractor Development:** To provide support services to emerging contractor's development

**Outcome:** Empowered and integrated sustainable communities

##### 3.2. HUMAN SETTLEMENTS INCREMENTAL PROGRAMME

**Purpose:** To manage effective and efficient human settlements programmes

The programme consists of four (4) Sub-programmes namely:

- **Emergency Housing and EPHP:** To facilitate emergency housing and EPHP
- **Informal Settlement Upgrading:** To provide informal settlements and upgrading services
- **Destitute & Vulnerable Group and SPU:** To facilitate housing opportunities for the destitute and vulnerable groups
- **Special Projects and Remedial Works:** To manage special projects and remedial works

**Outcome:** Empowered and integrated sustainable communities

##### 3.3 DISTRICT COORDINATION AND PROJECT MANAGEMENT

**Purpose:** To manage and oversee an effective and efficient district coordination and project management

The programme consists of two (2) Sub-programmes namely:

- **District Support:** Rendering strategic coordination and facilitation on the functioning districts offices
- **Project Management Unit:** To provide project management technical support services

**Outcome:** Empowered and integrated sustainable communities

##### Outcomes, output, output indicators, targets and actual achievements

- A total of 7 702 destitute beneficiaries were approved for human settlements subsidies, significantly exceeding the annual target of 4 000. In addition, 44 individual subsidies were facilitated for payment to further support access to housing opportunities.
- The Consumer Education and Social Facilitation Programme reached 6 683 beneficiaries, surpassing the planned target of 6 284. The programme also facilitated 28 community engagements and audited, trained, and re-established 23 Project Steering Committees (PSCs). This initiative goes beyond the handover of completed houses by promoting proper care and maintenance, helping beneficiaries retain the value of their homes while ensuring consumer protection.
- Empowerment opportunities for SMMEs were enhanced through the technical and managerial training of 87 SMMEs, exceeding the target of 85, and contributing to the development of sustainable business enterprises.
- 1 243 temporary shelters were provided for beneficiaries facing emergency housing situations due to disasters or extreme destitution caused by extraordinary circumstances.
- Through district coordination, 7 090 serviced sites were delivered, exceeding the annual target of 6 624. Despite sector-wide challenges, several regions achieved strong performance in the delivery of Breaking New Ground (BNG) units and serviced sites.
- 40 historical projects were closed against the set target of 30

## Response to prioritising women, youth, and persons with disabilities in its service delivery environment

The programme response in prioritising women, youth and persons with disabilities is as follows:

- **Destitute beneficiaries approved.**
  - o The Department approved a total of 4 287 women, of which 2 690 were middle-aged women between the ages of 36 and 59. Additionally, 1 708 youth beneficiaries were approved, comprising 1 234 females and 474 males. A further 100 persons with disabilities were approved, including 36 males and 64 females. The Department remains committed to inclusivity and will continue conducting consumer education to raise awareness about its programmes that cater to all designated groups.
- **Individual Subsidies programme**
  - o The department has facilitated individual subsidy programme payments for 29 women and 5 youth, out of a total of 44 beneficiaries. In some instances, challenges of beneficiaries not disclosing their disability status when completing application forms are encountered. To address this, the department continues to conduct consumer education to raise awareness about programmes that are inclusive of all groups.
- **Provision of training for SMME contractors**
  - o During the year under review, 87 SMMEs received technical and financial management training, including 55 women-owned and 17 youth-owned enterprises. A key challenge in implementing the programme was the limited financial resources however, the Department initiated partnerships with the Small Enterprise Development Agency (SEDA) and the National Home Builders Registration Council (NHBRC) to support and deliver training interventions.
- **Youth artisans**
  - o Through a partnership with the Construction Education and Training Authority (CETA), the Department trained 27 learners in a 12-month FETC Plumbing and NC Building programme, which was completed in June 2023. Among the participants, 14 were women and 12 were youth. The programme faced challenges related to poor attendance and participant dropouts. In response, the Department actively encouraged learners to complete the programme to ensure they acquire the necessary skills for employment within the built environment sector.
- **Expanded Public Works programme**
  - o During the year under review, the Department created Expanded Public Works Programme (EPWP) job opportunities for 408 women and 1 688 youth, including 464 females and 1 224 males. Challenges encountered in the programme included the employment of foreign nationals by contractors and participants' reluctance to disclose their disability status. The Department continues to engage contractors to prioritise the employment of South African citizens to ensure accurate reporting on job creation. Additionally, efforts are being made to encourage persons with disabilities to disclose their status to better support inclusive reporting and participation.
- **Youth brigade programme**
  - o The Department mobilised 150 youth and provided them with empowerment opportunities through technical skills development in housing construction. Of these, 111 were females and 37 were males. The programme equips young people with essential knowledge and practical skills to build their capacity and improve their employability within the construction sector.

### PROGRAMME 3:

Outcomes, outputs, output indicators, targets, and actual achievements table  
Table 2.4.4.2

#### 3.1 HUMAN SETTLEMENTS FACILITATION PROGRAMME

| 3.1.1 BENEFICIARY MANAGEMENT                     |                                                        |                                                                  |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                   |  |
|--------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 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                                                                                                                                                            |  |
| Empowered and integrated sustainable communities | Destitute beneficiaries approved                       | Number of destitute beneficiaries approved                       | 4 918                                | 6 177                                | 4 000                           | 7 702                        | 3 702                                                         | Over performance was due to disaster and destitute projects that required urgent approvals in Alfred Nzo, Amathole, Buffalo City, OR Tambo, Nelson Mandela and Chris Hani regions |  |
|                                                  | Municipalities supported on beneficiary administration | Number of municipalities supported on beneficiary administration | 25                                   | 23                                   | 18                              | 18                           | -                                                             | None                                                                                                                                                                              |  |
|                                                  | Individual subsidies facilitated for payment           | Number of individual subsidies facilitated for payment           | 74                                   | 38                                   | 40                              | 44                           | 4                                                             | Over performance was due to the demand of the programme which resulted to the back log and the department is fast tracking payments of the approved subsidies                     |  |

| 3.1.2 SOCIAL FACILITATION AND CUSTOMER CARE      |                                       |                                                          |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------|---------------------------------------|----------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Empowered and integrated sustainable communities | Communities engaged                   | Number of community engagements facilitated              | -                                    | 16                                   | 20                              | 28                           | 8                                                             | Over performance was due to an increase in the performance of the newly appointed contractors from the Framework Agreement and this required community engagement to be conducted for implementation of the projects                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                  | Housing beneficiaries educated        | Number of housing beneficiaries educated                 | 6 765                                | 5 983                                | 6 284                           | 6 683                        | 399                                                           | Over performance was due to the Departmental and Provincial engagements which were organised as follows: <ul style="list-style-type: none"> <li>• Commencement of the new projects in Alfred Nzo region</li> <li>• The MEC Title Deeds handover in Amathole region</li> <li>• Educated potential beneficiaries during the Interfaith prayer and Africa day which was held in Chris Hani region</li> <li>• Educated community members on various departmental programmes as prospective beneficiaries in those events</li> <li>• Human Rights Commission outreach programme that was held in Enoch Mgijima local municipality</li> </ul> |
|                                                  | Project steering committees supported | Number of project steering committees supported          | 17                                   | 19                                   | 20                              | 23                           | 3                                                             | Over performance was due to the establishment and training of the PSC members in the following projects: <ul style="list-style-type: none"> <li>• Goshin 100 in Amathole region</li> <li>• Siyathemba and Qalashe in Buffalo City Metropolitan Municipality</li> </ul>                                                                                                                                                                                                                                                                                                                                                                  |
|                                                  | Customer care cases referred/resolved | Turnaround time to customer care cases referred/resolved | 30 (days)                            | 30 (days)                            | 30 (days)                       | 30                           | -                                                             | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| 3.1.3 EMERGING CONTRACTOR DEVELOPMENT            |                                                        |                                                                                               |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                             |
|--------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                      |
| Empowered and integrated sustainable communities | Training to SMME contractors provided                  | Number of SMME contractors provided with training towards sustainable business enterprise     | 85                                   | 85                                   | 85                              | 87                           | 2                                                             | Over performance was due to increased demand from external stakeholders and timely response through engagements with strategic partners to conduct training |
|                                                  | Youths supported for the artisan development programme | Number of youths supported for artisan development programme (apprenticeship and learnership) | 21                                   | 21                                   | 33                              | 27                           | (6)                                                           | Under performance was due to six learners that dropped out of the learnership programme by not attending for a period of over two months                    |

### 3.2 HUMAN SETTLEMENTS INCREMENTAL PROGRAMME

| 3.2.1 EMERGENCY HOUSING AND EPHP                 |                            |                                                                  |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------|----------------------------|------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                                                                                                                                                     |
| Empowered and integrated sustainable communities | EPHP projects supported    | Number of ePHP projects supported                                | 10                                   | 10                                   | 7                               | 7                            | -                                                             | None                                                                                                                                                                                                                                                                                                                                                       |
|                                                  | Temporary shelters erected | Number of temporary shelters erected for emergency housing cases | 1 166                                | 1 970                                | 334                             | 1 243                        | 909                                                           | Over performance was due to the following: <ul style="list-style-type: none"><li>Response provided to the Ndlambe rectification projects that require temporary relocation area meanwhile existing houses were being rectified.</li><li>Provision of temporary shelters to destitute cases throughout the Province and displaced families in BCM</li></ul> |

| 3.2.2 INFORMAL SETTLEMENTS UPGRADING                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                          |                                                                                                                    |                                      |                                      |                                 |                              |                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|
| 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 |
| Empowered and integrated sustainable communities                                                                                                                                                                                                                                                                                                                                                                                                                                      | Informal settlements upgraded                                                                            | Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)       | 0                                    | 0                                    | 29                              | 1                            | (28)                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Informal Settlements upgraded to phase 1 and 2 of the Upgrading of Informal Settlements Programme (UISP) | Number of Informal Settlements upgraded to phase 1 and 2 of the Upgrading of Informal Settlements Programme (UISP) | -                                    | -                                    | 45                              | 0                            | (45)                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Socio-economic facilities provided                                                                       | Number of socio-economic facilities provided                                                                       | 0                                    | 1                                    | 2                               | 0                            | (2)                                                           |
| <p><b>REASONS FOR DEVIATION:</b><br/>Under performance was due to poor performance of the implementing agent</p> <p><b>REASONS FOR DEVIATION:</b><br/>Under performance was due to poor performance of the implementing agent</p> <p><b>REASONS FOR DEVIATION:</b><br/>Underperformance was due to delays on approval of drawings by the municipality and weather conditions for Mnandi MPCC. The Tsono MPCC also underperformed due to strike that was caused by business forum.</p> |                                                                                                          |                                                                                                                    |                                      |                                      |                                 |                              |                                                               |

| 3.2.3 DESTITUTE & VULNERABLE GROUPS AND SPU      |                                      |                                                                                                                                           |                                      |                                      |                                 |                              |                                                                                                                    |
|--------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 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                                                      |
| Empowered and integrated sustainable communities | Military Veterans houses handed over | Number of houses handed over to Military Veterans                                                                                         | -                                    | 16                                   | 65                              | 15                           | (50)                                                                                                               |
|                                                  | Destitute persons verified           | Number of destitute persons verified                                                                                                      | 1 053                                | 1108                                 | 1 053                           | 1053                         | -                                                                                                                  |
|                                                  | Gender mainstreaming reports         | Number of Gender mainstreaming opportunities created for Youth, Women, Military Veterans and Persons with disabilities compliance reports | 4                                    | 4                                    | 4                               | 4                            | -                                                                                                                  |
|                                                  |                                      |                                                                                                                                           |                                      |                                      |                                 |                              | Under performance was due to poor performance of a contractor in OR Tambo and community unrest in Gomo, BCM region |
|                                                  |                                      |                                                                                                                                           |                                      |                                      |                                 |                              | None                                                                                                               |
|                                                  |                                      |                                                                                                                                           |                                      |                                      |                                 |                              | None                                                                                                               |

| 3.2.4 SPECIAL PROJECTS AND REMEDIAL WORKS        |                                       |                                                 |                                      |                                      |                                 |                              |                                                               |
|--------------------------------------------------|---------------------------------------|-------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|
| 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 |
| Empowered and integrated sustainable communities | Catalytic projects supported          | Number of catalytic projects supported          | 6                                    | 6                                    | 6                               | 6                            | -                                                             |
|                                                  | Reports on special projects submitted | Number of reports on special projects submitted | 4                                    | 4                                    | 4                               | 4                            | -                                                             |
|                                                  |                                       |                                                 |                                      |                                      |                                 |                              | None                                                          |
|                                                  |                                       |                                                 |                                      |                                      |                                 |                              | None                                                          |

### 3.3. DISTRICT COORDINATION AND PROJECT MANAGEMENT

| 3.3.1 DISTRICT SUPPORT                           |                                           |                                                      |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                               |
|--------------------------------------------------|-------------------------------------------|------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                                        |
| Empowered and integrated sustainable communities | Breaking New Ground (BNG) houses          | Number of Breaking New Ground (BNG) houses delivered | 5 344                                | 6 736                                | 6 284                           | 6 115                        | (169)                                                         | Under performance was due to project extortion by Construction Mafia's in OR Tambo and NMBM regions that affected progress on site. This affects both contractors and Departmental officials when conducting their work on site               |
|                                                  | Serviced sites                            | Number of serviced sites delivered                   | 4 352                                | 5 571                                | 6 624                           | 7 090                        | 466                                                           | Over performance was due to the increased performance in the following projects: <ul style="list-style-type: none"><li>Engcobo 1854 -Ext 11 project for Chris Hani region</li><li>Port Alfred Marselle 500 in Sarah Baartman region</li></ul> |
|                                                  | Defective houses rectified [Pre and Post] | Number of defective houses rectified (Pre and Post)  | 731                                  | 935                                  | 1 277                           | 801                          | (476)                                                         | Under performance was due to limitation of access to sites as the result of extortion in NMBM                                                                                                                                                 |

| 3.3.2 PROJECT MANAGEMENT UNIT                    |                                            |                                                                                       |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                          |
|--------------------------------------------------|--------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                   |
| Empowered and integrated sustainable communities | Historical projects closed                 | Number of historical projects closed                                                  | 8                                    | 0                                    | 30                              | 40                           | 10                                                            | Over performance was due to the approval of the revised project procedure manual to close out projects and this resulted in more projects meeting the minimum requirements for close out |
|                                                  | Projects utilizing ISBT                    | Number of projects supported on innovative and sustainable building technologies      | 6                                    | 8                                    | 6                               | 6                            | -                                                             | None                                                                                                                                                                                     |
|                                                  | Projects identified from the Business Plan | Number of projects assessed for quality standards                                     | 65                                   | 70                                   | 65                              | 65                           | -                                                             | None                                                                                                                                                                                     |
|                                                  | Jobs opportunities created                 | Number of job opportunities reported through EPWP compliant projects                  | 6 489                                | 5 639                                | 5 000                           | 3 396                        | (1 604)                                                       | Under performance was due to the vacant funded post of Assistant Director: EPWP that has affected the fully implementation of the programme                                              |
|                                                  | Youth Empowered                            | Number of empowerment opportunities created for youth through youth brigade programme | 264                                  | 150                                  | 150                             | 150                          | -                                                             | None                                                                                                                                                                                     |

**Strategy to overcome areas of underperformance.**

| AREA OF UNDER PERFORMANCE                                                                                          | Planned Target 2024/2025 | Actual Achievement 2024/2025 | Comment on under performance                                                                                                                                                                                                           | Strategy to overcome areas of under performance                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of youths supported for artisan development programme (apprenticeship and learnership)                      | 33                       | 27                           | Under performance was due to six learners that dropped out of the learnership programme by not attending for a period of over two months                                                                                               | The department will continue to conduct sessions with the learners to emphasize the importance of the trade they are undertaking to minimize non-attendance and dropout                                                                                                                       |
| Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)       | 29                       | 1                            | Under performance was due to poor performance of contractors appointed by the Implementing Agent.                                                                                                                                      | The department terminated the contract of the implementing agent and appointed the new implementing agent for the completion of projects in the 2025/26 financial year.                                                                                                                       |
| Number of Informal Settlements upgraded to phase 1 and 2 of the Upgrading of Informal Settlements Programme (UISP) | 45                       | 0                            | Under performance was due to poor performance of the implementing agent                                                                                                                                                                | The department terminated the contract of the implementing agent and appointed the new implementing agent for the completion of projects in the 2025/26 financial year.                                                                                                                       |
| Number of socio-economic facilities provided                                                                       | 2                        | 0                            | Underperformance was due to delays in the approval of drawings by the municipality and weather conditions for Mnandi MPCC. The Tsomo MPCC also underperformed due to strike that was caused by business forum.                         | The two MPCCs were granted extension of time to allow for completion, and they will be closely monitored.                                                                                                                                                                                     |
| Number of houses handed over to Military Veterans                                                                  | 65                       | 15                           | Under performance was due to poor performance of contractor in OR Tambo and community unrest in Gompo, BCM region.                                                                                                                     | OR Tambo – The contractor will increase workforce on site to improve performance and revise the PIP to be in line with the duration of the contract.<br><br>Gompo project – Military Veterans have been incorporated in running projects in Ndevana, Tsholomnqa and Zone 18.                  |
| Number of Breaking New Ground (BNG) houses delivered                                                               | 6 284                    | 6115                         | Under performance was due to project extortion by Construction Mafia's in various Regions including Metros that affected progress on site. This affects both contractors and Departmental officials when conducting their work on site | The department is engaging security cluster for joint integrated approach in mitigating construction mafias. Department is also working with Municipality to assist Departmental Officials with security escort when performing their technical work on site                                  |
| Number of defective houses rectified (Pre and Post)                                                                | 1 277                    | 801                          | Under performance was due to limitation of access to sites as the result of extortion in NMBM                                                                                                                                          | Department is engaging security cluster for joint integrated approach in mitigating Extortions related incidents. For medium to Long term, Department is considering Provision of Security Guards to escorts for staff while performing their duties on-site (Panel on process for approval). |
| Number of job opportunities reported through EPWP compliant projects                                               | 5 000                    | 3 396                        | Under performance was due to the vacant funded post of Assistant Director: EPWP that has affected the fully implementation of the programme                                                                                            | The post has been advertised and planned to be filled by end of quarter 2 of 2025/26 financial year. Furthermore, the Department has institutionalized the EPWP and there is a dedicated Director responsible for the programme.                                                              |

**Linking performance with budgets:**

**Programme 3:** Housing Development spent 99.94% of its final budget, an underspending of R 1,412 million. Underspending is mostly under Compensation of employees and is due to vacant funded posts.

**Sub-programme expenditure**

| Sub- Programme Name       | 2024/2025           |                    |                          | 2023/2024           |                    |                          |
|---------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                           | 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            | 2 754               | 2 754              | -                        | 2 440               | 2 440              | -                        |
| Financial Interventions   | 255 239             | 255 051            | 188                      | 309 501             | 309 424            | 77                       |
| Incremental Interventions | 865 208             | 865 110            | 98                       | 1 181 706           | 1 178 245          | 3 461                    |
| Rural Interventions       | 1 065 629           | 1 064 501          | 1 128                    | 661 304             | 661 286            | 18                       |
| <b>TOTAL</b>              | <b>2 188 830</b>    | <b>2 187 416</b>   | <b>1 414</b>             | <b>2 154 951</b>    | <b>2 151 395</b>   | <b>3 556</b>             |



*programme*

## HUMAN SETTLEMENTS PROPERTY AND ASSETS



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

#### 4.4. PROGRAMME 4: HUMAN SETTLEMENTS PROPERTY AND ASSETS MANAGEMENT

**Purpose:** To oversee efficient and effective management of Human Settlements properties and assets.

The programme consists of three (3) Sub-programmes namely:

- **Sales, Transfers and Assets:** To manage Housing Sales and transfer of Assets
- **Land Acquisition and Tenure services:** To facilitate and coordinate land acquisition & tenure services
- **Social and Rental Housing:** To facilitate and coordinate the implementation of the social and rental housing

**Outcome:** Security of land tenure and affordable residential and rental services

##### **Outcomes, outputs, outputs indicators, targets and actual achievements**

- A total of 5 rental units were transferred, exceeding the target of 3 for the financial year under review and reducing the Department's financial liability related to the payment of rates and taxes.
- A total of 313 rental disputes were resolved, exceeding the target of 200. This was achieved through collaboration with municipalities and Rental Tribunal members, who provided information and guidance to landlords and tenants regarding their rights and responsibilities related to rental dwellings.

##### **Response to prioritising women, youth and persons with disabilities in its service delivery environment**

The programme response in prioritising women, youth and persons with disabilities are as follows:

- **Pre- 1994 title deeds**

The department has registered 144 title deeds to women and 12 to youth. However, the programme faced challenges, including the non-submission of beneficiary lists by municipalities and the loss of original (mother) title deeds. To address these issues, the department is actively engaging with municipalities to obtain credible beneficiary lists. Additionally, the scope of work for conveyancers will be expanded to address cases involving lost mother title deeds

- **Post-1994 & post – 2014 title deeds**

The Department has registered 1 015 title deeds for women and 583 for youth under the post-1994 title deeds category. Additionally, 39 title deeds were registered for women and 18 for youth in the post-2014 category.

- **First Home Finance Programme**

During the 2024/25 financial year, the department disbursed 279 subsidies to first-time homebuyers, with 98 allocated to women and 118 to youth. This subsidy is designed to assist first-time buyers by bridging the financial shortfall or reducing the capital cost of purchasing a property.

**PROGRAMME 4:**  
**Outcomes, outputs, output indicators, targets, and actual achievements table**  
**Table 2.4.4.2**

| 4.1 SALES, TRANSFERS AND ASSETS                                        |                                  |                                            |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------|----------------------------------|--------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                                                                                                                                                                                                      |
| Security of land tenure and affordable residential and rental Services | Title deeds registered pre-1994  | Number of Pre-1994 title deeds registered  | 70                                   | 214                                  | 500                             | 254                          | (246)                                                         | Underperformance was due to outstanding beneficiary verification and tracking by municipalities, Lost Mother Title deeds and delays in signing of deed of sale. This resulted in delays in the registration of individual transfer                                                                                                          |
|                                                                        | Rental transferred units         | Number of rental units transferred         | 2                                    | 7                                    | 3                               | 5                            | 2                                                             | Over performance was due to the implementation of the directive from the National Department of Human Settlements to accelerate and finalize the transferring process of pre-1994 former National Housing Board properties by the end of March 2025                                                                                         |
| 4.2 LAND ACQUISITION AND TENURE SERVICES                               |                                  |                                            |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                                                                                                                             |
| 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                                                                                                                                                                                                                                                                                                                      |
| Security of land tenure and affordable residential and rental Services | Title deeds registered post-1994 | Number of post-1994 title deeds registered | 2 145                                | 1 456                                | 2 847                           | 2 115                        | (732)                                                         | Underperformance was due to delays regarding the opening of township register, beneficiary administration challenges and lost mother title to unlock transfers<br><br>A total of 134 title deeds were registered in the previous year and not reported to the department, however, title deeds were received in the current financial year. |
|                                                                        | Title deeds registered post-2014 | Number of post-2014 title deeds registered | 6                                    | 664                                  | 4 130                           | 0                            | (4 130)                                                       | Under performance was due to the following:<br><ul style="list-style-type: none"> <li>Beneficiary administration challenges that have delayed the process of transfers in Orange Groove (Boxwood) project</li> <li>NMBM experienced beneficiary management and verification delays in</li> </ul>                                            |

| 4.2 LAND ACQUISITION AND TENURE SERVICES |                                          |                                                                                                       |                                      |                                 |                              |                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
|------------------------------------------|------------------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Outcome                                  | Output                                   | Output Indicator                                                                                      | Audited Actual Performance 2022/2023 | Planned Annual target 2024/2025 | Actual Achievement 2024/2025 | Deviation from planned target to Actual Achievement 2024/2025 | Reasons for deviations                                                                                                                                                                                                                                                                                                                                                                                                               |  |
|                                          |                                          |                                                                                                       |                                      |                                 |                              |                                                               | some projects, that resulted in slow delivery performance. In addition, Joe Slovo 4000 project delayed transfers due to land ownership issues and beneficiary management challenges                                                                                                                                                                                                                                                  |  |
|                                          | New deeds registered                     | Number of new deeds registered                                                                        | 394                                  | 1 095                           | 0                            | (1 095)                                                       | A total of 86 title deeds were registered in the previous year and not reported to the department, however, title deeds were received in the current financial year.                                                                                                                                                                                                                                                                 |  |
|                                          | Land parcels devolved to Municipalities. | Number of land parcels devolved to Municipalities in terms of section 15 of the Housing Act 107, 1997 | 0                                    | 5                               | 0                            | (5)                                                           | Underperformance was due to the challenges experienced by the NMBM municipality regarding land assembly as the land originally belonged to Communal Property Administration and has just recently been transferred to the Metro<br>Underperformance was due to administration process and information for compliance needed by the office of the State Attorney that took more than expected time to conclude the devolution process |  |

| 4.3 SOCIAL AND RENTAL HOUSING                                          |                                                                         |                                                                                   |                                      |                                      |                                 |                              |                                                               |                                                                                                                                                                |
|------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                                                                                                                                         |
| Security of land tenure and affordable residential and rental Services | Households received subsidies through FLISP                             | Number of households that received subsidies through FLISP                        | 274                                  | 366                                  | 330                             | 279                          | (51)                                                          | Under performance was due to limited budget to process payments for approved beneficiaries                                                                     |
|                                                                        | Provincial Steering Committee for Social Housing projects seatings held | Number of Provincial Steering Committee for Social Housing projects seatings held | -                                    | 3                                    | 4                               | 4                            | -                                                             | None                                                                                                                                                           |
|                                                                        | Rental disputes resolved                                                | Number of rental disputes resolved                                                | 317                                  | 276                                  | 200                             | 313                          | 113                                                           | Over performance was due to additional assistance received from municipal officials and the increased public awareness of the Rental Housing Tribunal services |

**Strategy to overcome areas of under performance**

| AREA OF UNDER PERFORMANCE                                                                             | Planned Target 2024/2025 | Actual Achievement 2024/2025 | Comment On under performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Strategy to overcome areas of under performance                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of pre-1994 title deeds registered                                                             | 500                      | 254                          | Underperformance was due to outstanding beneficiary verification and tracking by municipalities, Lost Mother Title deeds and delays in signing of deed of sale. This resulted in delays in the registration of individual transfer.                                                                                                                                                                                                                                                                                                                                                                                                                        | The Department will provide support to municipalities for beneficiary verification, tracking and fast-track signing of deeds of sale. In addition, the contracts of conveyancers have been revised to include the scope of mother title deeds                                                                                                                 |
| Number of post-1994 title deeds registered                                                            | 2 847                    | 2 115                        | Underperformance was due to delays regarding the opening of township register, beneficiary administration challenges and lost mother title to unlock transfers<br><br>A total of 134 title deeds were registered in the previous year and not reported to the department, however, title deeds were received in the current financial year.                                                                                                                                                                                                                                                                                                                | The Department will engage municipalities to address lost mother title issues and beneficiary challenges. Conveyancers will be assisted with the required information to unlock transfers by the first quarter of 2025/26 financial year.                                                                                                                     |
| Number of post-2014 title deeds registered                                                            | 4 130                    | 0                            | Under performance was due to the following:<br><ul style="list-style-type: none"> <li>Beneficiary administration challenges that have delayed the process of transfers in Orange Groove (Boxwood) project</li> <li>NMBM experienced beneficiary management and verification delays in some projects, that resulted in slow delivery performance. In addition, Joe Slovo 4000 project delayed transfers due to land ownership issues and beneficiary management challenges.</li> </ul> A total of 86 title deeds were registered in the previous year and not reported to the department, however, title deeds were received in the current financial year. | <ul style="list-style-type: none"> <li>The department will engage municipalities, conveyancers and beneficiaries to resolve beneficiary administration challenges from the first quarter of 2025/26 financial year.</li> <li>The Department will work closely with NMBM to priorities transfers on these projects in the first quarter of 2025/26.</li> </ul> |
| Number of new title deeds registered                                                                  | 1 095                    | 0                            | Underperformance was due to the challenges experienced by the NMBM municipality regarding land assembly as the land originally belonged to Communal Property Administration and has just recently been transferred to the Metro                                                                                                                                                                                                                                                                                                                                                                                                                            | The department will continuously engage NMBM to priorities title deeds transfers from the first quarter of 2025/26 financial year.                                                                                                                                                                                                                            |
| Number of land parcels devolved to Municipalities in terms of section 15 of the Housing Act 107, 1997 | 5                        | 0                            | Underperformance was due to administration process and information for compliance needed by the office of the State Attorney that took more than expected time to conclude the devolution process                                                                                                                                                                                                                                                                                                                                                                                                                                                          | The transfer process will be followed up for delivery in the first quarter 2025/26 financial year                                                                                                                                                                                                                                                             |
| Number of households that received subsidies through FLISP                                            | 330                      | 279                          | Under performance was due to limited budget to process payments for approved beneficiaries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | The department will recover the shortfall in quarter two of the 2025/26 financial year                                                                                                                                                                                                                                                                        |

**Linking performance with budgets:**

**Programme 4:** Housing Asset Management has spent 99.33% of its allocated budget, an underspending of R 149k. Underspending is mostly under Compensation of employees and is due to vacant funded posts.

### Sub-programme expenditure

| Sub-Programme Name                      | 2024/2025           |                    |                          | 2023//2024          |                    |                          |
|-----------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                                         | 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                          | 2 864               | 2 819              | 45                       | 2 863               | 2 863              | -                        |
| Sale and Transfer of Housing Properties | 5 463               | 5 410              | 53                       | 3 151               | 3 151              | -                        |
| Devolution of Housing Properties        | 3 849               | 3 836              | 13                       | 4 391               | 4 391              | -                        |
| Social and Rental Interventions         | 10 204              | 10 165             | 39                       | 9 599               | 9 599              | -                        |
| <b>TOTAL</b>                            | <b>22 380</b>       | <b>22 230</b>      | <b>150</b>               | <b>20 004</b>       | <b>20 004</b>      | <b>-</b>                 |

### Performance in relation to Standardized Outputs and Output indicators for sectors with concurrent functions

The Department has incorporated standardized sector output performance indicators into the 2024/25 Annual Performance Plan. These indicators will remain in effect and be reported on consistently throughout the Medium-Term Development Plan (MTDP) period. Actual performance against these indicators is detailed across various programmes in the performance information section of the Annual Report.

Below is the table to show sector standardised indicators and a responsible programme

| OUTPUT                                                              | SECTOR STANDARDISED OUTPUT PERFORMANCE INDICATOR                                                             | PROGRAMME                                           | SUB PROGRAMME                        |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------------------|
| Integrated Implementation programmes for priority development areas | Number of integrated implementation programmes for priority development areas completed per year             | Human Settlements Delivery Planning and Performance | Human Settlements Delivery Planning  |
| Investment of the total Human Settlements in PDAs                   | Percentage of investment of the total Human Settlements allocation in PDAs                                   |                                                     |                                      |
| Informal settlements upgraded                                       | Number of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP) | Human Settlements Incremental Programme             | Informal Settlements Upgrading       |
| Breaking New Ground (BNG) houses                                    | Number of Breaking New Ground (BNG) houses delivered                                                         | District Coordination and Project Management        | Districts Support                    |
| Serviced sites                                                      | Number of serviced sites delivered                                                                           |                                                     |                                      |
| Title deeds registered pre-1994                                     | Number of Pre-1994 title deeds registered                                                                    | Human Settlements Property and Assets Management    | Sales, Transfers and Assets          |
| Acquired land during 2014-2019 falling within the PDAs rezoned      | Percentage of land acquired during 2014-2019 within the PDA's rezoned                                        |                                                     | Land Acquisition and Tenure Services |
| Title deeds registered post 1994                                    | Number of Post-1994 title deeds registered                                                                   |                                                     |                                      |
| Title deeds registered post 2014                                    | Number of Post- 2014 title deeds registered                                                                  |                                                     |                                      |
| New title deeds registered                                          | Number of New title deeds registered                                                                         |                                                     |                                      |
| Rental social housing units delivered                               | Number of rental social housing units delivered                                                              |                                                     | Social and Rental Housing            |
| Households received subsidies through FLISP                         | Number of households that received subsidies through FLISP                                                   |                                                     |                                      |
| Community residential units (CRU) delivered                         | Number of Community Residential Units (CRU) delivered                                                        |                                                     |                                      |

## 5. TRANSFER PAYMENTS

5.1. Transfer payments to public entities: **N/A**

5.2. Transfer payments to all organisations other than public entities: **N/A**

## 6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid: **N/A**

### 6.2. Conditional grants and earmarked funds received

The Department received funding from the Human Settlements Development Grant (HSDG) and the Informal Settlements Upgrading Partnership Grant (ISUPG), allocated by the National Department of Human Settlements. Included in the goods and services allocation was the Expanded Public Works Programme (EPWP) grant, which amounted to R2.384 million for the 2024/25 financial year reflecting a 7.58% increase compared to R2.216 million received in the previous year.

The table below details the conditional grant and earmarked funds received from the National Department for the period 1 April 2024 to 31 March 2025.

#### Conditional Grant 1: Human Settlements Development Grant

|                                                   |                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department who transferred the grant              | Human Settlements (Vote11)                                                                                                                                                                                                                                                                                                                                                   |
| 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                     | <ul style="list-style-type: none"> <li>6 284 breaking new grounds units delivered in various housing programmes</li> <li>40 Individual housing subsidies to be facilitated for payments</li> <li>330 housing units delivered through FLISP (FHF)</li> <li>6 624 serviced sites delivered in various housing programmes</li> </ul>                                            |
| Actual outputs achieved                           | <ul style="list-style-type: none"> <li>6 115 breaking new grounds units delivered in various housing programmes</li> <li>44 Individual housing opportunities facilitated for payments</li> <li>279 housing units delivered through finance linked individual subsidy programme</li> <li>7 090 serviced sites delivered in various housing programmes</li> </ul>              |
| Amount per amended DORA                           | R 1,518 billion                                                                                                                                                                                                                                                                                                                                                              |
| Amount received (R'000)                           | R 1,518 104                                                                                                                                                                                                                                                                                                                                                                  |
| Reasons if amount as per DORA was not transferred | Not applicable                                                                                                                                                                                                                                                                                                                                                               |
| Amount spent by the department (R'000)            | R 1, 518 031                                                                                                                                                                                                                                                                                                                                                                 |
| Reasons for the funds unspent by the entity       | Not applicable                                                                                                                                                                                                                                                                                                                                                               |
| Reasons for deviation on performance              | The underperformance in unit delivery was primarily due to project extortion by construction mafias in various regions, including metropolitan areas, which disrupted on-site progress. Additionally, a high number of finance-linked applicants falling within the lower income bracket contributed to increased expenditure and reduced overall performance                |
| Measures taken to improve performance             | None                                                                                                                                                                                                                                                                                                                                                                         |
| Monitoring mechanism by the receiving department  | All relevant programmes submit monthly and quarterly performance reports through the In-Year Monitoring and Reporting process. These reports are consolidated in accordance with PFMA requirements and submitted to the Executive Authority, Portfolio Committee, Head of Department, Top Management, Provincial Treasury, and the National Department of Human Settlements. |

**Conditional Grant 2: Upgrading of Informal Settlement Partnership Grant**

|                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Department who transferred the grant             | Human Settlements (Vote11)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Purpose of the grant                             | To provide funding to facilitate a programmatic and inclusive approach to upgrading of informal settlements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Expected outputs of the grant                    | <p>Phase 1</p> <ul style="list-style-type: none"> <li>Provision of social facilitation to 160 informal settlements</li> <li>Re-blocking of 7 projects</li> </ul> <p>Phase 2</p> <ul style="list-style-type: none"> <li>Formalization of 23 informal settlements</li> <li>Conduct Feasibility studies for 23 informal settlements</li> <li>Environmental Impact Assessment to be undertaken to 2 informal settlements</li> <li>Conduct Geo-Technical studies for 23 informal settlements</li> <li>Conduct traffic studies for 23 informal settlements</li> <li>Acquire 4 land parcels</li> <li>Provide bulk infrastructure to 115 informal settlements</li> <li>Provide interim services to 45 informal settlements</li> </ul> <p>Phase 3</p> <ul style="list-style-type: none"> <li>Provide 29 informal settlements projects with permanent municipal engineering services</li> </ul> |
| Actual outputs achieved                          | <ul style="list-style-type: none"> <li>45 informal settlements projects were provided with social facilitation</li> <li>Feasibility studies were conducted for 7 informal settlements</li> <li>Geo-Technical studies were conducted on 6 informal settlements</li> <li>Traffic studies were conducted on 7 informal settlements</li> <li>5 land parcels were acquired</li> <li>Bulk infrastructure was provided to 45 informal settlements</li> <li>15 Informal settlements projects were provided with interim temporary engineering services</li> <li>Permanent municipal engineering services were provided for 1 informal settlement</li> </ul>                                                                                                                                                                                                                                   |
| Amount per amended DORA                          | R 414 853 million                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Amount received (R'000)                          | R 415 853                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Reasons if amount as per DORA was not received   | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Amount spent by the department (R'000)           | R 415 842                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Reasons for the funds unspent by the entity      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Reasons for deviation on performance             | The appointed implementing agent did not perform as expected, and all 160 informal settlements remain at various stages of the upgrading process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Measures taken to improve performance            | The department has appointed a new implementing agent, and the allocation of the scope of work has been finalized                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Monitoring mechanism by the receiving department | All relevant programmes submit monthly and quarterly performance reports through the In-Year Monitoring and Reporting process. These reports are consolidated in accordance with PFMA requirements and submitted to the Executive Authority, Portfolio Committee, Head of Department, Top Management, Provincial Treasury, and the National Department of Human Settlements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  |                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94; Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New) | Total Allocation | Total Spent                                                                                                                                                                                                     |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          | Variance         | % Spent against annual                                                                                                                                                                                          |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          | Challenges       | Intervention/Remedial Actions                                                                                                                                                                                   |
| <b>1. Financial Intervention</b>                                                             |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  |                                                                                                                                                                                                                 |
| <b>1.1b</b>                                                                                  |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  |                                                                                                                                                                                                                 |
| Individual Housing Subsidies (R0 - R3 500) Non-credit linked                                 | -                        | -                    | 40                       | 44                    | -                                                             | -                                                             | -                                        | -                                        | 15 000           | 9 971                                                                                                                                                                                                           |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          | 5 029            | 66%                                                                                                                                                                                                             |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  | The annual target was achieved in the second quarter. Consequently, the remaining funds were reallocated to other delivery instruments in the final quarter                                                     |
| <b>1.2</b>                                                                                   |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  |                                                                                                                                                                                                                 |
| Housing Finance Linked Individual Subsidies (First Home Finance) (R3 501 - R22 000)          | -                        | -                    | 330                      | 279                   | -                                                             | -                                                             | -                                        | -                                        | 27 452           | 28 591                                                                                                                                                                                                          |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          | (1 139)          | 104%                                                                                                                                                                                                            |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  | The program has overspent its annual budget allocation. This overspending is primarily due to the high volume of finance-linked applicants within the lower-income bracket. Additionally, increased interest in |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                          |                  | The department has factored this into planning for the next financial year to mitigate potential cash flow constraints                                                                                          |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                         |                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94; Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                     | Intervention/Remedial Actions                                                                                                                                         |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | the program has further contributed to the elevated expenditure .                                                                                       |                                                                                                                                                                       |
| 1.3 Enhanced Extended Discount Benefit Scheme                                                | -                        |                      | -                        | -                     | 500                                                           | -                                                             | -                                        | -                                         | 492              | 569         | (77)     | 116%                   | Expenditure has improved as a result of faster transfer turnaround times and improved targets are met as planned, including in the next financial year. | The department is engaging with conveyancers to ensure that transfer times and transfer targets are improved as met as planned, including in the next financial year. |
| 1.4 State Asset Maintenance Programme                                                        | -                        |                      | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 1 529            | 2 024       | (495)    | 132%                   | Over expenditure was primarily due to payments for rates and taxes, Chief Registrar fees, and body corporate overheads on state-owned properties        | Devolution of the state-owned properties is underway and will ultimately reduce the costs in this instrument                                                          |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                                  |                                                                                                           |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                              | Intervention/Remedial Actions                                                                             |
| 1.1.5a Rectification of RDP Stock 1994-2002                                                  | 44                       | -                    | 15                       | -                     | 1 045 (Pre&Post 94, Post 2014)                                | 52                                                            | 116                                      | 391                                       | 91 120           | 139 655     | (48 535) | 153%                   | over-expenditure and performance were primarily driven by the Amathole, OR Tambo, and Sarah Baartman regions, which exceeded targets due to the use of high-capacity contractors |                                                                                                           |
| 1.1.5b Rectification of housing Stock (pre 1994)                                             | -                        |                      | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 5 168            | 377         | 4 791    | 7%                     | The program continues to be negatively impacted by poor contractor performance in the NMBM region, compounded by community interference in the projects.                         | The remaining allocated budget of the instrument was reallocated to ongoing projects in other instruments |
| 1.1.6 Social and                                                                             | -                        |                      | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 11 877           | 14 874      | (2 997)  | 125%                   | Over-expenditure                                                                                                                                                                 | The Department                                                                                            |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                    |                                                                                                                           |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                | Intervention/Remedial Actions                                                                                             |
| Economic Facilities                                                                          |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | on the instrument is attributed to the Blue Crane Route – Mnanini MPCC (Somerset East), where the contractor is performing well, with construction progress at 87% | will focus on the performance of the contractors in Tsomo Ntsongeni MPCC (Tsomo) and Graaff Reinet MPCC (DR Beyers Naude) |
| 1.7 Accredited Municipalities (level 1 & 2): housing programmes to be approved and funded    | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 11 004           | 8 879       | 2 125    | 81%                    | Under performance was due to delays in the finalisation of the Implementation Protocols for the two financial years.                                               | Implementa tion Protocols were finalised and expenditure will be realised in the 2025/26 financial year.                  |
| 1.8 Operational Capital Budget                                                               | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 33 811           | 17 059      | 16 752   | 50%                    | Expenditure to date is associated with court orders that have been paid, as well as project-level                                                                  | The remaining balance of the instrument was reallocated to ongoing projects                                               |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                      |                                                                                                           |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94; Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                  | Intervention/ Remedial Actions                                                                            |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | monitoring costs                                                                                                                                                     | under other instruments                                                                                   |
| 1.10 NHBRC Enrolment Fees                                                                    | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 12 516           | 9 995       | 2 521    | 80%                    | The program has underspent on the allocation however, HSDG; some claims processed by the Coega Development Corporation contributed to achieving the enrolment target | The remaining balance of the budget was reallocated to ongoing projects across other instruments          |
| 1.11 Land parcels procured (IHAHSD grant)                                                    | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 21 623           | 1 811       | 19 812   | 8%                     | Two land parcels were purchased from the HSDG in the current year (KWT), and an additional two land parcels were acquired, with payments                             | The remaining balance of the allocated budget was reallocated to ongoing projects under other instruments |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                       |                                                                                                                                               |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                   | Intervention/Remedial Actions                                                                                                                 |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | made using funds held in the trust accounts by Coega Development Corporation (CDC)                                                    |                                                                                                                                               |
| 1.12 Housing chapters of IDP's                                                               | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 11 204           | -           | 11 204   | 0%                     | The delays occurred in the appointment of service providers to assist municipalities with the review and development of sector plans. | Appointment of Service Providers has been finalised and they are already on site. Expenditure will be realised in the 2025/26 Financial year. |
| Sub-total: Financial Intervention                                                            | 44                       | -                    | 385                      | 323                   | 1 545                                                         | 52                                                            | 116                                      | 391                                       | 242 796          | 233 805     | 8 991    | 96%                    |                                                                                                                                       |                                                                                                                                               |
| 2. Incremental Housing Programmes                                                            |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                       |                                                                                                                                               |
| 2.2a Integrated Residential Development Programme : Phase 1 Planning and Services            | 934                      | 921                  | 239                      | 89                    | 230                                                           | -                                                             | 863                                      |                                           | 74 391           | 47 913      | 26 478   | 64%                    | Underperformance and underspending year-to-date were due to delays in the appointment of                                              | The department has noted the improvements in the Sarah Baartman Region and BCM. The underspend                                                |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                                                |                                                                                                                                             |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                                            | Intervention/Remedial Actions                                                                                                               |
| 2.2c Integrated Residential Development Programme : Phase 2: Top Structure Construction      | 263                      | 260                  | 2 025                    | 1 354                 | 1 190                                                         | 1 238                                                         | 3 525                                    | 1 134                                     | 230 964          | 143 381     | 87 583   | 62%                    | Under performance on the program was due to the following: Delays in the appointment of contractors and professionals in 1st half of the year. Poor performance of the                         | The Contractors were appointed resulting in improvements on-site. The underspending was redirected to ongoing projects in other instruments |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | professional teams and contractors, which postponed the start of several projects. Appointment made in the third quarter, leading to significant improvements in delivery under the instrument | ing on this instrument was redirected to ongoing projects in other instruments                                                              |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                                                                                      |                               |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                                                                                  | Intervention/Remedial Actions |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | contractors in Amathole, BCM, Sarah Baartman, Joe Gqabi and NMBM regions. NMBM has also been utilizing the trust account funding to construct units and claims will be submitted once funding is exhausted                           |                               |
| 2.3a Enhanced People's Housing process                                                       | 177                      | 247                  | 318                      | 283                   | 300                                                           | -                                                             | 210                                      | -                                         | 89 998           | 105 244     | (15 246) | 117%                   | Over performance was driven by the ongoing accelerated delivery program in the Chris Hani and Amathole Regions. The funds were reallocated from underperforming projects to support these initiatives for the remainder of the year. |                               |
| 2.5a Consolidation subsidies                                                                 | -                        | -                    | 40                       | -                     | 36                                                            | -                                                             | -                                        | -                                         | 95               | -           | 95       | 0%                     | There was a delay in appointing the contractor and PSP have been                                                                                                                                                                     |                               |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                                       |                                                                                                            |
|----------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|-------------------------------------------|------------------|-------------|----------|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                                                   | Intervention/Remedial Actions                                                                              |
| (Excluding Blocked Projects)                                                                 |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | contractor and the PSP.                                                                                                                                                               | appointed for the construction of the units. The PSP is currently handling pre-planning activities.        |
| 2.6<br>Emergency Housing Assistance (As per housing code 2.3.1 (c) to (i))                   | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 72 127           | 115 777     | (43 650) | 161%                   | Over expenditure is attributed to payments made for shelters constructed in the O.R. Tambo, Amathole, and Chris Hani regions for destitute cases, with 486 shelters delivered to date | The programme will make strides to manage cash flows through the nature of the programme is unpredictable. |
| Sub-total: Incremental                                                                       | 1 374                    | 1 428                | 2 622                    | 1 726                 | 1 756                                                         | 1 238                                                         | 4 598                                    | 1 134                                     | 467 575          | 412 315     | 55 260   | 88%                    |                                                                                                                                                                                       |                                                                                                            |
| 3. Social and Rental Housing                                                                 |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                                                       |                                                                                                            |
| 3.1<br>Institutional Subsidies                                                               | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         |                  |             |          |                        | N/A                                                                                                                                                                                   |                                                                                                            |
| 3.2a<br>Social housing:                                                                      | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 6 503            | 5 257       | 1 246    | 81%                    | Expenditure has                                                                                                                                                                       | Unspent funds                                                                                              |

| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                                                                                                                                                          |                                                                                                               |
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| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges                                                                                                                                      | Intervention/Remedial Actions                                                                                 |
| operational support                                                                          |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        | improved following the appointment of the new Tribunal in the second half of the year; however, the program was unable to make up for the earlier delays | resulting from the late appointment of tribunals were redirected to other ongoing programs in need of funding |
| 3.2b Social Housing: Capital Grants for rental housing (Funded by NDoH)                      | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | -                | -           | -        | 0%                     | -                                                                                                                                                        |                                                                                                               |
| 3.3a Community residential units (CRU) Converted/ Upgraded                                   | -                        | -                    | -                        | -                     | -                                                             | -                                                             | -                                        | -                                         | 450              | -           | 450      | 0%                     | No expenditure was incurred due to the absence of bulk infrastructure required to support the implementation of the planned                              | The program is developing strategies to facilitate the provision of bulk infrastructure                       |



| APRIL TO MARCH 2025 SUMMARY OF HUMAN SETTLEMENTS DEVELOPMENT GRANT PERFORMANCE PER PROGRAMME |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                     |                                                                                                    |
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| Housing Programmes                                                                           | Total Annual No of Sites | No of Serviced Sites | Total Annual No of Units | No of Units Delivered | Total Annual Title Deeds Restoration (Pre&Post 94, Post 2014) | No. of Title Deed Restoration Issued (Pre&Post 94; Post 2014) | Total Annual Title Deeds (Current & New) | No. of New Title Deeds Issued (Curr&New ) | Total Allocation | Total Spent | Variance | % Spent against annual | Projects Challenges | Intervention/Remedial Actions                                                                      |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                     |                                                                                                    |
|                                                                                              |                          |                      |                          |                       |                                                               |                                                               |                                          |                                           |                  |             |          |                        |                     | professional service providers are actively engaged in planning activities across multiple regions |
| Sub-total: Rural Housing Programmes                                                          | 5 196                    | 5 662                | 3 637                    | 4 389                 | -                                                             | 50                                                            | 567                                      | 103                                       | 800 780          | 866 654     | (65 874) | 108%                   |                     |                                                                                                    |
| GRANT TOTAL                                                                                  | 6 614                    | 7 090                | 6 644                    | 6 438                 | 3 301                                                         | 1 340                                                         | 5 281                                    | 1 628                                     | 1 518 104        | 1 518 031   | 73       | 4                      |                     |                                                                                                    |

| APRIL TO MARCH 2025 INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT PERFORMANCE |                    |                       |                |                            |                                  |                               |                                                           |                                                                                                                                             |                                                                                                                |
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| PERFORMANCE INDICATOR                                                            | NON-FINANCIAL DATA |                       | FINANCIAL DATA |                            |                                  |                               | CHALLENGES/ REASONS FOR UNDER PERFORMANCE/ OTHER COMMENTS | INTERVENTIONS/REMEDIAL ACTIONS                                                                                                              |                                                                                                                |
|                                                                                  | ANNUAL TARGETS     | ACTUAL ANNUAL OUTPUTS | Annual Budget  | Total - Actual Expenditure | Variance Funds Allocated & Spent | % spent against Annual Budget |                                                           |                                                                                                                                             |                                                                                                                |
|                                                                                  |                    |                       |                |                            |                                  |                               |                                                           |                                                                                                                                             | R'000                                                                                                          |
| PHASE 1                                                                          |                    |                       |                |                            |                                  |                               |                                                           |                                                                                                                                             |                                                                                                                |
| Number of Social facilitations                                                   | 160                |                       | 45             | 11 689                     | 4 542                            | 7 147                         | 39%                                                       | Under performance was due to stalled projects due to expired contracts that were not renewed for the service providers                      | The department has appointed a new Implementing Agent for completion of the projects                           |
| • Number of pre-feasibility Studies                                              | -                  |                       | -              | -                          | -                                | -                             |                                                           |                                                                                                                                             |                                                                                                                |
| • Number of Re-blocking projects undertaken                                      | 7                  |                       | -              | -                          | -                                | -                             |                                                           | Non-performance was due to delays in the commencement of re-blocking activities as the result of workshoping the communities                | The re-blocking activities will commence in the next financial year                                            |
| Sub-Total: PHASE 1                                                               | 160                |                       | 45             | 11 689                     | 4 542                            | 7 147                         | 39%                                                       |                                                                                                                                             |                                                                                                                |
| PHASE 2                                                                          |                    |                       |                |                            |                                  |                               |                                                           |                                                                                                                                             |                                                                                                                |
| Formalisation                                                                    | 23                 |                       | 7              | 5 181                      | 1 145                            | 4 036                         | 22%                                                       | Under performance was due to delays in the approval of application for formalisation of informal settlements projects by the municipalities | The municipalities will be engaged to improve the turnaround time to approve the application for formalisation |
| • Feasibility studies:                                                           | 23                 |                       | 7              | 5 181                      | 106                              | 5 075                         | 2%                                                        | Under performance was due to delay in the reviewal of upgrading plans to proceed with permanent services                                    | The department will conclude the reviewal of the upgrading plans in 2025/26 financial year                     |
| - Number of Environmental Impact Assessments (EIA) undertaken                    | 2                  |                       | 0              | 2 134                      |                                  | 2 134                         | 0%                                                        | Under performance was due to delays in the finalization of the EIA assessment for two (2) projects                                          | The EIA Assessment will be finalised in the first quarter of the 2025/26 financial year                        |
| - Number of Geo Technical studies conducted                                      | 23                 |                       | 6              | 1 457                      | 106                              | 1 350                         | 7%                                                        | Under performance was due to delays in the finalization of the Geo Technical studies                                                        | The Geo Technical studies will be finalised in the first quarter of the 2025/26 financial year                 |
| - Number of any other relevant studies conducted: Please specify                 | 23                 |                       | 7              | 1 591                      |                                  | 1 591                         | 0%                                                        | Under performance was due to delays in the finalization of the traffic studies                                                              | The traffic studies will be finalised in 2025/26 financial year                                                |

| APRIL TO MARCH 2025 INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT PERFORMANCE                                                  |                    |                       |                |                            |                                  |                               |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
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| PERFORMANCE INDICATOR                                                                                                             | NON-FINANCIAL DATA |                       | FINANCIAL DATA |                            |                                  |                               | CHALLENGES/ REASONS FOR UNDER PERFORMANCE/ OTHER COMMENTS                                                                                                                                                                                 | INTERVENTIONS/REMEDIAL ACTIONS                                                                                                           |  |
|                                                                                                                                   | ANNUAL TARGETS     | ACTUAL ANNUAL OUTPUTS | Annual Budget  | Total - Actual Expenditure | Variance Funds Allocated & Spent | % spent against Annual Budget |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
|                                                                                                                                   |                    |                       | R'000          | R'000                      | R'000                            |                               |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| • Land Surveying, Pegging and General Plan                                                                                        | -                  | -                     | -              | 1 039                      | - 1 039                          | 0%                            | The expenditure was due to pegging conducted to 7 projects to fast-track interim services in Sarah Baartman region                                                                                                                        | The department will ensure cashflow projections are aligned with performance                                                             |  |
| Land acquisition                                                                                                                  | 4                  | 5                     | 38 667         | 120 829                    | - 82 162                         | 312%                          | Over performance was due to the demand for land parcel that will be utilised for re-blocking the congested settlements                                                                                                                    | The department will ensure cashflow projections are aligned with performance                                                             |  |
| - Hectares of land acquired for in-situ upgrading                                                                                 | 272                | 305                   | 38 667         | 120 829                    | - 82 162                         | 312%                          | Over performance was due to the demand for land parcel that will be utilised for re-blocking the congested settlements                                                                                                                    | The department will ensure cashflow projections are aligned with performance                                                             |  |
| Number of settlements supplied with bulk infrastructure and link                                                                  | 115                | 45                    | 221 481        | 8 258                      | 213 223                          | 4%                            | Under performance was due to poor performance of the contractors on site                                                                                                                                                                  | The department terminated the contract of the implementing agent and appointed the new implementing agent for the completion of projects |  |
| - Water                                                                                                                           | 108                | 8                     | 76 657         | 914                        | 75 743                           | 1%                            |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Sanitation                                                                                                                      | 110                | 7                     | 64 661         | 445                        | 64 216                           | 1%                            |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Roads                                                                                                                           | 107                | 20                    | 36 806         | 5 009                      | 31 797                           | 14%                           |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Storm water                                                                                                                     | 107                | 0                     | 38 906         |                            | 38 906                           | 0%                            |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Electricity                                                                                                                     | 10                 | 5                     | 4 451          | 1 890                      | 2 561                            | 42%                           |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| Number of settlements benefiting from temporal and interim municipal engineering services and/or any other alternative technology | 45                 | 15                    |                | 30 394                     | - 30 394                         | 0%                            | Fourty-five (45) informal settlements projects were earmarked for planning activities to prepare for interim services, hence there was no budget required and allocated. However, there was a need to prioritise Sarah Baartman projects. | The department will adhere to the project implementation plan                                                                            |  |
| - Water                                                                                                                           |                    |                       |                |                            |                                  |                               |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Sanitation                                                                                                                      | 45                 | 15                    |                | 29 483                     | - 29 483                         | 0%                            |                                                                                                                                                                                                                                           |                                                                                                                                          |  |
| - Refuse Removal                                                                                                                  | -                  | -                     | -              | -                          | -                                | -                             |                                                                                                                                                                                                                                           |                                                                                                                                          |  |

| APRIL TO MARCH 2025 INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT PERFORMANCE                                                                                                         |                    |                       |                |                            |                                  |                               |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
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| PERFORMANCE INDICATOR                                                                                                                                                                    | NON-FINANCIAL DATA |                       | FINANCIAL DATA |                            |                                  |                               | CHALLENGES/ REASONS FOR UNDER PERFORMANCE/ OTHER COMMENTS                                                                                                                                                                | INTERVENTIONS/REMEDIAL ACTIONS                                                                                                                                                    |  |
|                                                                                                                                                                                          | ANNUAL TARGETS     | ACTUAL ANNUAL OUTPUTS | Annual Budget  | Total - Actual Expenditure | Variance Funds Allocated & Spent | % spent against Annual Budget |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
|                                                                                                                                                                                          |                    |                       | R'000          | R'000                      | R'000                            |                               |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| - Electricity                                                                                                                                                                            | -                  | -                     | -              | -                          | -                                | -                             |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| - Basic Community Safety                                                                                                                                                                 | -                  | -                     | -              | -                          | -                                | -                             |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| - Access Roads                                                                                                                                                                           | 45                 | 15                    |                | 894                        | - 894                            |                               |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| - Storm Water                                                                                                                                                                            | 45                 | 15                    |                | 17                         | - 17                             | 0%                            |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| Number of settlements provided with rudimentary services                                                                                                                                 | -                  | -                     | -              | -                          | -                                | -                             |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| Sub-Total: PHASE 2                                                                                                                                                                       | 45                 | 15                    | 265 329        | 160 627                    | 104 703                          | 61%                           | The projects moved positively and faster than planned activities above the scheduled in the Sarah Baartman regions, although poor performance of the contractors and the Implementing agent led to the overall challenge | The performance shall be regulated through better project management at the regional levels. The department has appointed a new Implementing Agent for completion of the projects |  |
| PHASE 3                                                                                                                                                                                  |                    |                       |                |                            |                                  |                               |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |
| Number of settlements provided with Permanent Municipal Engineering Services and/or any other alternative engineering services [Reticulation/ Individual Municipal Engineering Services] | 29                 | 1                     | 112 606        | 227 807                    | - 115 201                        | 202%                          | Under performance was due to projects that are in the various stages of construction, however over expenditure was due to payment of these various stages                                                                | The department will adhere to the project implementation plan                                                                                                                     |  |
| Number of social and economic amenities; to be provided in collaboration with municipality and the community)                                                                            | 5                  | 0                     | 7 157          |                            | 7 157                            | 0%                            | There were delays in the finalisation of the planning processes                                                                                                                                                          | The department will finalise the planning processes in the next financial year.                                                                                                   |  |
| OPSCAP                                                                                                                                                                                   | 160                | 45                    | 18 071         | 10 646                     | 7 425                            | 59%                           | Under expenditure was due to poor performance of professional service providers on site                                                                                                                                  | The department will align cashflows with performance                                                                                                                              |  |
| Other: (Please specify) Preplanning Paid                                                                                                                                                 |                    |                       |                | 2 327                      | - 2 327                          | 0%                            | These projects progressed positively and at an                                                                                                                                                                           | The program is strengthening project                                                                                                                                              |  |
| Sub-Total: PHASE 3                                                                                                                                                                       | 29                 | 1                     | 137 835        | 249 673                    | - 111 838                        | 181%                          |                                                                                                                                                                                                                          |                                                                                                                                                                                   |  |

| APRIL TO MARCH 2025 INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT PERFORMANCE |                    |                       |                |                            |                                  |                               |                                                           |                                |  |
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| PERFORMANCE INDICATOR                                                            | NON-FINANCIAL DATA |                       | FINANCIAL DATA |                            |                                  |                               | CHALLENGES/ REASONS FOR UNDER PERFORMANCE/ OTHER COMMENTS | INTERVENTIONS/REMEDIAL ACTIONS |  |
|                                                                                  | ANNUAL TARGETS     | ACTUAL ANNUAL OUTPUTS | Annual Budget  | Total - Actual Expenditure | Variance Funds Allocated & Spent | % spent against Annual Budget |                                                           |                                |  |
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| APRIL TO MARCH 2025 INFORMAL SETTLEMENTS UPGRADING PARTNESHIP GRANT PERFORMANCE |                    |                       |                |                            |                                  |                                                           |                                                                                                                                                                                                                                                                                      |                               |
|---------------------------------------------------------------------------------|--------------------|-----------------------|----------------|----------------------------|----------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| PERFORMANCE INDICATOR                                                           | NON-FINANCIAL DATA |                       | FINANCIAL DATA |                            |                                  | CHALLENGES/ REASONS FOR UNDER PERFORMANCE/ OTHER COMMENTS | INTERVENTIONS/REMEDIAL ACTIONS                                                                                                                                                                                                                                                       |                               |
|                                                                                 | ANNUAL TARGETS     | ACTUAL ANNUAL OUTPUTS | Annual Budget  | Total - Actual Expenditure | Variance Funds Allocated & Spent |                                                           |                                                                                                                                                                                                                                                                                      | % spent against Annual Budget |
|                                                                                 |                    |                       |                |                            |                                  |                                                           |                                                                                                                                                                                                                                                                                      |                               |
|                                                                                 |                    |                       |                |                            |                                  |                                                           | permanent service construction in 7 projects.<br><br>The 11 Raymond Mhlaba project are near completion with the Phase-3 upgrading activities of permanent services (Water, Sanitation, Electricity) with the delivery of serviced site and commencement of the title deeds processes | sessions to expedite delivery |



## 7. DONOR FUNDS

### Donor Funds Received

All donor funds received were spent as the Department requests sponsors only when there is a particular need, and all funds are utilised for that particular purpose. These requests are usually done through the Stakeholder Engagement Directorate however for 2024/25 there were no donors received by the Department.

#### Donor Fund for 2024/25

|                                        |      |
|----------------------------------------|------|
| Name of donor                          | None |
| Full amount of the funding             | None |
| Period of the commitment               | None |
| Purpose of the funding                 | None |
| Expected outputs                       | None |
| Actual outputs achieved                | None |
| Amount received (R'000)                | None |
| Amount spent by the department (R'000) | None |
| Reasons for the funds unspent          | None |
| Monitoring mechanism by the donor      | None |

## 8. CAPITAL INVESTMENT

### 8.1. Capital investment, maintenance, and asset management plan

- Progress made on implementing the capital, investment, and asset management plan.**

The Department of Public Works (DPW) is responsible for implementing Capital Investment and Asset Management Plans, while the Department of Human Settlements oversees the assessment of leased assets. As the user of assets leased through the DPW, the Department of Human Settlements developed, completed, and submitted a User Asset Management Plan for Immovable Assets. Following the assessment of these assets, a report outlining the findings is compiled and submitted to the Department of Public Works for appropriate action.

- Infrastructure projects which have been completed in the current year and the progress in comparison to what was planned at the beginning of the year. Provide reasons for material variances (2% variance)**

As of the end of the 2024/25 financial year, a total of 492 properties were recorded on the Asset Register, as detailed in the table below.:

|     |                                                     |
|-----|-----------------------------------------------------|
| 252 | Vacant Erven - Imizi Housing Utility                |
| 172 | Land parcels/Vacant Erven                           |
| 49  | Sales (sold properties)                             |
| 7   | Loans (90% loans granted)                           |
| 12  | Rental Properties (Own Titles and Sectional Titles) |
| 492 | <b>Total Properties</b>                             |

- Infrastructure projects that are currently in progress (list projects) and when they are expected to be completed:**

The departmental infrastructure projects are included in the inventory but are not categorized under Capital Projects. A total of 91 projects are scheduled for implementation in the 2024/25 financial year. However, as these are multi-year initiatives, they will be carried out over a three-year period

- Plans to close or down-grade any current facilities,**

The Department of Public Works is mandated with the provisioning of office accommodation. The Department is in use of 4 leased buildings and 3 state-owned facilities. The movement in office accommodation is mainly informed by the lease agreements between the landlord and Public Works. There are plans in place to move Kokstad office to EmaXesibeni Prescient, but the project is still in progress. There are also plans to move Head Office to Bisho Prescient pending project inception and finalization. BCM and ADM lease have expired, a new landlord has been contracted, the new building is under renovation.

### Progress made on the maintenance of infrastructure

Maintenance planning falls under the responsibility of the Department of Public Works as the custodian of government properties. As the user department, the Department of Human Settlements has conducted inspections in accordance with the Occupational Health and Safety Act. Instances of non-compliance identified during these inspections have been escalated to the Department of Public Works for resolution. Rates and taxes amounting to R2 073 997 were paid in the 2024/25 financial year and one (1) flat was maintained.

- **Developments relating to the above are expected to impact on the department's current expenditure.**

If the department relocates offices from one building to another, it may incur transportation costs for moving state furniture.

- **Details as to how asset holdings have changed over the period under review, including information on disposals, scrapping and loss due to theft**

At the start of the 2024/25 financial year, the department held 6 252 assets received from the Department of Public Works. There was no change in the asset register during the year, and as of 31 March 2025, the asset count remains unchanged. In the 2024/25 financial year, the department acquired 7 land parcels.

- **Measures taken to ensure that the department's asset register remained up to date during the period under review**

Immovable assets were verified during the 2024/25 financial year, and the asset register was updated to reflect the verification findings.

- **The current state of the department's capital assets, for example what percentage is in good, fair, or bad condition**

The immovable assets inherited from the former Housing Board are currently in good condition, as they are maintained on a request-driven basis by tenants. Rates and taxes are paid monthly, with total expenditure for the 2024/25 financial year amounting to R2,073,997.

- **Major maintenance projects that have been undertaken during the period under review**

The remaining immovable assets from the former Housing Board are in good condition, maintained based on tenant requests, with rates and taxes paid regularly on a monthly basis.

- **Progress made in addressing the maintenance backlog during the period under review, for example, has the backlog grown or become smaller? Is the rate of progress according to plan? If not why, and what measures were taken to keep on track**

The department is currently in the process of devolving land parcels to municipalities within their respective jurisdictions, while simultaneously advancing the transfer of Own Title dwellings and Sectional Title units to eligible beneficiaries. For the 2024/25 financial year, total expenditure on the maintenance of rental units and payment of rates and taxes amounted to R2,073,997. There is no maintenance backlog, as the sale and transfer of these properties to qualifying beneficiaries in occupation is actively progressing.

| Infrastructure projects                          | 2024/2025                 |                          |                                | 2023/24                   |                          |                                |
|--------------------------------------------------|---------------------------|--------------------------|--------------------------------|---------------------------|--------------------------|--------------------------------|
|                                                  | Final Appropriation R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 | Final Appropriation R'000 | Actual Expenditure R'000 | (Over)/Under Expenditure R'000 |
| New and replacement assets                       | 25 000                    | 151 037                  | 126 037                        | -                         | -                        | -                              |
| Existing infrastructure assets                   | -                         | -                        | -                              | -                         | -                        | -                              |
| - Upgrades and additions                         | -                         | -                        | -                              | -                         | -                        | -                              |
| - Rehabilitation, renovations and refurbishments | -                         | -                        | -                              | -                         | -                        | -                              |
| - Rates, Maintenance and repairs                 | 653                       | 2 074                    | 1 421                          | 1 868                     | 3 512                    | 1 644                          |
| Infrastructure transfer                          | -                         | -                        | -                              | -                         | -                        | -                              |
| - Current                                        | -                         | -                        | -                              | -                         | -                        | -                              |
| - Capital                                        | -                         | -                        | -                              | -                         | -                        | -                              |
| <b>Total</b>                                     | <b>25 653</b>             | <b>153 111</b>           | <b>127 458</b>                 | <b>1 868</b>              | <b>3 512</b>             | <b>1 644</b>                   |



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

# *Part C*

## **GOVERNANCE**

*Transforming communities together*

## 1. INTRODUCTION

The Department remains committed to the principles of good governance as one of its four key outcomes and a central driver of all departmental programmes. Good governance provides strategic direction and leadership, strengthening the Department's governance framework and supporting the mandate of Human Settlements. Throughout the strategy cycle, the Department has prioritized governance and accountability, aiming to enhance internal controls and promote transparency to both citizens and oversight bodies. Its commitment to sound executive, administrative, and leadership practices ensures that the Department remains well-managed, efficient, effective, and pro-poor, with a strong citizen-centric approach, as reflected in its unqualified audit report.

## 2. RISK MANAGEMENT

Enterprise Risk Management (ERM) objectives are established to uphold the commitments outlined in the ERM Policy and to provide reasonable assurance that the department's goals will be achieved. In support of this, the following milestones have been accomplished:

- o The department has adopted an approved Risk Management Framework, which is reviewed every three years. This framework includes the Risk Policy, Strategy, and Charter.
- o Annual assessments of both strategic and operational risks are conducted by the departmental risk management unit. The resulting Strategic and Operational Risk Registers are aligned with the department's approved Risk Appetite and Tolerance Statement.
- o The Risk Management Committee meets quarterly to monitor progress and advise the department on key risk issues, particularly those requiring immediate attention. An independent Chairperson, appointed externally, reports directly to the Audit Committee in line with the Risk Management Charter.
- o The Risk Chairperson provides quarterly reports to the Audit Committee, and its recommendations are implemented accordingly. Risk management is a standing item on the Audit Committee's quarterly agenda.

- **Whether the department has a risk management policy and strategy.**

Yes, the Department has a Risk Management Policy and Strategy in place, which form part of the broader Risk Management Framework. This framework is reviewed annually to incorporate the latest developments in the risk management landscape, including guidance from King IV on Corporate Governance and the most recent COSO principles.

- **Whether the department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks.**

The department conducts regular risk assessments to identify priority strategic risks, operational (business) risks, and emerging risks, all of which are monitored on a quarterly basis.

- **Whether there is a Risk Management Committee that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.**

The department has an established and functioning risk management committee that sits on quarterly basis to advise management on the overall risk management trajectory of the department.

- **Whether the Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management.**

The Chairperson of the Risk Management Committee is an independent external appointee who reports to the Audit Committee in accordance with the Risk Management Committee Charter. The Audit Committee, in turn, independently monitors the effectiveness of risk management through internal audit reports. Risk management is a standing item on the agenda of all Audit Committee meetings.

- **Whether the department sees progress in the management of risks, whether this has transmitted into improvements in the department's performance, and if not, what it plans on doing to address this problem**

Yes, it has contributed positively by enhancing the integration of risk management into the department's day-to-day decision-making processes. This has, in turn, supported the achievement of business objectives and targets during the year under review

### 3. FRAUD AND CORRUPTION

- **Department's fraud prevention plan and the progress made in implementing the fraud prevention plan**
  - o Seven awareness sessions on the Fraud Prevention Plan were conducted during the 2024/25 financial year.
  - o An approved Implementation Plan is in place.
  - o The Fraud Prevention Plan has been reviewed and approved.
  - o Quarterly reports were submitted to the Office of the Premier, as well as to the Audit and Risk Management Committees.
  - o The Whistleblowing Policy has been approved.
  - o The Gift Policy has been approved.
- **Mechanisms in place to report fraud and corruption and how they operate. e.g.: Whistle blowing – The need for officials to make confidential disclosure about suspect fraud and corruption**
  - o National Anti – Corruption Hotline (0800701701)
  - o Walk-ins (Internal and External)
  - o Anonymous submission to the office of the ethics officer/MEC/HOD etc.
- **How these cases are reported and what action is taken**
  - o Cases are reported through the hotline and referred to the Department for further investigation.
  - o All reported cases are recorded in the Department's database or case register.
  - o The Department conducts investigations and communicates its findings to the relevant stakeholders.
  - o Following a preliminary investigation, findings and recommendations are submitted to the Office of the Premier for onward submission to the Office of the Public Service Commission.
  - o In accordance with the Department's Fraud and Corruption Prevention and Response Plan, cases are referred to law enforcement agencies when necessary.

### 4. MINIMISING CONFLICT OF INTEREST

Brief description on the processes implemented to minimise conflict of interest is as follows:

- o All SMS members disclosed their financial interests for the 2024/25 financial year, achieving 100% compliance.
- o Seven awareness sessions on Ethics, Fraud, and Corruption were conducted during the 2024/25 financial year.
- o Officials in the OSD, MMS, as well as those in Supply Chain Management and Finance, submitted their e-Disclosures with 100% compliance for the 2024/25 financial year.
- o Officials identified by the Auditor-General and Provincial Treasury as having potential conflicts of interest were advised to deregister or resign from the identified companies, in line with the Public Service Regulations (PSR) of 2016.

### 5. CODE OF CONDUCT

- **Brief description and nature of code of conduct/ethics:**

The Code of Conduct for Public Service lays a framework through which public servants must conduct themselves. It clearly stipulates rules and regulations of what is acceptable and non-acceptable behaviour. Chapter 2 of the Code specifically addresses the conduct of an employee of the public service. When the provision(s) of this code are transgressed, that behaviour or act is tantamount to misconduct which can be viewed in a very serious light by the Department
- **What effect it has on the Department and if the Department is adhering to:**

The Department commits itself to adhering to the code of conduct and provides awareness sessions and campaigns to encourage acceptable behaviour and adherence. This has resulted to improved employee/employer relations, and improved staff morale. It also mirrors the role to which awareness campaigns play in educating both employer and employees in resolving their matters amicably.
- **Process followed in breach of Code of Conduct**

When the conduct is breached the employer has a prerogative to take disciplinary action against the offender. The steps to be followed must adhere to the disciplinary code and procedures contained in PSCBC Resolution 1 of 2003 for levels 1-12 and the Chapter 7 of the SMS Handbook for levels 13 upwards.

The steps can be summarized as follows:

- The supervisor/relevant section submits a written report to Labour Relations outlining the allegations/what transpired with recommendations to invoke disciplinary hearing against employee(s).
- Labour Relations then formulates a memorandum, attaching the report from the supervisor, to seek approval of the Head of Department to institute disciplinary hearing against alleged employee(s).
- The Head of Department writes a letter to the alleged employee informing her/him about the intention to invoke charges of misconduct and request to give reasons why he/she should not be charged for misconduct. The employee is given five (5) days to respond.
- The Head of Department considers the reasons submitted by the employee and make decision whether to charge or not to charge the alleged employee.
- The Head of Department appoints an investigator who must investigate the allegations and submit an investigation report to the Head of department with recommendations supported with prima facie evidence. The investigator may also initiate the disciplinary hearing.
- The Head of department may suspend the employee on full pay or transfer the employee as per provisions of paragraph 7.2 of the PSCBC Resolution 1 of 2003
- The Head of Department appoint the Chairperson and the Employer Representative. The chairperson must be a level higher than the Employer Representative.
- The employee must then be provided with the charge sheet at least five (5) days before the date of the hearing.
- **The charge sheet must provide:**
  - o Details of the employee
  - o A description of the allegations of misconduct and the main evidence on which the employer will rely
  - o Details of the time, place and venue of the hearing
  - o Information on the rights of the employee to representation by fellow employee or a representative or official of a recognized trade union.
  - o Bring witnesses to the hearing and to cross examine witnesses of the employer.
  - o Right to an interpreter during the disciplinary hearing
  - o The disciplinary hearing must be held within ten (10) working days after the charge sheet has been served to the employee.
  - o If the employee fails to attend the hearing and the chair concludes that the employee did not have a valid reason, the hearing may continue in the employee's absence.
  - o The chairperson must convene the disciplinary hearing, and both parties will be given a chance to state their case
  - o On conclusion of the hearing, the employee must submit mitigating circumstances, and the employer aggravating factors for consideration of sanction by the chairperson
  - o The chairperson of the Disciplinary hearing must submit a report to the Head of Department detailing proceedings of the hearing, findings on guilt, and the appropriate sanction.
- **Paragraph 7.4 of PSCBC Resolution 1 of 2003 provides the list of sanctions as follows:**
  - o Counselling
  - o Written warning valid for six months.
  - o Final written warning valid for six months.
  - o Suspension without pay, for no longer than three months.
  - o Demotion
  - o Combination of the above; or
  - o Dismissal
- The Head of Department through Labour relations must communicate the outcome of the hearing to the employee within five (5) working days after the conclusion of the hearing
- Labour Relations must advise the employee of his/her right to lodge an appeal within five (5) working days against the outcome of the disciplinary hearing to the Executive Authority in terms of paragraph 8 of PSCBC Resolution 1 of 2003. NB: SMS members do not have the right to an internal appeal to the MEC.
- The employer must not implement the outcome of the disciplinary hearing pending the appeal outcome. The appeal must be dealt with within 30 working days.
- In terms of paragraph 8.6 of PSCBC Resolution 1 of 2003, The Executive Authority may uphold the appeal, reduce the sanction, or confirm the outcome of the disciplinary proceedings.
- The Executive Authority must communicate the outcome of the appeal through Labour Relations to the employee and thereafter implement the outcome immediately.
- Labour Relations must advise the employee about dispute resolution process provided under the Labour Relations Act if the employee is not satisfied with outcome of the appeal.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Provide a brief description and nature of Health Safety and Environmental issues and the effect it has on the department:

Health, safety and environmental issues are, in terms of the health and safety act, jointly the responsibility of both the employer and employee. The employer is charged with the duty of making sure that he provides and maintains a working environment that is safe and without risk to the health and safety of employees.

In making sure that the mandate of the employer is carried out, health and safety representatives, first aiders and Fire Marshalls are appointed and trained in their respective duties. This appointment is for a period of three years. According to the Act, health and safety representatives meet quarterly to discuss health and safety matters and make recommendations on such matters.

The department complies with the above-mentioned standards in that it has trained health and safety representatives who meet every quarter to discuss health and safety matters. They are also charged with the responsibility of inspecting their respective work sites for hazards and risks which may be detrimental to the health and safety of employees. First aiders are provided with first aid boxes to provide first aid to injured employees and fire extinguishers, and hose reels are serviced annually.

The department ensured emergency evacuation drills take place at 6-month intervals at 5 of the 7 department's office sites. Annually more office sites are prepared and activated to ensure employees know how to safely evacuate offices in case of an emergency.

Awareness campaigns on health and safety issues are done in the department by means of staff information sessions, distribution of awareness pamphlets and articles published in the departmental newsletter. Risk reports on all departmental buildings are also updated on a quarterly basis. Monthly checklists from health and safety representatives are collected and checked for risks which are mitigated with the assistance of the various landlords, Public Works and Asset Management.

To mitigate all incidents, each injury on duty is investigated and recommendations brought before the health and safety committee, which then endorses or makes further recommendations thereby contributing to the overall management and mitigation of risks.

The Department ensured a safe working environment by resolving structural matters in the building and addressing document management practices.

## 7. PORTFOLIO COMMITTEES

**Date of the Meeting:** 05 & 14 November 2024

### Programme 1: administration

| Matters raised by the Portfolio Committee                                                                                        | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The payment of service providers within the stipulated period of 30 days still poses a recurring challenge in the Department. | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The Department is currently (as of Dec 2024) 98.79% compliant with payment of service providers within 30 days of receipt of invoice as compared to 91% in 2023/24 Financial year.</p> <p>The following measures are being undertaken to ensure that it improves and maintains that compliant status.</p> <ul style="list-style-type: none"> <li>(a) Bi-monthly communication is made to the Programme Heads relating to accruals.</li> <li>(b) Relevant Programme Heads are required to report on the progress of outstanding payments at the monthly departmental IYM meetings.</li> <li>(c) Payment of suppliers within 30 days is included in the Management performance agreements</li> <li>(d) Budgetary constraints are dealt with through reprioritisation of budget and request of additional budget from Provincial Treasury.</li> </ul> |

| Matters raised by the Portfolio Committee                                                                                                                                                                     | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                               | <p>The department remains committed to continually improving its processes and addressing the challenges that prevent timely payments and ensuring that service providers are paid within the stipulated 30-day period.</p> <p><b>PROGRESS:</b> The department has improved on payment turnaround time to 99%</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| b) The Department is constantly committing on the need to improve in addressing equity shortcomings without stipulating on how they plan to improve the equity related shortcomings.                          | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The Department has resolved that, in order to meet the 2% target for persons with disabilities, at least 20% of vacancies must be ringfenced for, and filled by, persons with disabilities.</p> <p>The Department is finalising the Annual Recruitment Plan, and it is planned that recruitment and selection processes will commence during the fourth quarter. In the proposed Annual Recruitment Plan a number of vacancies have been ringfenced for persons with disabilities in order to execute the plan.</p> <p><b>PROGRESS:</b> The Department advertised the approved posts on the Annual Recruitment Plan and the selection process is now at the shortlisting stage. The panels are being briefed in the importance of ensuring representation of persons with disabilities. As a minimum, entry level posts must be filled with persons with disabilities. For all posts, applicants with disabilities who meet the minimum requirements of the post must be shortlisted and interviewed.</p> <p>In addition, SMS vacancies are ringfenced to address gender equality requirements.</p>                                                                                                                                                                                                                                     |
| c) The employment rate of people with disabilities was at 0, 8% compared to the target of 2%, and the Department does not have a plan on how they will accommodate people with disabilities in the workplace. | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The Department will work closely with the Department of Employment and Labour to ensure that the environment is conducive for persons with disabilities. The details of the plan will to a large extent be informed by the nature of the disabilities which persons disclose. The required reasonable accommodation will be effected to ensure that specific disabilities are accommodated according to their unique needs. The Department is committed to provide the necessary funding for these interventions to ensure they are successful. Awareness sessions on disability have commenced and will take place in future as part of providing change management support.</p> <p><b>PROGRESS:</b> The Department has engaged organisations that represent people with disabilities to promote the participation of people with disabilities during the current recruitment process. Specific disabilities will be identified during the present selection process based on declaration of disabilities by the respective candidates. The Department will assess each case and remains committed to effect reasonable accommodation for these candidates upon appointment.</p> <p>The Department will continue to engage the Department of Public Works and Infrastructure to improve the physical accessibility of all offices.</p> |
| d) The Department had 11.38% vacancy rate during the year under review with several officials in acting positions causing instability in the Department.                                                      | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>As stated earlier, the Department is finalising the Annual Recruitment Plan, and it is planned that recruitment and selection processes will commence during the fourth quarter. The criteria to prioritise vacancies were based on ensuring leadership stability and improved governance, strengthen delivery in districts, provide technical capacity and address</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Matters raised by the Portfolio Committee                                                                            | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                      | <p>employment equity imperatives. The filling of the vacancies will ensure stability.</p> <p><b>PROGRESS:</b> The Department advertised the approved posts on the Annual Recruitment Plan and the selection process is now at the shortlisting stage.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| e) The Programme spent 99.74% of the adjusted budget but only achieved 4 out of 7 targets for the year under review. | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>It is important to note that not all activities require financial resources, and some targets may be met through non-financial means such as improved processes and resource optimization. The Department will continue to assess the alignment of its expenditure with the set targets, ensuring that both financial resources and efforts are effectively allocated to achieve the intended outcomes.</p> <p><b>PROGRESS:</b> The Department continues to monitor the alignment between financials and non-financial performance.</p>                                                                                                                                                                                                                                                   |
| f) The delays in the delivery of ICT equipment contributes immensely to the underspending of programme 1.            | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p><b>PROGRESS:</b> During the 2024/25 financial year, the Department was allocated R6 million for the acquisition of laptops. 100 laptops were successfully procured and distributed to the appropriate staff members. The Department underspent by R2,003,713 on CAPEX budget for 50 laptops that were procured and delivered on 10 April 2025. However, the department was unable to settle as the financial year was already closed. The department has applied for a budget roll-over of the above amount to Provincial Treasury since the funds have been committed and the invoice has been received.</p>                                                                                                                                                                             |
| g) The Department has reached a ceiling on the compensation of employees.                                            | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The Department has engaged Treasury to provide additional funding for COE. Engagement with Provincial Treasury continues on various platforms (MTEC &amp; Budget Achievability Hearings, Budget and adjustment budget submissions).</p> <p><b>PROGRESS:</b> Provincial Treasury has consistently failed to commit to support the Department on addressing COE constraints. It is intended that this matter is elevated to the political principals for further intervention. The Department is of the view that all the vacancies are critical to implement its mandate, and the constraints placed on the budget seriously impairs the optimal delivery of the Department. In addition, the PCMT approval of these vacancies underscore the importance of filling all the vacancies.</p> |

## Programme 2: housing planning and research

| Matters raised by the Portfolio Committee                                                                                                                                                  | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The vacancy rate of 22.22% is too alarming, noting the minimal number of positions in this programme.                                                                                   | The Department notes and acknowledges the recommendations of the Committee.<br>The department is in the process of applying to the Office of the Premier to advertise and fill vacancies during the fourth quarter.<br><b>PROGRESS:</b> The Department advertised the approved posts on the Annual Recruitment Plan and the selection process is now at the shortlisting stage.                                                                                                                                                                                                                                    |
| b) The Department did not meet its target on human settlements policies developed in the financial year under review due to delayed submission by stakeholders of the Department.          | The Department notes and acknowledges the recommendations of the Committee.<br>The Department has developed measures to ensure that consultation is done and finalised timeously.<br><b>PROGRESS:</b> The Policies were finalised and approved.                                                                                                                                                                                                                                                                                                                                                                    |
| c) The 1% target of the investment of the total human settlements allocation in PDAs is not realistic as the Department achieved more than 8% of its budget in the 2022/23 financial year. | The Department notes and acknowledges the recommendations of the Committee.<br>The Department has revised the target in the 2024/25 financial year plans in line with the approved Business Plans.<br><b>PROGRESS:</b> 8% has been planned for 2024/25 using cash flows for projects under PDAs against total allocation.<br>In the 2025/26 financial year the sector indicator has been removed due to it not being SMART.                                                                                                                                                                                        |
| d) The Department has underperformed in the target of delivering short learning programmes.                                                                                                | The Department notes and acknowledges the recommendations of the Committee.<br>The Department has budgeted for the implementation of short learning programs in the 2024/25 financial year.<br><b>PROGRESS:</b> The appointment of the service provider was finalised in March 2025. The implementation of the programme is planned to start in June 2025 in five sites (NMBM, Alfred Nzo (EmaXesibeni), OR Tambo (Mthatha), Chris Hani (Komani) & Joe Gqabi (Maletswai). Currently, the team consist of NMU & department officials is visiting all sites to ensure readiness prior commencement of the programme. |

## Programme 3: housing programme, facilitation and administration

| Matters raised by the Portfolio Committee                                                                                                                                                                                  | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The under targeting of the Department, resulted in over achievement of targets in this programme.                                                                                                                       | The Department notes and acknowledges the recommendations of the Committee, and the Programme will ensure realistic targets are set.<br><br><b>PROGRESS:</b> The current backlog is 151 for individual subsidy, planned to address within 3 financial years.<br><br>In 2025/26 financial year the target is 77 subsidies with a budget of R20M. The budget allocation has increased from R5M to R20M and target from 40 subsidies to 77 subsidies.                                                                                                                                                                                                                                                         |
| b) Whilst the Department has overachieved in destitute beneficiaries approved in previous years, it is still under target on its performance indicators for the year under review.                                         | The Department notes and acknowledges the recommendations of the Committee. Performance indicator targets will be reviewed and in line with the SMART principle.<br><br><b>PROGRESS:</b> The Department is sitting with 65000 approved beneficiaries in the Housing Subsidy system (HSS) which is social contract to be serviced. The Department has taken a decision to service the current backlog and only consider the Acute Destitute cases (elderly, disabled people and Military Veterans). The Department no longer has this indicator for beneficiary approval; however, the programme has new target that has emerged to: <i>Number of beneficiary administration interventions implemented.</i> |
| c) The Department still has historical blocked projects which are undesirable, as the Department failed to meet its target for the year under review due to the poor quality of documents submitted for project close-out. | The Department notes and acknowledges the recommendations of the Committee. The officials have been capacitated through workshops on the recently approved project closeout manual.<br><br><b>PROGRESS:</b> The Department has a backlog of 415 projects to be closed. In 2024/25; there are 40 projects closed vs 30 projects planned and were closed through utilisation of approved Close out manual.<br>The Department planned to address the balance of 375 projects by 2025-2027 and ensure there is no backlog created.                                                                                                                                                                             |
| d) Noting the rising unemployment rate in the province, the Department is still failing to meet its target on EPWP.                                                                                                        | The Department notes and acknowledges the recommendations of the Committee. The Department has commenced with the process to obtain additional resources to support EPWP Programme.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Matters raised by the Portfolio Committee                                                                                                                                                                                                                                  |                | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
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|                                                                                                                                                                                                                                                                            |                | <p><b>PROGRESS:</b> The department has institutionalised the EPWP there is a dedicated Director responsible for the programme. Furthermore, the Department is in the process of appointing data capturers for data collection.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| e) Alfred Nzo, Joe Gqabi and Sarah Baartman regions have performed poorly on key delivery indicators. Out of the combined 2064 target for delivery of services the regions delivered only 710.                                                                             |                | <p>The Department notes and acknowledges the recommendations of the Committee. The Regions have been assisted and there are structural changes that have been implemented.</p> <p>Contractors have been appointed to improve project pipeline of Alfred Nzo, Joe Gqabi and Sarah Baartman to improve performance.</p> <p><b>PROGRESS:</b> Performance has improved in year 2024/25 for Alfred Nzo, Joe Gqabi and Sarah Baartman, see below progress report for 2023/24 &amp; 2024/25 Financial Year. 2024/25 year is still under audit:</p> <p><b>Table A: 2023/24 PERFORMANCE</b></p> <table><tr><th rowspan="3">2023/24 TARGETS</th><th colspan="11">TOTAL DELIVERY</th></tr><tr><th colspan="5">Units</th><th colspan="3">Services</th><th colspan="3">Rectification</th></tr><tr><th>App Target</th><th>Revised Target</th><th>Actual</th><th>App Difference</th><th>Revised Difference</th><th>Target</th><th>Actual</th><th>Difference</th><th>Target</th><th>Actual</th><th>Difference</th></tr><tr><td>Alfred Nzo</td><td>999</td><td>873</td><td>285</td><td>-714</td><td>-588</td><td>1,004</td><td>285</td><td>-719</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Joe Gqabi</td><td>429</td><td>375</td><td>425</td><td>-4</td><td>50</td><td>500</td><td>425</td><td>-75</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Sarah Baartman</td><td>323</td><td>282</td><td>55</td><td>-268</td><td>-227</td><td>560</td><td>-</td><td>-560</td><td>118</td><td>95</td><td>-23</td></tr></table> <p><b>Table B: 2024/25 PERFORMANCE</b></p> <table><tr><th rowspan="3">2024/25 TARGETS</th><th colspan="9">TOTAL DELIVERY</th></tr><tr><th colspan="3">Units</th><th colspan="3">Services</th><th colspan="3">Rectification</th></tr><tr><th>App Target</th><th>Actual</th><th>App Difference</th><th>Target</th><th>Actual</th><th>Difference</th><th>Target</th><th>Actual</th><th>Difference</th></tr><tr><td>Alfred Nzo</td><td>712</td><td>654</td><td>-58</td><td>712</td><td>654</td><td>-58</td><td>10</td><td>0</td><td>-10</td></tr><tr><td>Joe Gqabi</td><td>509</td><td>272</td><td>-237</td><td>716</td><td>232</td><td>-484</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Sarah Baartman</td><td>361</td><td>196</td><td>-165</td><td>357</td><td>830</td><td>473</td><td>100</td><td>352</td><td>252</td></tr></table> <p>NB (2024/25 performance)</p> <p>a) Sarah Baartman has maximised performance on sites &amp; rectification with also improvement on units' performance as compared to 2023/24. Contractors have been appointed from Framework panel during 24/25 for normal units, started in 04<sup>th</sup> quarter of 2024/25 and expecting major improvements in 2025/26.</p> <p>b) Alfred Nzo: has improved performance in both years and contractors have been appointed from Framework panel during 2024/25, expecting major improvements in 2025/26.</p> <p>Joe Gqabi; Slight improvement, contractors have been appointed from Framework panel during 2024/25, started with site establishments in 04th quarter of 2024/25 and expecting major improvements in 2025/26.</p> |                |                |                    |            |               |            |               |        |            |  | 2023/24 TARGETS | TOTAL DELIVERY |  |  |  |  |  |  |  |  |  |  | Units |  |  |  |  | Services |  |  | Rectification |  |  | App Target | Revised Target | Actual | App Difference | Revised Difference | Target | Actual | Difference | Target | Actual | Difference | Alfred Nzo | 999 | 873 | 285 | -714 | -588 | 1,004 | 285 | -719 | - | - | - | Joe Gqabi | 429 | 375 | 425 | -4 | 50 | 500 | 425 | -75 | - | - | - | Sarah Baartman | 323 | 282 | 55 | -268 | -227 | 560 | - | -560 | 118 | 95 | -23 | 2024/25 TARGETS | TOTAL DELIVERY |  |  |  |  |  |  |  |  | Units |  |  | Services |  |  | Rectification |  |  | App Target | Actual | App Difference | Target | Actual | Difference | Target | Actual | Difference | Alfred Nzo | 712 | 654 | -58 | 712 | 654 | -58 | 10 | 0 | -10 | Joe Gqabi | 509 | 272 | -237 | 716 | 232 | -484 | 0 | 0 | 0 | Sarah Baartman | 361 | 196 | -165 | 357 | 830 | 473 | 100 | 352 | 252 |
| 2023/24 TARGETS                                                                                                                                                                                                                                                            | TOTAL DELIVERY |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
|                                                                                                                                                                                                                                                                            | Units          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                |                    | Services   |               |            | Rectification |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
|                                                                                                                                                                                                                                                                            | App Target     | Revised Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Actual         | App Difference | Revised Difference | Target     | Actual        | Difference | Target        | Actual | Difference |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Alfred Nzo                                                                                                                                                                                                                                                                 | 999            | 873                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 285            | -714           | -588               | 1,004      | 285           | -719       | -             | -      | -          |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Joe Gqabi                                                                                                                                                                                                                                                                  | 429            | 375                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 425            | -4             | 50                 | 500        | 425           | -75        | -             | -      | -          |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Sarah Baartman                                                                                                                                                                                                                                                             | 323            | 282                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 55             | -268           | -227               | 560        | -             | -560       | 118           | 95     | -23        |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| 2024/25 TARGETS                                                                                                                                                                                                                                                            | TOTAL DELIVERY |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
|                                                                                                                                                                                                                                                                            | Units          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                | Services       |                    |            | Rectification |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
|                                                                                                                                                                                                                                                                            | App Target     | Actual                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | App Difference | Target         | Actual             | Difference | Target        | Actual     | Difference    |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Alfred Nzo                                                                                                                                                                                                                                                                 | 712            | 654                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -58            | 712            | 654                | -58        | 10            | 0          | -10           |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Joe Gqabi                                                                                                                                                                                                                                                                  | 509            | 272                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -237           | 716            | 232                | -484       | 0             | 0          | 0             |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| Sarah Baartman                                                                                                                                                                                                                                                             | 361            | 196                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -165           | 357            | 830                | 473        | 100           | 352        | 252           |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| f) There are projects that are delayed due to NHBRC slowness in the enrolment of projects.                                                                                                                                                                                 |                | <p>The Department notes and acknowledges the recommendations of the Committee. The turnaround times has improved in terms home enrolments. NHBRC is providing technical support to Department and Professional service providers as to avert similar challenges.</p> <p><b>PROGRESS:</b> NHBRC forms part of Monthly Accountability sessions with Regions and Head Office for performance and resolving any project challenges.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| g) The Department has more Acting Regional Directors and that compromises the stability of the Department in regions.                                                                                                                                                      |                | <p>The Department notes and acknowledges the recommendations of the Committee. There are no Vacant posts for Regional Directors; Acting capacity has been done as a temporal measure through re-assignment to improve efficiency.</p> <p><b>PROGRESS:</b> The innovation to temporally re-assigned regional Directors to other regions has maximised departmental performance e.g there is noticeable improvement in Sarah Baartman.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |
| h) The Department paid contractors for milestones that were not achieved yet or completed, though the Department has various levels of staff members that are tasked with project management including monitoring and review of work done by contractors. All these levels |                | <p>The Department notes and acknowledges the recommendations of the Committee. Department has developed Consequence Management Policy (attached). There are existing controls in place where Professional Service Providers (PSP's) with professional Indemnity , NHBRC providing Warranty and involved during construction of all milestones , technical Regional staff also involved to certify all milestones until completion of a house prior any payments to contractors ; In addition to existing controls ; Management has developed a certification sheet where information of a</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                |                |                    |            |               |            |               |        |            |  |                 |                |  |  |  |  |  |  |  |  |  |  |       |  |  |  |  |          |  |  |               |  |  |            |                |        |                |                    |        |        |            |        |        |            |            |     |     |     |      |      |       |     |      |   |   |   |           |     |     |     |    |    |     |     |     |   |   |   |                |     |     |    |      |      |     |   |      |     |    |     |                 |                |  |  |  |  |  |  |  |  |       |  |  |          |  |  |               |  |  |            |        |                |        |        |            |        |        |            |            |     |     |     |     |     |     |    |   |     |           |     |     |      |     |     |      |   |   |   |                |     |     |      |     |     |     |     |     |     |

| Matters raised by the Portfolio Committee                                                                                                                                            | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| were unable to detect and prevent the deficiencies identified during verification.                                                                                                   | beneficiary , site number must be clearly indicated prior to payment processing and this is implemented to all Regions.<br><br><b>PROGRESS:</b> The Policy is implemented in all areas where consequence management is required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| i) The Department is struggling to meet its target for the delivery of houses to military veterans.                                                                                  | The Department notes and acknowledges the recommendations of the Committee.<br>The Department will continue to work with the Department of Military Veterans (DMV) to resolve challenges and deliver houses to the Military veterans.<br><br>The Department is in partnership with the Department of Military Veterans (DMV) to provide housing assistance to deserving Military Veterans. However, the department has been facing many challenges to deliver on the housing assistance ranging from the unavailability of serviced sites – this being the key performance area of the Municipalities. Secondly it has been a challenge to approve Military Veterans due to various reasons and these challenges are system related.<br><br>It is impossible to bypass or approve any citizen who has benefited or who has a house registered on his/her name.<br><br><b>PROGRESS:</b> The department has resolved the system challenges resulted to 143 military veterans approved across the province and the department planned to construct all 143 houses in 2025/26 financial year.                                                                                                                                                                                                                                |
| j) The Department has outstanding payments of R117 532 million whilst it indicates 100% expenditure of its budget on HSDG.                                                           | The Department notes and acknowledges the recommendations of the Committee.<br>Given the nature of the construction industry, it is often challenging to avoid accruals at year-end due to the timing of project completions and related financial transactions. However, the Department is committed to taking all necessary actions to minimize accruals and ensure they are effectively managed within the available budget.<br><br><b>PROGRESS:</b> The Department will continue to monitor the expenditure to minimise the accruals.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| k) The Department failed to reach its target (115) of informal settlements upgraded to phase 3 due to slow performance by the main implementing agent.                               | The Department notes and acknowledges the recommendations of the Committee.<br>Where the department has identified the poor performance of the implementing Agents the department has evoked the 'Claw-back' in the contract and reassigned the work to another Implementing Agent.<br><br>To date this has been done the department is reallocating some of the 11 UISP projects in Joe Gqabi region that were under performing under the HDA to GAP Infrastructure Corporation who is appointed by the department.<br><br>The Department is engaging with relevant stakeholders monthly in all regions to discuss and resolve challenges affecting the delivery of houses to military veterans.<br><br><b>PROGRESS:</b> For Informal Settlements upgrading programme, the 115 informal settlements were implemented by three implementing agents namely, HDA, Raymond Mhlaba & Ndlambe LM. The Department is satisfied with performance of Ndlambe & Raymond Mhlaba LM.<br><br>The Ndlambe & Raymond Mhlaba LM have concluded phase 1 & 2, and their projects are now on phase 3 for completion in 2025/26.<br><br>The HDA contract has lapsed, and the department could not extend it. There is an indication that HDA want to take legal action against the Department for the refusal of extension of the contract. |
| l) The Department is facing a challenge of limited funding for temporal shelters leading to a backlog.                                                                               | The Department notes and acknowledges the recommendations of the Committee.<br><br><b>PROGRESS:</b> The Department currently in all Regions has appointed contractors through framework agreement to deal with the Destitute and people affected by Disasters.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| m) The Department experienced major delays in the construction of Tsomo and Nkantolo MPCC's due to contractors that could not finish the work, and this led to wasteful expenditure. | The Department notes and acknowledges the recommendations of the Committee.<br>The Department has streamlined the process of appointing replacement contractors in the event of a termination by establishing a Framework Agreement. This proactive approach helps prevent delays in project completion, thereby reducing the risk of wasteful expenditure due to issues such as vandalism and weathering of building elements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

| Matters raised by the Portfolio Committee                                                                           | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                     | <p><b>PROGRESS:</b> Tsomo MPCC progress on site is stagnant at 55% and Nkantolo MPCC is at 2% respectively. However, the department has initiated a process of termination for both Nkantolo and Tsomo MPCC contractors due to poor performance and a Framework agreement will be utilised for replacement.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| n) There is a persistent unavailability of bulk-infrastructure on land earmarked for Human Settlements Development. | <p>The Department notes and acknowledges the recommendations of the Committee. The Department is actively collaborating with COGTA and municipalities through established intergovernmental relations (IGR) platforms to address the persistent challenges related to bulk infrastructure on land earmarked for Human Settlements Development. By leveraging the available resources and expertise of municipalities, the Department is working towards sustainable solutions to resolve these issues.</p> <p><b>PROGRESS:</b> Department is having Limited Resources and will only focus on its mandate and Municipalities will be required to provide bulk services as per their mandate prior approval of any projects for implementation. All projects will be assessed for their state of readiness through Project Readiness Matrix and no project will be approved where not meeting all requirements including bulk infrastructure.</p> |

#### Programme 4. Housing assets management

| Matters raised by the Portfolio Committee                                                                                                                     | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) The Department is still experiencing challenges with pre-conveyancing activities that prevent the registration of title deeds to qualifying beneficiaries. | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The department is consulting with municipalities and regions when developing business planning for title deeds registration to promote inclusive planning. Engagements with municipalities and conveyancers are pursued during planning process and in order to improve performance during implementation to optimise service delivery.</p> <p>Intergovernmental Relations engagements are attended in conjunction with all Regions as they are at the coalface of delivery of title deeds by turnkey contractors through the Service Level Agreements handled at project level. Various legislative instruments e.g the Deeds Registry Act of 1937 and processes are implemented such as appointment of Panel of Conveyancers with improved timelines of 36 months has been phased in to Conveyancers contracts for the upcoming year and pre-conveyancing activities also form part of the elements of the Conveyancer contracts in order to counteract project slippage and undue delays.</p> <p><b>PROGRESS:</b> In the 2024/25 financial year the Department registered 2 589 title deeds against 2334 of 2023/24 financial year.</p> <p>In addressing the title deeds backlog the Department will utilise panel of professional services providers and the Panel of conveyancers.</p> <p>The Department envisage to take pre-1994 title deeds (old stock) programme back to the municipality so that they can deal with loss of documents in their custody.</p> |

## General findings

| Matters raised by the Portfolio Committee                                                                                                                                | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) The Department's efforts in fulfilling the BNG mandate is not efficient, as there is still lack in collaboration with sister departments.                             | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p><b>PROGRESS:</b> The 7th Administration of the Department of Human Settlements has embarked on a bold new strategy of gradually shifting from traditional approaches to human settlements development. Building on the foundation laid by the Breaking New Ground (BNG) strategy introduced in 2004/05, which might be related to specific implementation phases or adjustments and informed by the District Development Model (DDM), the department is now focused on creating modern and smart cities.</p> <p><b>Key Objectives of the New Strategy</b></p> <ul style="list-style-type: none"> <li>• Modern and Smart City Development, aims to develop human settlements that are not only sustainable but also technologically advanced, incorporating innovative solutions to improve the quality of life for residents,</li> <li>• Economic Growth and Development by creating vibrant and well-planned cities, the department seeks to stimulate economic growth, attract investment, and create opportunities for entrepreneurship and job creation,</li> <li>• The ultimate goal of this strategy is to improve the livelihoods of the people of the Eastern Cape, providing them with access to better infrastructure, services, and opportunities for social and economic advancement.</li> </ul> <p>The RDP houses will be prioritized for the most vulnerable members of society, including,</p> <ul style="list-style-type: none"> <li>• The Destitute, who are unable to afford any form of housing and require state assistance,</li> <li>• Disaster Victims and families affected by natural disasters or other crises, who require emergency housing solutions.</li> </ul> <p>The Elderly and senior citizens, who may require specialized housing and care.</p> |
| 2) The Department has received an unqualified audit opinion from the AG with findings for the past five financial years, with repeat finding on performance information. | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <p>The Department has established an Operation Clean-Audit strategy to improve the audit of the current financial year.</p> <p><b>PROGRESS:</b> The department is currently implementing the Audit Intervention Plan (AIP) and report the progress to the Audit Committee and Provincial Treasury and EXCO. The progress on the implementation of AIP is as follows,</p> <ul style="list-style-type: none"> <li>• Corporate Service archived 100%,</li> <li>• Strategy &amp; Systems archived 100%</li> <li>• HS Facilitation Programmes 100%,</li> <li>• HS Incremental Programme archived 100%,</li> <li>• District Co-ordination &amp; Project Management archived 50%,</li> <li>• HS Asset Management archived 50%.</li> </ul> <p>Department has amended the Performance indicators of Programme 4 with the National Department of Human Settlements, which will assist to implement the recommendation of the office of the Auditor General.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3) The Department has underperformed on many of its targets, and the reasons provided for the underperformance are derisory, and not acceptable to the Committee.        | <p>The Department notes and acknowledges the recommendations of the Committee.</p> <ul style="list-style-type: none"> <li>• The Department is currently undertaking a thorough review and revision of its performance indicators to enhance planning processes.</li> <li>• In addition, one-on-one sessions are held with programs to ensure continuous improvement in setting SMART performance indicators.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

| Matters raised by the Portfolio Committee | How has the Department addressed these matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                           | <ul style="list-style-type: none"> <li>Monthly IYM and quarterly meetings are held to monitor progress on set targets. A deviation criterion has been developed to assess reasons for underperformance.</li> <li><b>PROGRESS:</b> The department has reviewed its performance indicators, resulting in a total of 32 Annual Performance Plan (APP) indicators for the 2025/26 financial year as compared to 55 in the 2024/25 financial year. These indicators have been refined and aligned with the 2025–2029 Medium-Term Development Plan (MTDP). Additionally, the department continues to monitor progress against set targets through monthly In-Year Monitoring (IYM) and quarterly review meetings.</li> </ul> |

## 8. SCOPA RESOLUTIONS

| Resolution No.                                                                                               | Subject | Details | Response by the department | Resolved (Yes/No) |
|--------------------------------------------------------------------------------------------------------------|---------|---------|----------------------------|-------------------|
| The department did not receive any SCOPA resolutions requiring a response during the 2024/25 financial year. |         |         |                            |                   |

## 9. PRIOR MODIFICATIONS TO AUDIT REPORTS

| Nature of qualification, disclaimer, adverse opinion and matters of non-compliance                                                                                                                                                                                                                                                             | Financial year in which it first arose | Progress made in clearing / resolving the matter                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualifications:</b>                                                                                                                                                                                                                                                                                                                         |                                        |                                                                                                                                                                                                                                                                  |
| An achievement of 6 736 was reported against a target of 7 638, however the audit evidence did not support this. The actual achievement could not be determined but it was estimated to be considerably less than reported.                                                                                                                    | 2023/24                                | The Department has improved systems and processes to ensure consistent measurement and reliable reporting                                                                                                                                                        |
| Based on the audit evidence the actual achievements for the two indicators did not agree to what was reported. The actual achievements could not be determined but it was estimated to be materially less than reported.                                                                                                                       | 2021/22                                | The Department has improved systems and processes to ensure consistent measurement and reliable reporting                                                                                                                                                        |
| . No. of post-1994 title deeds registered                                                                                                                                                                                                                                                                                                      |                                        |                                                                                                                                                                                                                                                                  |
| . No. of pre-1994 title deeds registered                                                                                                                                                                                                                                                                                                       |                                        |                                                                                                                                                                                                                                                                  |
| <b>Emphasis of matter: Underspending of the conditional grant</b>                                                                                                                                                                                                                                                                              |                                        |                                                                                                                                                                                                                                                                  |
| The corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements for the year ended 31 March 2024.                                                                                                                                                                                                | 2023/24                                | The Department has improved systems and processes to ensure timely reviews and reliable reporting                                                                                                                                                                |
| <b>Matters of non-compliance</b>                                                                                                                                                                                                                                                                                                               |                                        |                                                                                                                                                                                                                                                                  |
| Effective steps were not taken to prevent fruitless and wasteful expenditure as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of fruitless and wasteful expenditure was caused by the payment for goods and services that were not received. R8.2 million was incurred on the Ingquza Hill project. | 2023/24                                | The Department will continue to monitor contractor performance and enforce contractual obligations to fast-track the termination of poor performing contractors.                                                                                                 |
| Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii)                                                                                                                     | 2021/22                                | The Department has Organisational Performance Management System in place which is utilized as a monitoring and reporting tool of performance information on quarterly basis. Back-end audit was conducted for achieved targets to strengthen monitoring systems. |
| Appropriate measures were not maintained to assure that transfers and subsidies to entities were applied for their intended purposes as required by section 38(1)(j) of the PFMA and treasury regulation 8.4.1.                                                                                                                                | 2023/24                                | The Department will continue to monitor project performance in line with the signed agreements & JBCC                                                                                                                                                            |

## 10. INTERNAL CONTROL UNIT

The purpose of Internal and Systems Control is to uphold sound financial governance practices. During the year under review, the unit focused on verifying compliance with approved policies and delegations, conducting compliance testing of expenditure vouchers as outlined in its operational plan, detecting and preventing irregular, fruitless, and wasteful expenditure, as well as carrying out ad hoc investigations.

Key activities undertaken by the Internal Control unit included reviewing and updating Standard Operating Procedures (SOPs) to align with revised prescripts, including verifying travel and subsistence claims to ensure compliance with applicable regulations.

Internal and System Control unit also assessed and reported cases of losses, irregular expenditure, and fruitless and wasteful expenditure. It facilitated committee meetings to consider these cases and submitted requests for condonation to the relevant authorities once investigations were concluded. The irregular and fruitless and wasteful expenditure submissions were updated in accordance with National Treasury guidelines.

Additionally, an Audit Improvement Plan (AIP) was developed in collaboration with relevant directorates and the Internal Audit unit, based on both internal and external audit recommendations. Progress on the implementation of the AIP was reported monthly to the Provincial Treasury and quarterly to the Audit Committee.

## 11. INTERNAL AUDIT AND AUDIT COMMITTEES

**The purpose and vision** of Internal Audit is to strengthen the Department of Human Settlements ability to create, protect, and sustain value by providing the audit committee, other oversight structures, management and all its stakeholders with independent, risk-based, and objective assurance, advice, insight, and foresight on governance, risk management and control processes.

**The Internal Audit mandate** is derived from section 38 of the Public Finance Management Act, read in conjunction with Treasury Regulation 3.2. Section 38(1) (a) (ii) of the PFMA requires that the accounting officer for a department, trading entity or constitutional institution must ensure that the department, trading entity or constitutional institution has and maintains: "A system of internal audit under the control and direction of an Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77"

In terms of Principle 6 of the standards the mandate empowers the Internal Audit Function to provide the Audit Committee and senior management with objective assurance, advice, insight, and foresight.

The Internal Audit Function carries out the mandate by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes throughout the organization.

The Internal audit mandate is established and approved by the Audit Committee and supported by management.

### Internal Audit Charter, Plan and Methodology

The Internal Audit Function is governed by an internal Audit Charter which complies with the Global internal Audit Standards, Treasury Regulations, and is approved by the Audit Committee. A risk based Internal Audit plan has been developed, discussed with management and approved by the Audit Committee. The Internal Audit Function followed a methodology that is aligned to the international standards for the professional practice of internal auditing

### Independence and objectivity

The Internal Audit Function at Eastern Cape Department of Human Settlement is positioned under the Office of The Head of Department and. Functionally reports to an independent Audit Committee and has unlimited access to departmental processes, functions and documents.

The Internal Audit Function remained free from conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

### Internal Audit Staffing

| Approved Posts | Filled           | Vacant | Vacancy                                                 | Status                                           |
|----------------|------------------|--------|---------------------------------------------------------|--------------------------------------------------|
| 10             | 7 plus 2 interns | 3      | Deputy Director<br>Internal Auditor<br>Internal Auditor | All 3 vacant posts were advertised in March 2025 |

### Quality assurance and improvement program

The Internal Audit function, implemented, and maintained a quality assurance and improvement program that covers all aspects of the Internal Audit Function. The program includes external and internal assessments of the Internal Audit Function's conformance with the standards, as well as performance measurements to assess the Internal Audit Function's progress toward the achievement of its objectives and promotion of continuous improvement.

### Specific summary of audit work done

As per the approved annual internal audit plan by the Audit Committee, the internal audit activity conducted its reviews on the key business processes listed below:

- o Litigations and Contracts Management
- o Evaluation of Draft 2023/24 AFS
- o Evaluation of Draft 2023/24 Annual Report
- o Beneficiary Management
- o Consulting Review on the AIP (Audit Improvement Plan)
- o Supply Chain Management (SCM) Processes
- o Upgrading of Informal Settlements Partnership Grant
- o Follow up Internal Audit Findings Register
- o Review of Compliance with Protection of Personal information Act (POPIA)
- o Information and Communication (ICT) Audit.

During the year under review the audits focused on both core business and support functions. Our view is that there is still a general concern regarding the effectiveness of internal controls embedded within various operations as evidenced by the number of internal and external audit repeat findings. Nonetheless, there is a concerted effort from management to continuously improve the internal control environment of the department, to this end improvements were noted in the Governance of ICT. However, in some business processes that involve Litigations, Contracts Management, and Upgrading of informal Settlements, internal controls are adequately designed but partially effective.

Risk Management indicated signs of improvement, however the actual risk management process at programme level does not seem to be effective due to misalignment of risk ratings and mitigation measures.

Although there are adequate policies and procedures in place, based on the Audits conducted the overall governance at programmes still requires improvement. This is evidenced by:

inadequate review of policies and reports,

- overall underperformance of up to 30%,
- inadequate crafting of reasons for deviations and
- the turnaround time to fill vacancies.

However, there is a notable change and improvement in the tone at the top towards governance structures like Audit and Risk Committee, Auditor General, SCOPA and Portfolio committees.

Furthermore, the attitude of the Executive Authority and of the Executive Management towards audit-related matters and towards leveraging technology indicates a positive posture moving forward.

## 12. AUDIT COMMITTEE REPORT

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

### Part 1: Audit Committee Reflections – 2024/25

The Audit Committee reports that it has complied with the responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Committee has adopted appropriate formal terms of reference as its Audit Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit Committee Mandate was fulfilled which requires the Audit Committee to provide independent oversight over governance, risk management and control processes of the department. In line with its oversight responsibility as defined in its charter ensuring continuous improvement of departmental operations, the audit committee interacted with the Head of the Department, Management, Internal & External Auditors, and the Executive Authority.

During its quarterly meetings and through internal audit report reviews, recommendations for improvement of operations were provided, discussed, and agreed with management as evidenced in the minutes. In performing its duties, the committee maintains effective working relationships with management, the internal auditors and the external auditors. To perform his or her role effectively, each committee member obtained an understanding of the detailed responsibilities of committee membership as well as the Department's business, operations and risks.

## Part 2: Audit Committee Composition and Meeting Attendance

The audit committee consists of 4 members. The committee is properly constituted, with a balanced representation of independent members with a diverse and appropriate mix of qualifications, skills, and experience. The committee convened 6 times during the year with 4 being ordinary meetings and the remainder special meetings.

| Name                            | Qualifications                        | Employee of the State | No. of Meetings attended | No. of Special Meetings Attended |
|---------------------------------|---------------------------------------|-----------------------|--------------------------|----------------------------------|
| Ms. T. Cumming<br>(Chairperson) | CA(SA)                                | No                    | 4                        | 2                                |
| Mr P Zitumane                   | Master's Degree Public Administration |                       |                          |                                  |
| Ms. Z Mgaga                     | Bachelor of Accounting Sciences       |                       |                          |                                  |
| Ms Z. Kiviet                    | Bachelor of Laws                      |                       |                          |                                  |

## Part 3: Audit Committee Focus Areas

The following was reviewed during the year under review:

### The Effectiveness of Internal Control Systems

The review of the effectiveness of the system of internal controls by the Audit Committee is informed by reports submitted by external auditors, internal auditors, and management. The development and maintenance of an effective internal control system is the responsibility of management, while the Committee exercise oversight. During the past year, the Audit Committee has drawn the attention of management to significant issues that have been raised in the previous year's audit report and management report of the Auditor General, as well as matters raised in the reports of internal audit in the current financial year.

Management has expressed their commitment in dealing with these issues but, as per the departmental audit intervention plan (AIP), progress has been slow in certain respects while, in others, these AIP actions can only be addressed over several years. This is concerning for the Audit Committee and, having raised several issues with both the Executive Authority and the HOD, the audit outcome within the Department has remained the same as the prior years. There is no doubt that, based on the oversight carried out by the Audit Committee, there are repeat findings. In cases where AIP actions could not be addressed, the Committee has recommended that the HOD and Management consider consequence management on the basis of inaction. Inability over the past years to initiate consequence management has led to a situation of complacency. This, the Audit Committee believes, may be the root cause of the stagnation within the Department in relation to audit findings. A system of internal controls has been put in place by the Department and these controls have functioned partially during the period under review.

### Effectiveness of the Internal Audit Function (IAF)

The Audit Committee has noted the findings of Internal Audit as per the reports issued and urged management to use these reports to address internal control weaknesses. The Internal Audit reports are comprehensive and detailed and provide management with all the necessary information needed to improve internal controls and audit outcomes. The HOD has also been advised to keep track of these findings, and the actions implemented. Overall implementation of action plans to address internal audit findings will result in stronger controls, greater risk mitigation and better audit outcomes. The Internal Audit Component of the Department must be commended for the professional, dedicated, and thorough work it has carried out in the year under review. It remains a critical part of the Department from an independent advisory, consulting and assurance perspective.

### Activities of the IAF

During the year Internal Audit Function has conducted all the planned audits in its plan. Including co-ordination of the combined assurance activities, Audit Committee meetings with management and the Executive Authority. Furthermore, its activities on governance, risk management and internal control have been fulfilled in line with approved Internal Audit Charter and the Internal Audit Standards.

### Effectiveness of risk management

The department has shown significant improvement in its stance towards risk management. All scheduled risk management Committee meetings were conducted and fairly attended by management. The reviews of the risk management policy and implementation plans were undertaken. There is co-operation and willingness towards the implementation of the combined assurance framework, although it is still at the initial stages.

### **Governance related Matters**

Governance Committee comprising of Ethics Committee, Security Committee, POPIA Committee and Business Continuity Committee has been established to improve and promote sound governance in the department. Progress is consistently monitored by the Committee on governance related matters which include implementation of recommendation by oversight structures for example Portfolio Committee and Standing Committee for Public Accounts (SCOPA).

### **Information and Communication Technology (ICT)**

On the departmental Information and Communication Technologies the department has plans for the implementation of ICT Digital Strategy which seeks to assist in improving efficiency and effectiveness of operations in the Department. There has been a notable improvement in audit findings relating to ICT. However, the risk of cyber security remains a concern threatening the entire ICT environment.

### **Combined Assurance**

Although it is at its infancy stages Combined Assurance is being implemented effectively in the department. The committee continues to monitor progress and its gradual improvement on a quarterly basis.

### **Compliance with legal and regulatory provisions**

A risk of litigation has been identified as a major threat to the department, to that end a compliance monitoring initiative with all relevant legislation has been proposed by the committee to management to ensure compliance with all legislative mandates which is being considered for implementation. This initiative is being discussed with the Accounting Officer and the Executive Authority for intervention. The committee continues to monitor compliance with the legal provisions and mandates both from an administrative and performance perspectives.

### **Adequacy, reliability, and accuracy of financial and performance information**

The committee continues to monitor accuracy of financial information as one of its major responsibilities by scrutinising financial information reported and by monitoring budget and expenditure trends as the year progressed.

With regards to reliability of performance information follow ups were made to ensure oversight on the reporting of performance information. Special emphasis was made on title deed transfers and on houses and services reported. There has been a misalignment between expenditure and achievement of targets which has been lifted as a high-risk area that should be managed.

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

Based on the oversight carried out in the past financial year, the following are still areas of concern for the Audit Committee:

There has been accumulated irregular expenditure emanating from prior years that has not yet been condoned by Provincial Treasury due to slow implementation of relevant processes towards consequence management. When the management processes are adequately implemented, approval may be granted by Provincial Treasury to reduce the accumulated irregular expenditure balance.

Furthermore, the fruitless and wasteful expenditure identified to have a potential to accumulate due to the unblocking of projects that were stalled in prior years. This risk is being monitored to track progress and reliable reporting

Repeat audit findings due to partial or non- implementation of prior years' management actions need to be addressed. If these are addressed the department may improve in terms of its year-on-year audit findings.

The foundation on ethics management has been established. This has been supported by co-operation by management in complying with the declaration of interests' processes required by the DPSA. However, this area also needs a review of compliance to the framework on Managing Ethics in the Public Service, which clearly indicates how to manage: Leadership commitment; Ethics structures and Ethics management processes.

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

The Audit Committee has noted the content and quality of the monthly/quarterly financial reports prepared and issued by the Department during the year under review, in compliance with the statutory reporting framework. Management must be commended for the details and quality of these reports. However, there is still a concern in the alignment of expenditure to actual delivery.

### Evaluation of the annual financial statements

The Audit Committee has reviewed and discussed the unaudited financial statements for the 2024/25 financial year with management. This process included a review of the accounting policies and practices, and any changes thereto. The Audit Committee has also reviewed and discussed the unaudited performance information for the 2024/25 financial year with management. Both internal audit and the Audit Committee highlighted certain discrepancies that were found in the annual financial statements and performance information. Although the majority of these have been rectified, but management undertook to address all the outstanding discrepancies that were found. The draft annual financial statements and draft annual report for 2024/25 financial year were then recommended for submission to Auditor General for audit purposes.

### External Audit

We have reviewed the department's implementation plan for audit issues raised in the previous year and we are satisfied that the matters have been adequately resolved except for the following:

- Irregular expenditure
- Ineffective project management
- Supporting portfolio of evidence for upgrading of informal settlements indicator
- Supporting portfolio of evidence for transfer of title deeds

The Audit Committee met with the Auditor-General at the commencement of the audit process to discuss the Audit Strategy.

### Auditor-General's Report

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted, read together with the report of the Auditor-General.

### Conclusion

The Audit Committee would like to take this opportunity of expressing its sincere appreciation to the Member of Executive Council, Head of Department, the management of the Department, Internal Audit, the Risk Committee and Provincial Treasury's Transversal Internal Audit Services for their support and co-operation during the year under review.



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(Tracy Cumming)  
Chairperson of the Audit Committee  
(Eastern Cape Department of Human Settlements)  
Date: 31 July 2025

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

| Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:           |                      |                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------|
| Criteria                                                                                                                                                 | Response<br>Yes / No | Discussion<br>(Include a discussion on your response and indicate what measures have been taken to comply)                |
| Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law? | N/A                  | N/A                                                                                                                       |
| Developing and implementing a preferential procurement policy?                                                                                           | Yes                  | The implementation of the preferential procurement policy is fully guided by the 80/20 and 90/10 principles               |
| Determining qualification criteria for the sale of state-owned enterprises?                                                                              | N/A                  | N/A                                                                                                                       |
| Developing criteria for entering into partnerships with the private sector?                                                                              | N/A                  | The department has established partnerships with Higher Learning Institutions through Memorandums of Understanding (MOUs) |
| Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?                 | N/A                  | N/A                                                                                                                       |



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

*Part D*

## **HUMAN RESOURCE MANAGEMENT**

*Transforming communities together*

## 1. INTRODUCTION

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

## 2. OVERVIEW OF HUMAN RESOURCES

The Department approved the HR Plan for 2024-2027 on the 01<sup>st</sup> of August 2024.

**The Human Resource Plan had the following objectives which were implemented:**

- To confirm that the Department accomplishes its strategic outcomes and the core mandate by directing the organisational functionality valuation to establish ability.
- Capacitation of present staff to deal with progressive methods of operational and professionalisation and include the distinct capacitation within the Department.
- Attraction and recruitment of skilled professionals and maintain employment equity targets
- To produce a healthy workforce through the facilitation of Employee Health and Wellness Programmes allowing staff to contribute to the purpose of the Department to the greatest of their capacity.
- Department compliant with laws, policies, and prescripts.

**Status with regards to the HR Planning objectives at the time of writing this report was as follows:**

### Organisational Functionality Assessment (OFA)

The Department continued with the quarterly monitoring of the implementation of the Organisational Functionality Assessment (OFA). The Department made strides in a number of areas to improve governance. The Service Delivery Model (SDM) was approved by the MEC in August 2024. This assisted with initiating the Organisational Structure review process in quarter 4.

### Management of Performance over the financial year

The Department continued to provide ample training opportunities and bursaries to its employees to capacitate staff in their areas of responsibility. These developmental interventions were aligned to the Performance Management and Development System (PMDS).

During the year under review the Department commenced implementing consequence management for non-compliance and there was an immediate improvement which will be sustained by strictly observing the compliance aspects of PMDS. In addition, the groundwork was done to lay the foundation for the implementation of the electronic PMDS, which is a Provincial intervention and is scheduled to commence during 2025/26.

### Staff Establishment

The Department started the 2024/25 financial year with a total of 571 posts on the approved establishment. There were no changes to the Departmental establishment during the financial year, except for the additional appointment to the establishment of 15 employees, that consisted of the 12 interns and the 3 MEC Core staff appointed during 2024/25. At the end of the financial year the department is reporting a 14% vacancy rate, with 81 out of 571 posts vacant.

During the financial year the Department finalised the appointment for the 29 carry-over posts from the 2023/24 financial year. It needs to be pointed out that these processes had to be concluded under strict conditions of fiscal discipline as provided by DPSA Circular 49 of 2023. The Department realised a turnover rate of 7% wherein 34 employees left the department during the financial year through attrition, which include resignations, expiry of contracts, retirements and transfers out of the department.

The ARP with 72 posts for the 2025/26 financial year was approved in Jan 2025 and these were advertised in March of 2025 for filling in 2025/26 financial year.

### Attraction and Retention of Designated Groups

The Department has managed to promote gender balance across all occupational levels. Overall, the Department achieved a 53% female and 47% male workforce distribution. This reflects a positive shift towards gender parity, especially in a traditionally male-dominated sector. The Department supports the national and provincial gender equity mandates.

However, at the SMS and MMS levels there is an urgency to increase the number of females and the representation of people with disabilities will also be addressed in future recruitment. The Department strives to ensure representation aligns with the demographics of the province.

### Management of Health and Productivity of Employees

The department has implemented the Employee Health and Wellness Strategic Framework for the Public Service where four (4) strategic interventions which include Wellness Management; HIV and AIDS; STI and TB Management; Health and Productivity Management and Health and Safety Management were implemented to ensure personnel wellbeing. The intention of the implementation of the interventions assists in the maintenance of the existing staff and to facilitate the retention of competencies while promoting high performance due to maintenance of healthy officials.

The department has prioritised both the in-house (available office hours by internal staff) and out-house (available during office hours and after hours and provided by an appointed service provider) counselling services to provide optimum opportunity for staff and their immediate family members in the province to access counselling and professional services with the least possible turnaround time. Life Health Solutions was appointed on 1 May 2023 for 3 consecutive financial years to ensure staff has 24/7/365 workplace driven support.

During the financial year Health screenings and mental health support were offered. Sport and recreation activities were used to boost morale and team cohesion. The Department continued to provide HIV/AIDS awareness and testing to employees.

### Health and Safety Compliance

The Department continued to provide and to ensure a safe working environment at Head Office and in the Regional Offices for conducive performance and service delivery. This resulted in prompt response in disaster management and ensured safety of employees after a structural incident at Head Office. There was a sense of collaboration through working with Public Works and Infrastructure and the Department of Labour. Monthly reports from trained safety reps helped maintain compliance.

### Training and Development of Employees

The department continued to upskill the current workforce in the financial year, where employees identified training needs and training was provided through informal courses, with bursary afforded formal education.

In implementing the Internship Programme, the Department made it its priority to develop a pipeline of future talent, through hosting of 33 graduate interns, contributing to skills development and future workforce sustainability. A total of 12 graduates were funded by the Department and 21 graduates were funded by the Office of the Premier.

### Management of Employee Relations

The department reports a very stable labour relations environment with minimal conflict and effective grievance resolution during the financial year. No misconduct cases were reported during the financial year, which may reflect a well-disciplined workforce and effective preventative HR practices. The employment relations environment was generally stable with management and organised labour unions being able to resolve matters positively in the interest of service delivery.

### Future Planning and Priorities

- **Review of the Organisational Structure:** The Department will continue with the review of the Organisational structure that started in quarter 4.
- **Filling of Critical Posts:** The department plans to prioritize the filling of critical vacancies in the 2025/26 financial year, subject to budget availability.
- **Targeted Recruitment:** Reasonable accommodation in the workplace and awareness programmes to improve inclusion of other designated groups.
- **Health and Safety Considerations:** Workforce planning which includes managing health and safety risks, will continue with urgent attention to Health and Safety concerns at Head Office.
- **Employee Health and Wellness:** Strategies to retain skilled staff included wellness programmes and mental health support, and performance rewards.
- **Management of Labour Relations:** Ensure stability in employment relations through affirming role clarity with stakeholders.

### 3. 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                     | 210 742                   | 124 277                       | 0                            | 0                                                     | 59                                                | 0                                           |
| Housing Asset Management           | 22 230                    | 20 156                        | 0                            | 0                                                     | 91                                                | 0                                           |
| Housing Development                | 2 187 416                 | 225 118                       | 0                            | 0                                                     | 10                                                | 0                                           |
| Housing Needs, Research & Planning | 20 111                    | 17 705                        | 0                            | 0                                                     | 88                                                | 0                                           |
| <b>Total</b>                       | <b>2 440 499</b>          | <b>387 256</b>                | <b>0</b>                     | <b>0</b>                                              | <b>16</b>                                         | <b>767</b>                                  |

**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) |
|------------------------------------------|-------------------------------|---------------------------|------------------|---------------------------------------------|
| Lower skilled (Levels 1-2)               | 2 955                         | 1                         | 13               | 227 308                                     |
| Skilled (Levels 3-5)                     | 13 533                        | 3                         | 41               | 330 073                                     |
| Highly skilled production (Levels 6-8)   | 77 644                        | 19                        | 146              | 531 808                                     |
| Highly skilled supervision (Levels 9-12) | 228 483                       | 56                        | 239              | 955 996                                     |
| Senior management (Levels >= 13)         | 63 126                        | 15                        | 45               | 1 402 800                                   |
| Contract (Levels 3-5)                    | 317                           | 0,1                       | 1                | 317 000                                     |
| Contract (Levels 6-8)                    | 1 669                         | 0,4                       | 13               | 128 385                                     |
| Contract (Levels 9-12)                   | 2 607                         | 1                         | 2                | 1 303 500                                   |
| Contract (Levels >= 13)                  | 81                            | 0                         | 0                | 0                                           |
| <b>TOTAL</b>                             | <b>390 415</b>                | <b>95</b>                 | <b>500</b>       | <b>780 828</b>                              |

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

| Programme                         | Salaries       |                                    | Overtime       |                                    | Homeowners 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                    | 99 993         | 79                                 | 0              | 0                                  | 7 199                | 6                             | 5 434          | 4                                     |
| Housing Asset Management          | 8 779          | 76                                 | 0              | 0                                  | 587                  | 5                             | 575            | 5                                     |
| Housing Planning & Research       | 14 401         | 78                                 | 0              | 0                                  | 1 104                | 6                             | 574            | 3                                     |
| Housing Facilities Administration | 188 600        | 74                                 | 0              | 0                                  | 13 835               | 6                             | 9 913          | 4                                     |
| <b>Total</b>                      | <b>311 773</b> | <b>76</b>                          | <b>0</b>       | <b>0</b>                           | <b>22 725</b>        | <b>6</b>                      | <b>16 496</b>  | <b>4</b>                              |

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

| Salary band                              | Salaries       |                                    | Overtime       |                                    | Homeowners 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)                      | 1 899          | 64                                 | 0              | 0                                  | 307                  | 10                            | 518            | 18                                    |
| Skilled (level 3-5)                      | 9 644          | 71                                 | 0              | 0                                  | 823                  | 6                             | 1 884          | 14                                    |
| Highly skilled production (levels 6-8)   | 60 529         | 77                                 | 0              | 0                                  | 3 027                | 4                             | 5 979          | 7                                     |
| Highly skilled supervision (levels 9-12) | 184 954        | 76                                 | 0              | 0                                  | 12 295               | 5                             | 7 433,00       | 3                                     |
| Senior management (level 13-16)          | 50 475         | 74                                 | 0              | 0                                  | 6 272                | 9                             | 682,00         | 1                                     |
| Contract (Levels 3-5)                    | 310            | 99                                 | 0              | 0                                  | 0                    | 0                             | 0              | 0                                     |
| Contract (Levels 6-8)                    | 1 648          | 98                                 | 0              | 0                                  | 0                    | 0                             | 0              | 0                                     |
| Contract (Levels 9-12)                   | 2 313          | 84                                 | 0              | 0                                  | 0                    | 0                             | 0              | 0                                     |
| Contract (Levels >= 13)                  | 0              | 0                                  | 0              | 0                                  | 0                    | 0                             | 0              | 0                                     |
| <b>TOTAL</b>                             | <b>311 772</b> | <b>76</b>                          | <b>0</b>       | <b>0</b>                           | <b>22 724</b>        | <b>6</b>                      | <b>16 496</b>  | <b>4</b>                              |

### 3.2 Employment and vacancies

**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                           | 209                                       | 174                    | 17               | 9                                                   |
| Housing Asset Management                 | 19                                        | 13                     | 32               | 1                                                   |
| Housing Planning & Research              | 27                                        | 19                     | 30               | 0                                                   |
| Housing Prog Facilities & Administration | 330                                       | 294                    | 11               | 5                                                   |
| <b>Total</b>                             | <b>585</b>                                | <b>500</b>             | <b>15</b>        | <b>15</b>                                           |

**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 (Includes Frozen Posts) % | Number of employees additional to the establishment |
|-----------------------------------|-------------------------------------------|------------------------|----------------------------------------|-----------------------------------------------------|
| Lower skilled (1-2)               | 13                                        | 13                     | 0                                      | 0                                                   |
| Skilled (3-5)                     | 48                                        | 41                     | 15                                     | 0                                                   |
| Highly skilled production (6-8)   | 179                                       | 146                    | 18                                     | 0                                                   |
| Highly skilled supervision (9-12) | 277                                       | 239                    | 14                                     | 0                                                   |
| Senior management (13-16)         | 52                                        | 45                     | 14                                     | 0                                                   |
| Contract (Levels 3-5)             | 1                                         | 1                      | 0                                      | 1                                                   |
| Contract (Levels 6-8)             | 13                                        | 13                     | 0                                      | 13                                                  |
| Contract (Levels 9-12)            | 2                                         | 2                      | 0                                      | 1                                                   |
| <b>Total</b>                      | <b>585</b>                                | <b>500</b>             | <b>15</b>                              | <b>15</b>                                           |

**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 |
|---------------------------------------------------------|-------------------------------------------|------------------------|------------------|-----------------------------------------------------|
| Administration Clerks                                   | 7                                         | 6                      | 14               | 0                                                   |
| Administration Officer                                  | 126                                       | 118                    | 6                | 12                                                  |
| Administrative And Governance Policy Manager            | 3                                         | 1                      | 67               | 0                                                   |
| Administrative Related                                  | 23                                        | 0                      | 100              | 0                                                   |
| Cashier                                                 | 1                                         | 1                      | 0                | 0                                                   |
| Chief Financial Officer                                 | 1                                         | 1                      | 0                | 0                                                   |
| Communication And Marketing Manager                     | 1                                         | 1                      | 0                | 0                                                   |
| Communication Coordinator                               | 4                                         | 3                      | 25               | 0                                                   |
| Compliance Officer                                      | 3                                         | 2                      | 33               | 0                                                   |
| Computer Network Technician                             | 2                                         | 1                      | 50               | 0                                                   |
| Construction Project Manager                            | 58                                        | 56                     | 3                | 0                                                   |
| Contract Manager                                        | 1                                         | 0                      | 100              | 0                                                   |
| Customer Service Manager                                | 1                                         | 1                      | 0                | 0                                                   |
| Driver                                                  | 3                                         | 3                      | 0                | 0                                                   |
| Engineers And Related Professionals                     | 3                                         | 0                      | 100              | 0                                                   |
| Ethics Officer                                          | 1                                         | 1                      | 0                | 0                                                   |
| Filing And Registry Clerk                               | 6                                         | 5                      | 17               | 0                                                   |
| Finance Clerk                                           | 7                                         | 7                      | 0                | 0                                                   |
| Finance Manager                                         | 3                                         | 2                      | 33               | 0                                                   |
| Financial And Related Professionals                     | 2                                         | 0                      | 100              | 0                                                   |
| General Accountant                                      | 4                                         | 4                      | 0                | 0                                                   |
| Geographic Information Systems Technician               | 1                                         | 1                      | 0                | 0                                                   |
| Head Of Provincial Department                           | 1                                         | 1                      | 0                | 0                                                   |
| Head Of Provincial Government                           | 5                                         | 4                      | 20               | 0                                                   |
| Human Resource Clerk                                    | 5                                         | 5                      | 0                | 0                                                   |
| Human Resource Manager                                  | 2                                         | 2                      | 0                | 0                                                   |
| Human Resource Practitioner                             | 4                                         | 3                      | 25               | 0                                                   |
| Industrial/ Labour Relations Officer                    | 1                                         | 1                      | 0                | 0                                                   |
| Information Technology & Systems Manager                | 2                                         | 2                      | 0                | 0                                                   |
| Internal Audit Manager                                  | 1                                         | 1                      | 0                | 0                                                   |
| Internal Auditor                                        | 3                                         | 3                      | 0                | 0                                                   |
| Legal Related Manager                                   | 1                                         | 1                      | 0                | 0                                                   |
| Light Vehicle Driver                                    | 8                                         | 7                      | 13               | 1                                                   |
| Managers Not Elsewhere Classified                       | 95                                        | 85                     | 11               | 0                                                   |
| Messengers                                              | 1                                         | 1                      | 0                | 0                                                   |
| Midd. Manager: Household/Food &Laundry Services Related | 1                                         | 0                      | 100              | 0                                                   |
| Midd. Manager: Human Resource & Organisa.Devel. Related | 9                                         | 8                      | 11               | 0                                                   |
| Middle Manager: Administrative Related                  | 9                                         | 7                      | 22               | 1                                                   |
| Middle Manager: Engineering Sciences Related            | 33                                        | 33                     | 0                | 0                                                   |
| Middle Manager: Finance And Economics Related           | 18                                        | 16                     | 11               | 0                                                   |
| Middle Manager:: Information Technology Related         | 2                                         | 2                      | 0                | 0                                                   |
| Middle Manager: Internal Audit Related                  | 1                                         | 0                      | 100              | 0                                                   |
| Office Cleaner                                          | 18                                        | 18                     | 0                | 0                                                   |
| Office Machine Operator                                 | 1                                         | 0                      | 100              | 0                                                   |
| Organisational Development Practitioner                 | 2                                         | 1                      | 50               | 0                                                   |
| Other Middle Manager                                    | 32                                        | 26                     | 19               | 0                                                   |
| Payroll Clerk                                           | 1                                         | 0                      | 100              | 0                                                   |
| Personal Assistant                                      | 2                                         | 2                      | 0                | 0                                                   |
| Policy And Planning Managers                            | 4                                         | 2                      | 50               | 0                                                   |
| Professionals Not Elsewhere Classified                  | 2                                         | 2                      | 0                | 0                                                   |
| Professionals Not Elsewhere Classified                  | 1                                         | 1                      | 0                | 0                                                   |
| Programme Or Project Manager                            | 2                                         | 2                      | 0                | 0                                                   |
| Protection/Security Official                            | 1                                         | 1                      | 0                | 0                                                   |
| Quantity Surveyor                                       | 2                                         | 1                      | 50               | 0                                                   |

| Critical occupation                                | Number of posts on approved establishment | Number of posts filled | Vacancy Rate (%) | Number of employees additional to the establishment |
|----------------------------------------------------|-------------------------------------------|------------------------|------------------|-----------------------------------------------------|
| Quantity Surveyors & Rela Prof Not Class Elsewhere | 2                                         | 1                      | 50               | 0                                                   |
| Receptionist (General)                             | 3                                         | 1                      | 67               | 0                                                   |
| Registry And Mailing Clerk                         | 1                                         | 1                      | 0                | 1                                                   |
| Regulatory And Compliance And Enforcement Manager  | 2                                         | 2                      | 0                | 0                                                   |
| Regulatory Inspector                               | 18                                        | 16                     | 11               | 0                                                   |
| Research And Development Manager                   | 2                                         | 2                      | 0                | 0                                                   |
| Risk And Integrity Manager                         | 1                                         | 1                      | 0                | 0                                                   |
| Risk And Integrity Specialist                      | 3                                         | 3                      | 0                | 0                                                   |
| Risk Officer                                       | 1                                         | 1                      | 0                | 0                                                   |
| Senior Managers                                    | 1                                         | 0                      | 100              | 0                                                   |
| State Owned Entities And Oversight Manager         | 1                                         | 1                      | 0                | 0                                                   |
| Strategy/Monitoring &Evaluation Manager            | 2                                         | 2                      | 0                | 0                                                   |
| Supply Chain Clerk                                 | 2                                         | 2                      | 0                | 0                                                   |
| Supply Chain Manager                               | 3                                         | 3                      | 0                | 0                                                   |
| Supply Chain Practitioner                          | 6                                         | 6                      | 0                | 0                                                   |
| Surveyor                                           | 2                                         | 2                      | 0                | 0                                                   |
| Systems Developer                                  | 1                                         | 1                      | 0                | 0                                                   |
| Town Planning Technician                           | 1                                         | 1                      | 0                | 0                                                   |
| Urban And Regional Planner                         | 2                                         | 2                      | 0                | 0                                                   |
| <b>Total</b>                                       | <b>585</b>                                | <b>500</b>             | <b>15</b>        | <b>15</b>                                           |

### 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 | 0                                | 0                                | 0                     | 0                                | 0                     |
| Salary Level 16                      | 1                                | 1                                | 100                   | 0                                | 0                     |
| Salary Level 15                      | 1                                | 0                                | 0                     | 1                                | 0                     |
| Salary Level 14                      | 8                                | 8                                | 100                   | 0                                | 0                     |
| Salary Level 13                      | 41                               | 35                               | 85                    | 6                                | 15                    |
| <b>Total</b>                         | <b>51</b>                        | <b>44</b>                        | <b>86</b>             | <b>7</b>                         | <b>14</b>             |

**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 | 0                                | 0                                | 0                     | 0                                | 0                     |
| Salary Level 16                      | 1                                | 1                                | 100                   | 0                                | 0                     |
| Salary Level 15                      | 1                                | 0                                | 0                     | 1                                | 0                     |
| Salary Level 14                      | 8                                | 8                                | 100                   | 0                                | 0                     |
| Salary Level 13                      | 41                               | 39                               | 95                    | 2                                | 5                     |
| <b>Total</b>                         | <b>51</b>                        | <b>48</b>                        | <b>94</b>             | <b>3</b>                         | <b>6</b>              |

**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                      | 1                                                                       | 0                                                                   | 1                                                                            |
| Salary Level 14                      | 0                                                                       | 0                                                                   | 0                                                                            |
| Salary Level 13                      | 4                                                                       | 0                                                                   | 7                                                                            |
| <b>Total</b>                         | <b>5</b>                                                                | <b>0</b>                                                            | <b>8</b>                                                                     |

**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 2023 and 31 March 2024**

| Reasons for vacancies not advertised within six months                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------|
| The COE forecast as at 30 April 2024 indicated that there were no funds available for the filling of posts for the 2024/25 financial year. |
| The COE forecast indicated overspending of R9.249m on COE for 2024/25.<br>Excluding the cost of the 33 interns, amounting to R2.704m.      |
| The 71 vacant posts were approved by the PCMT in Feb and advertised in March of 2025.                                                      |
| Reasons for vacancies not filled within twelve months                                                                                      |
| There were no advertised posts for the year 2024/25.                                                                                       |

#### Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

**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                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>This was a departmental stance taken for the financial year.</li> <li>The Department wrote to the Provincial Treasury for additional funding for the filling of the vacant posts.</li> <li>Provincial Treasury responded negatively to the Department in the 3rd quarter of 2024/25.</li> </ul> |
| Reasons for vacancies not filled within six months                                                                                                                                                                                                                                                                                     |
| As indicated above.                                                                                                                                                                                                                                                                                                                    |

#### Notes

In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

### 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 (Levels 1-2)               | 13                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Skilled (Levels 3-5)                     | 48                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Highly skilled production (Levels 6-8)   | 179                                       | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Highly skilled supervision (Levels 9-12) | 277                                       | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band A         | 42                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band B         | 9                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band C         | 0                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Senior Management Service Band D         | 1                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Contract (Levels 3-5)                    | 1                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Contract (Levels 6-8)                    | 13                                        | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| Contract (Levels 9-12)                   | 2                                         | 0                        | 0                                    | 0              | 0                    | 0                | 0                    |
| <b>Total</b>                             | <b>585</b>                                | <b>0</b>                 | <b>0</b>                             | <b>0</b>       | <b>0</b>             | <b>0</b>         | <b>0</b>             |

**There were no Job Evaluations conducted during the financial year because the Compensate JE System was only ready for utilization in the last quarter of 2024/25.**

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**

| Gender       | African  | Asian    | Coloured | White    | Total    |
|--------------|----------|----------|----------|----------|----------|
| Female       | 0        | 0        | 0        | 0        | 0        |
| Male         | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                             |   |
|-----------------------------|---|
| Employees with a disability | 0 |
|-----------------------------|---|

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 2025**

| Occupation                                                                               | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|------------------------------------------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
| None                                                                                     | 0                   | 0                    | 0                  | 0                    |
| Total number of employees whose salaries exceeded the level determined by job evaluation |                     |                      |                    | 0                    |
| Percentage of total employed                                                             |                     |                      |                    | 0%                   |

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**

| Gender       | African  | Asian    | Coloured | White    | Total    |
|--------------|----------|----------|----------|----------|----------|
| Female       | 0        | 0        | 0        | 0        | 0        |
| Male         | 0        | 0        | 0        | 0        | 0        |
| <b>Total</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                             |   |   |   |   |   |
|-----------------------------|---|---|---|---|---|
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
|-----------------------------|---|---|---|---|---|

## Notes

If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

|                                                                                          |      |
|------------------------------------------------------------------------------------------|------|
| 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 2024 and 31 March 2025**

| Salary band                              | Number of employees at beginning of period-1 April 2024 | Appointments and transfers into the department | Terminations and transfers out of the department | Turnover rate |
|------------------------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Lower Skilled (Levels1-2)                | 13                                                      | 1                                              | 0                                                | 0             |
| Skilled (Levels 3-5)                     | 43                                                      | 1                                              | 1                                                | 2             |
| Highly skilled production (Levels 6-8)   | 154                                                     | 3                                              | 9                                                | 6             |
| Highly skilled supervision (Levels 9-12) | 251                                                     | 11                                             | 12                                               | 5             |
| Senior Management Service Band A         | 32                                                      | 3                                              | 3                                                | 9             |
| Senior Management Service Band B         | 8                                                       | 0                                              | 1                                                | 13            |
| Senior Management Service Band C         | 1                                                       | 0                                              | 0                                                | 0             |
| Senior Management Service Band D         | 2                                                       | 2                                              | 2                                                | 100           |
| Contract (Levels 3-5)                    | 2                                                       | 14                                             | 2                                                | 100           |
| Contract (Levels 6-8)                    | 4                                                       | 6                                              | 4                                                | 100           |
| Contract Band C                          | 0                                                       | 1                                              | 0                                                | 0             |
| <b>Total</b>                             | <b>510</b>                                              | <b>42</b>                                      | <b>34</b>                                        | <b>7</b>      |

**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 |
|------------------------------------------|-------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Administration Clerks                    | 7                                                     | 0                                              | 0                                                | 0             |
| Administration Officer                   | 101                                                   | 13                                             | 5                                                | 5             |
| Administrative Related                   | 1                                                     | 0                                              | 1                                                | 100           |
| Cashier                                  | 1                                                     | 0                                              | 0                                                | 0             |
| Chief Financial Officer                  | 1                                                     | 0                                              | 0                                                | 0             |
| Communication And Marketing Manager      | 0                                                     | 1                                              | 0                                                | 0             |
| Communication Coordinator                | 4                                                     | 0                                              | 1                                                | 25            |
| Compliance Officer                       | 3                                                     | 0                                              | 1                                                | 33            |
| Computer Network Technician              | 2                                                     | 0                                              | 0                                                | 0             |
| Construction Project Manager             | 57                                                    | 2                                              | 1                                                | 2             |
| Contract Manager                         | 1                                                     | 0                                              | 1                                                | 100           |
| Customer Service Manager                 | 1                                                     | 0                                              | 0                                                | 0             |
| Driver                                   | 10                                                    | 0                                              | 0                                                | 0             |
| Ethics Officer                           | 1                                                     | 0                                              | 0                                                | 0             |
| Filing And Registry Clerk                | 5                                                     | 0                                              | 0                                                | 0             |
| Finance Clerk                            | 7                                                     | 1                                              | 0                                                | 0             |
| Finance Manager                          | 2                                                     | 0                                              | 0                                                | 0             |
| General Accountant                       | 4                                                     | 0                                              | 0                                                | 0             |
| Geophysicist                             | 1                                                     | 0                                              | 0                                                | 0             |
| Head Of Provincial Department            | 0                                                     | 1                                              | 0                                                | 0             |
| Head Of Provincial Government            | 7                                                     | 0                                              | 1                                                | 14            |
| Human Resource Clerk                     | 5                                                     | 0                                              | 0                                                | 0             |
| Human Resource Manager                   | 2                                                     | 0                                              | 0                                                | 0             |
| Human Resource Practitioner              | 3                                                     | 0                                              | 0                                                | 0             |
| Industrial/ Labour Relations Officer     | 1                                                     | 0                                              | 0                                                | 0             |
| Information Technology & Systems Manager | 1                                                     | 0                                              | 0                                                | 0             |
| Internal Audit Manager                   | 0                                                     | 1                                              | 0                                                | 0             |
| Internal Auditor                         | 3                                                     | 0                                              | 0                                                | 0             |

| 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 |
|----------------------------------------------------------|--------------------------------------------------------|------------------------------------------------|--------------------------------------------------|---------------|
| Light Vehicle Driver                                     | 1                                                      | 2                                              | 1                                                | 100           |
| Managers Not Elsewhere Classified                        | 95                                                     | 3                                              | 6                                                | 6             |
| Midd. Manager: Household/Food & Laundry Services Related | 1                                                      | 0                                              | 1                                                | 100           |
| Midd. Manager: Human Resource & Organisa.Devel. Related  | 8                                                      | 1                                              | 1                                                | 13            |
| Middle Manager: Administrative Related                   | 4                                                      | 6                                              | 3                                                | 75            |
| Middle Manager: Engineering Sciences Related             | 4                                                      | 1                                              | 0                                                | 0             |
| Middle Manager: Finance And Economics Related            | 18                                                     | 1                                              | 2                                                | 11            |
| Middle Manager: Information Technology Related           | 1                                                      | 1                                              | 0                                                | 0             |
| Middle Manager: Internal Audit Related                   | 1                                                      | 0                                              | 1                                                | 100           |
| Office Cleaner                                           | 18                                                     | 1                                              | 0                                                | 0             |
| Office Machine Operator                                  | 2                                                      | 1                                              | 1                                                | 50            |
| Organisational Development Practitioner                  | 1                                                      | 0                                              | 0                                                | 0             |
| Other Middle Manager                                     | 30                                                     | 3                                              | 3                                                | 10            |
| Personal Assistant                                       | 2                                                      | 0                                              | 0                                                | 0             |
| Policy And Planning Managers                             | 2                                                      | 0                                              | 2                                                | 100           |
| Professionals Not Elsewhere Classified                   | 2                                                      | 0                                              | 0                                                | 0             |
| Programme Or Project Manager                             | 1                                                      | 0                                              | 0                                                | 0             |
| Protection/Security Official                             | 1                                                      | 0                                              | 0                                                | 0             |
| Quantity Surveyor                                        | 2                                                      | 0                                              | 0                                                | 0             |
| Receptionist (General)                                   | 2                                                      | 0                                              | 2                                                | 100           |
| Registry And Mailing Clerk                               | 0                                                      | 1                                              | 0                                                | 0             |
| Regulatory And Compliance and Enforcement Manager        | 2                                                      | 1                                              | 0                                                | 0             |
| Regulatory Inspector                                     | 53                                                     | 0                                              | 0                                                | 0             |
| Research And Development Manager                         | 2                                                      | 0                                              | 0                                                | 0             |
| Risk And Integrity Manager                               | 1                                                      | 0                                              | 0                                                | 0             |
| Risk And Integrity Specialist                            | 3                                                      | 0                                              | 0                                                | 0             |
| Risk Officer                                             | 1                                                      | 0                                              | 0                                                | 0             |
| State Owned Entities and Oversight Manager               | 1                                                      | 1                                              | 0                                                | 0             |
| Strategy/Monitoring &Evaluation Manager                  | 1                                                      | 0                                              | 0                                                | 0             |
| Supply Chain Clerk                                       | 2                                                      | 0                                              | 0                                                | 0             |
| Supply Chain Manager                                     | 3                                                      | 0                                              | 0                                                | 0             |
| Supply Chain Practitioner                                | 6                                                      | 0                                              | 0                                                | 0             |
| Surveyor                                                 | 3                                                      | 0                                              | 0                                                | 0             |
| Systems Developer                                        | 1                                                      | 0                                              | 0                                                | 0             |
| Techn&Assoc Tech.-Occupations NT CL                      | 1                                                      | 0                                              | 0                                                | 0             |
| Urban And Regional Planner                               | 3                                                      | 0                                              | 0                                                | 0             |
| <b>Total</b>                                             | <b>510</b>                                             | <b>42</b>                                      | <b>34</b>                                        | <b>15</b>     |

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                                                                | 4         | 12                      |
| Resignation                                                          | 12        | 35                      |
| Expiry of contract                                                   | 8         | 24                      |
| Discharged due to ill-health                                         | 1         | 3                       |
| Dismissal – misconduct                                               | 1         | 3                       |
| Retirement, permanent                                                | 7         | 21                      |
| Transfer to other Public Service Departments                         | 0         | 0                       |
| Other, Permanent                                                     | 1         | 3                       |
| <b>Total</b>                                                         | <b>34</b> | <b>100</b>              |
| <b>Total number of employees who left as a % of total employment</b> | <b>7%</b> |                         |

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

| Occupation                                                     | Employees April 2024 | 1 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 |
|----------------------------------------------------------------|----------------------|--------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Administration Clerks                                          | 7                    | 0                                    | 0                                                         | 3                                                   | 43                                                  |
| Administration Officer                                         | 101                  | 0                                    | 0                                                         | 87                                                  | 86                                                  |
| Administrative Related                                         | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Cashier                                                        | 1                    | 0                                    | 0                                                         | 1                                                   | 100                                                 |
| Chief Financial Officer                                        | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Communication Coordinator                                      | 4                    | 0                                    | 0                                                         | 4                                                   | 100                                                 |
| Compliance Officer                                             | 3                    | 0                                    | 0                                                         | 2                                                   | 67                                                  |
| Computer Network Technician                                    | 2                    | 0                                    | 0                                                         | 1                                                   | 50                                                  |
| Construction Project Manager                                   | 57                   | 0                                    | 0                                                         | 13                                                  | 23                                                  |
| Contract Manager                                               | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Customer Service Manager                                       | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Diver                                                          | 10                   | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Ethics Officer                                                 | 1                    | 0                                    | 0                                                         | 1                                                   | 100                                                 |
| Filing And Registry Clerk                                      | 5                    | 0                                    | 0                                                         | 5                                                   | 100                                                 |
| Finance Clerk                                                  | 7                    | 0                                    | 0                                                         | 6                                                   | 86                                                  |
| Finance Manager                                                | 2                    | 1                                    | 50                                                        | 4                                                   | 200                                                 |
| General Accountant                                             | 4                    | 0                                    | 0                                                         | 4                                                   | 100                                                 |
| Geographic Information Systems Technician                      | 0                    | 0                                    | 0                                                         | 1                                                   | 0                                                   |
| Geophysicist                                                   | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Head Of Provincial Government Component                        | 7                    | 0                                    | 0                                                         | 3                                                   | 43                                                  |
| Human Resource Clerk                                           | 5                    | 1                                    | 20                                                        | 4                                                   | 80                                                  |
| Human Resource Manager                                         | 2                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Human Resource Practitioner                                    | 3                    | 0                                    | 0                                                         | 3                                                   | 100                                                 |
| Industrial/ Labour Relations Officer                           | 1                    | 0                                    | 0                                                         | 1                                                   | 100                                                 |
| Information Technology & Systems Manager                       | 1                    | 0                                    | 0                                                         | 2                                                   | 200                                                 |
| Internal Auditor                                               | 3                    | 0                                    | 0                                                         | 3                                                   | 100                                                 |
| Legal Related Manager                                          | 0                    | 1                                    | 0                                                         | 0                                                   | 0                                                   |
| Light Vehicle Driver                                           | 1                    | 0                                    | 0                                                         | 6                                                   | 600                                                 |
| Managers Not Elsewhere Classified                              | 95                   | 0                                    | 0                                                         | 55                                                  | 58                                                  |
| Messengers                                                     | 0                    | 0                                    | 0                                                         | 1                                                   | 0                                                   |
| Middle Manager: Household/Food & Laundry Services Related      | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Middle Manager: Human Resource & Organisational Devel. Related | 8                    | 2                                    | 0                                                         | 5                                                   | 63                                                  |
| Middle Manager: Administrative Related                         | 4                    | 0                                    | 0                                                         | 4                                                   | 100                                                 |
| Middle Manager: Engineering Sciences Related                   | 4                    | 0                                    | 0                                                         | 32                                                  | 800                                                 |
| Middle Manager: Finance And Economics Related                  | 18                   | 1                                    | 6                                                         | 13                                                  | 72                                                  |
| Middle Manager: Information Technology Related                 | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Middle Manager: Internal Audit Related                         | 1                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Office Cleaner                                                 | 18                   | 0                                    | 0                                                         | 12                                                  | 67                                                  |
| Office Machine Operator                                        | 2                    | 0                                    | 0                                                         | 0                                                   | 0                                                   |
| Organisational Development Practitioner                        | 1                    | 0                                    | 0                                                         | 1                                                   | 100                                                 |
| Other Middle Manager                                           | 30                   | 1                                    | 3                                                         | 17                                                  | 57                                                  |
| Personal Assistant                                             | 2                    | 0                                    | 0                                                         | 1                                                   | 50                                                  |
| Policy And Planning Managers                                   | 2                    | 0                                    | 0                                                         | 2                                                   | 100                                                 |
| Professionals Not Elsewhere Classified                         | 2                    | 0                                    | 0                                                         | 2                                                   | 100                                                 |

| 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 |
|------------------------------------------------------|------------------------|------------------------------------|-----------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Professionals Not Elsewhere Classified.              | 0                      | 0                                  | 0                                                         | 2                                                   | 0                                                   |
| Programme Or Project Manager                         | 1                      | 0                                  | 0                                                         | 0                                                   | 0                                                   |
| Protection/Security Official                         | 1                      | 0                                  | 0                                                         | 0                                                   | 0                                                   |
| Quantity Surveyor                                    | 2                      | 0                                  | 0                                                         | 1                                                   | 50                                                  |
| Receptionist (General)                               | 2                      | 0                                  | 0                                                         | 0                                                   | 0                                                   |
| Regulatory And Compliance And Enforcement Manager    | 2                      | 0                                  | 0                                                         | 1                                                   | 50                                                  |
| Regulatory Inspector                                 | 53                     | 0                                  | 0                                                         | 3                                                   | 6                                                   |
| Research And Development Manager                     | 2                      | 0                                  | 0                                                         | 1                                                   | 50                                                  |
| Risk And Integrity Manager                           | 1                      | 0                                  | 0                                                         | 1                                                   | 100                                                 |
| Risk And Integrity Specialist                        | 3                      | 0                                  | 0                                                         | 3                                                   | 100                                                 |
| Risk Officer                                         | 1                      | 0                                  | 0                                                         | 1                                                   | 100                                                 |
| State Owned Entities And Oversight Manager           | 1                      | 0                                  | 0                                                         | 1                                                   | 100                                                 |
| Strategy/Monitoring &Evaluation Manager              | 1                      | 1                                  | 100                                                       | 0                                                   | 0                                                   |
| Supply Chain Clerk                                   | 2                      | 0                                  | 0                                                         | 2                                                   | 100                                                 |
| Supply Chain Manager                                 | 3                      | 0                                  | 0                                                         | 2                                                   | 67                                                  |
| Supply Chain Practitioner                            | 6                      | 0                                  | 0                                                         | 6                                                   | 100                                                 |
| Surveyor                                             | 3                      | 0                                  | 0                                                         | 0                                                   | 0                                                   |
| Systems Developer                                    | 1                      | 0                                  | 0                                                         | 1                                                   | 100                                                 |
| Technic& Associate Techn. Occupations Not Classified | 1                      | 0                                  | 0                                                         | 0                                                   | 0                                                   |
| Urban And Regional Planner                           | 3                      | 0                                  | 0                                                         | 1                                                   | 33                                                  |
| <b>Total</b>                                         | <b>510</b>             | <b>8</b>                           | <b>2</b>                                                  | <b>325</b>                                          | <b>64</b>                                           |

**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)               | 13                     | 0                                  | 0                                                           | 7                                                   | 54                                                    |
| Skilled (Levels 3-5)                     | 43                     | 0                                  | 0                                                           | 33                                                  | 77                                                    |
| Highly Skilled Production (Levels 6-8)   | 154                    | 2                                  | 1                                                           | 121                                                 | 79                                                    |
| Highly Skilled Supervision (Levels 9-12) | 251                    | 3                                  | 1                                                           | 139                                                 | 55                                                    |
| Senior Management (Levels >= 13)         | 41                     | 3                                  | 7                                                           | 25                                                  | 61                                                    |
| Contract (Levels 3-5)                    | 2                      | 0                                  | 0                                                           | 0                                                   | 0                                                     |
| Contract (Levels 6-8)                    | 2                      | 0                                  | 0                                                           | 0                                                   | 0                                                     |
| Contract (Levels 9-12)                   | 4                      | 0                                  | 0                                                           | 0                                                   | 0                                                     |
| <b>Total</b>                             | <b>510</b>             | <b>8</b>                           | <b>2</b>                                                    | <b>325</b>                                          | <b>64</b>                                             |

### 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 |       |
| Senior officials and managers | 0       | 0        | 0      | 0     | 1       | 0        | 0      | 0     | 1     |

| Occupational category                         | Male       |          |          |          | Female     |          |          |          | Total      |
|-----------------------------------------------|------------|----------|----------|----------|------------|----------|----------|----------|------------|
|                                               | African    | Coloured | Indian   | White    | African    | Coloured | Indian   | White    |            |
| Technicians and associate professionals       | 0          | 0        | 0        | 0        | 1          | 0        | 0        | 2        | 3          |
| Clerical Support Workers                      | 8          | 0        | 0        | 0        | 20         | 1        | 1        | 0        | 30         |
| Elementary occupations                        | 2          | 0        | 0        | 0        | 16         | 1        | 0        | 0        | 19         |
| Managers                                      | 119        | 3        | 1        | 3        | 125        | 2        | 2        | 6        | 261        |
| Plant and machine operators and assemblers    | 10         | 0        | 0        | 0        | 0          | 0        | 0        | 0        | 10         |
| Professionals                                 | 21         | 0        | 0        | 1        | 22         | 0        | 0        | 0        | 44         |
| Security & Custodian Personnel                | 1          | 0        | 0        | 0        | 0          | 0        | 0        | 0        | 1          |
| Technicians & Associate Technical Occupations | 39         | 2        | 0        | 0        | 82         | 5        | 2        | 1        | 131        |
| <b>Total</b>                                  | <b>200</b> | <b>5</b> | <b>1</b> | <b>4</b> | <b>267</b> | <b>9</b> | <b>5</b> | <b>9</b> | <b>500</b> |
| <b>Employees with disabilities</b>            | <b>2</b>   | <b>0</b> | <b>0</b> | <b>1</b> | <b>2</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>5</b>   |

Including the MEC

**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                                                                                | 0          | 0        | 0        | 0        | 1          | 0        | 0        | 0        | 1          |
| Senior management                                                                             | 21         | 2        | 1        | 1        | 18         | 1        | 0        | 0        | 44         |
| Professionally qualified and experienced specialists and mid-management                       | 110        | 1        | 0        | 3        | 115        | 1        | 2        | 7        | 239        |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 44         | 2        | 0        | 0        | 91         | 5        | 2        | 2        | 146        |
| Semi-skilled and discretionary decision making                                                | 17         | 0        | 0        | 0        | 23         | 0        | 1        | 0        | 41         |
| Unskilled and defined decision making                                                         | 0          | 0        | 0        | 0        | 12         | 1        | 0        | 0        | 13         |
| Contract (professionally qualified)                                                           | 1          | 0        | 0        | 0        | 1          | 0        | 0        | 0        | 2          |
| Contract (Skilled Technical)                                                                  | 6          | 0        | 0        | 0        | 6          | 1        | 0        | 0        | 13         |
| Contract (Semi-Skilled)                                                                       | 1          | 0        | 0        | 0        | 0          | 0        | 0        | 0        | 1          |
| <b>Total</b>                                                                                  | <b>200</b> | <b>5</b> | <b>1</b> | <b>4</b> | <b>267</b> | <b>9</b> | <b>5</b> | <b>9</b> | <b>500</b> |

**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 |       |
| Senior Management                                                       | 2       | 0        | 0      | 0     | 1       | 0        | 0      | 0     | 3     |
| Professionally qualified and experienced specialists and mid-management | 3       | 0        | 0      | 0     | 8       | 0        | 0      | 0     | 11    |

| Occupational band                                                                             | Male      |          |          |          | Female    |          |          |          | Total     |
|-----------------------------------------------------------------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
|                                                                                               | African   | Coloured | Indian   | White    | African   | Coloured | Indian   | White    |           |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 1         | 0        | 0        | 0        | 2         | 0        | 0        | 0        | 3         |
| Semi-skilled and discretionary decision making                                                | 0         | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 1         |
| Unskilled and defined decision making                                                         | 0         | 0        | 0        | 0        | 0         | 1        | 0        | 0        | 1         |
| Contract (Top Management)                                                                     | 0         | 1        | 0        | 0        | 0         | 0        | 0        | 0        | 1         |
| Contract (Professionally qualified)                                                           | 2         | 0        | 0        | 0        | 4         | 0        | 0        | 0        | 6         |
| Contract (Skilled technical)                                                                  | 6         | 0        | 0        | 0        | 7         | 1        | 0        | 0        | 14        |
| Contract (Semi-skilled)                                                                       | 2         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 2         |
| <b>TOTAL</b>                                                                                  | <b>16</b> | <b>1</b> | <b>0</b> | <b>0</b> | <b>23</b> | <b>2</b> | <b>0</b> | <b>0</b> | <b>42</b> |
| <b>Employees with disabilities</b>                                                            | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  |

**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    |            |
| <b>Senior Management</b>                                                                      | 12         | 2        | 0        | 1        | 12         | 1        | 0        | 0        | <b>28</b>  |
| Professionally qualified and experienced specialists and mid-management                       | 56         | 0        | 0        | 0        | 80         | 1        | 1        | 4        | <b>142</b> |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 39         | 1        | 0        | 0        | 77         | 4        | 1        | 1        | <b>123</b> |
| Semi-skilled and discretionary decision making                                                | 13         | 0        | 0        | 0        | 20         | 0        | 0        | 0        | <b>33</b>  |
| Unskilled and defined decision making                                                         | 0          | 0        | 0        | 0        | 7          | 0        | 0        | 0        | <b>7</b>   |
| <b>TOTAL</b>                                                                                  | <b>120</b> | <b>3</b> | <b>0</b> | <b>1</b> | <b>196</b> | <b>6</b> | <b>2</b> | <b>5</b> | <b>333</b> |
| <b>Employees with disabilities</b>                                                            | <b>1</b>   | <b>0</b> | <b>0</b> | <b>1</b> | <b>2</b>   | <b>0</b> | <b>0</b> | <b>0</b> | <b>4</b>   |

**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 |       |
| Senior Management                                                                             | 0       | 1        | 0      | 0     | 3       | 0        | 0      | 0     | 4     |
| Professionally qualified and experienced specialists and mid-management                       | 4       | 0        | 0      | 1     | 6       | 0        | 0      | 1     | 12    |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen | 4       | 0        | 0      | 0     | 5       | 0        | 0      | 0     | 9     |
| Semi-skilled and discretionary decision making                                                | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 1     | 1     |

| Occupational band                   | Male      |          |          |          | Female    |          |          |          | Total     |
|-------------------------------------|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
|                                     | African   | Coloured | Indian   | White    | African   | Coloured | Indian   | White    |           |
| Contract (Professionally qualified) | 1         | 0        | 0        | 0        | 3         | 0        | 0        | 0        | 4         |
| Contract (Skilled technical)        | 0         | 0        | 0        | 0        | 2         | 0        | 0        | 0        | 2         |
| Contract (Semi-skilled)             | 2         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 2         |
| <b>Total</b>                        | <b>11</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>19</b> | <b>0</b> | <b>0</b> | <b>2</b> | <b>34</b> |
| <b>Employees with Disabilities</b>  | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>1</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>1</b>  |

**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    |          |
| <b>None</b>         | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

**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 | 20        | 1        | 1        | 1        | 18        | 0        | 0        | 0        | 41         |
| Professionals                              | 49        | 0        | 0        | 1        | 51        | 0        | 1        | 2        | 104        |
| Technicians and associate professionals    | 11        | 0        | 0        | 0        | 22        | 1        | 0        | 1        | 35         |
| Clerks                                     | 1         | 0        | 0        | 0        | 5         | 0        | 0        | 0        | 6          |
| 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 | 2         | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 2          |
| Elementary occupations                     | 0         | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 1          |
| <b>Total</b>                               | <b>83</b> | <b>1</b> | <b>1</b> | <b>2</b> | <b>97</b> | <b>1</b> | <b>1</b> | <b>3</b> | <b>189</b> |
| <b>Employees with disabilities</b>         | <b>2</b>  | <b>0</b> | <b>0</b> | <b>1</b> | <b>0</b>  | <b>0</b> | <b>0</b> | <b>0</b> | <b>3</b>   |

### 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**

| SMS Level                            | Total number of funded 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 | 0                            | 0                           | 0                                             | 0                                                                 |
| Salary Level 16                      | 0                            | 0                           | 0                                             | 0                                                                 |
| Salary Level 15                      | 0                            | 0                           | 0                                             | 0                                                                 |
| Salary Level 14                      | 8                            | 8                           | 8                                             | 100%                                                              |
| Salary Level 13                      | 41                           | 35                          | 35                                            | 100%                                                              |
| <b>Total</b>                         | <b>49</b>                    | <b>43</b>                   | <b>43</b>                                     |                                                                   |

**Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2025**

| Reasons                    |
|----------------------------|
| There was 100% compliance. |

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 2025**

| Reasons                    |
|----------------------------|
| There was 100% compliance. |

Notes

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

### 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 2024 to 31 March 2025**

| Race and gender                    | Beneficiary Profile     |                     |                         | Cost           |                           |
|------------------------------------|-------------------------|---------------------|-------------------------|----------------|---------------------------|
|                                    | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000)   | Average cost per employee |
| <b>African</b>                     |                         |                     |                         |                |                           |
| Male                               | 111                     | 198                 | 56                      | 1028443        | 9265                      |
| Female                             | 186                     | 265                 | 70                      | 1430166        | 7689                      |
| <b>Asian</b>                       |                         |                     |                         |                |                           |
| Male                               | 0                       | 1                   | 0                       | 0              | 0                         |
| Female                             | 2                       | 5                   | 40                      | 23421          | 11710                     |
| <b>Coloured</b>                    |                         |                     |                         |                |                           |
| Male                               | 3                       | 5                   | 60                      | 45570          | 15190                     |
| Female                             | 6                       | 9                   | 67                      | 55503          | 9250                      |
| <b>White</b>                       |                         |                     |                         |                |                           |
| Male                               | 1                       | 3                   | 33                      | 22863          | 22863                     |
| Female                             | 5                       | 9                   | 56                      | 54204          | 10840                     |
| <b>Employees with disabilities</b> | 3                       | 5                   | 60                      | 24150          | 8050                      |
| <b>Total</b>                       | <b>317</b>              | <b>500</b>          | <b>63%</b>              | <b>2684319</b> | <b>8468</b>               |

**Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2024 to 31 March 2025**

| 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 |                                                      |
| Lower Skilled (Levels 1-2)               | 13                      | 14                  | 93                             | 14232              | 2033                      | 0.7%                                                 |
| Skilled (Levels 3-5)                     | 38                      | 77                  | 49                             | 101091             | 2466                      | 4.6%                                                 |
| Highly Skilled Production (Levels 6-8)   | 125                     | 132                 | 95                             | 648909             | 4445                      | 29.5%                                                |
| Highly Skilled Supervision (Levels 9-12) | 141                     | 276                 | 51                             | 1438827            | 6020                      | 65.3%                                                |
| Contract (Levels 3-5)                    | 0                       | 1                   | 0                              | 0                  | 0                         | 0                                                    |
| <b>Total</b>                             | <b>317</b>              | <b>500</b>          | <b>63</b>                      | <b>2203059</b>     | <b>7519</b>               | <b>0.01%</b>                                         |

**Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2024 to 31 March 2025**

| Critical occupation                          | Beneficiary Profile     |                     |                              | Cost          |      |                           |
|----------------------------------------------|-------------------------|---------------------|------------------------------|---------------|------|---------------------------|
|                                              | Number of beneficiaries | Number of employees | % of total within occupation | Total (R'000) | Cost | Average cost per employee |
| Administration Clerks                        | 3                       | 6                   | 50                           | 9984          |      | 3328                      |
| Administration Officer                       | 88                      | 118                 | 75                           | 473166        |      | 5376                      |
| Administrative And Governance Policy Manager | 1                       | 1                   | 100                          | 15513         |      | 15513                     |
| Cashier                                      | 1                       | 1                   | 100                          | 3447          |      | 3447                      |
| Chief Financial Officer                      | 0                       | 1                   | 0                            | 0             |      | 0                         |

| Critical occupation                                             | Beneficiary Profile     |                     |                              | Cost          |                           |
|-----------------------------------------------------------------|-------------------------|---------------------|------------------------------|---------------|---------------------------|
|                                                                 | Number of beneficiaries | Number of employees | % of total within occupation | Total (R'000) | Average cost per employee |
| Communication And Marketing Manager                             | 0                       | 1                   | 0                            | 0             | 0                         |
| Communication Coordinator                                       | 3                       | 3                   | 100                          | 21525         | 7175                      |
| Compliance Officer                                              | 2                       | 2                   | 100                          | 10107         | 5053                      |
| Computer Network Technician                                     | 1                       | 1                   | 100                          | 5904          | 5904                      |
| Construction Project Manager                                    | 13                      | 56                  | 23                           | 196503        | 15115                     |
| Customer Service Manager                                        | 0                       | 1                   | 0                            | 0             | 0                         |
| Diver                                                           | 0                       | 3                   | 0                            | 0             | 0                         |
| Ethics Officer                                                  | 1                       | 1                   | 100                          | 13128         | 13128                     |
| Filing And Registry Clerk                                       | 4                       | 5                   | 80                           | 14175         | 3543                      |
| Finance Clerk                                                   | 5                       | 7                   | 71                           | 16830         | 3366                      |
| Finance Manager                                                 | 4                       | 2                   | 50                           | 78180         | 19545                     |
| General Accountant                                              | 4                       | 4                   | 100                          | 21663         | 5415                      |
| Geographic Information Systems Technician                       | 1                       | 1                   | 100                          | 8922          | 8922                      |
| Head Of Provincial Department                                   | 1                       | 1                   | 100                          | 22191         | 22191                     |
| Head Of Provincial Government Component                         | 2                       | 4                   | 50                           | 47862         | 23931                     |
| Human Resource Clerk                                            | 4                       | 5                   | 80                           | 13686         | 3421                      |
| Human Resource Manager                                          | 0                       | 2                   | 0                            | 0             | 0                         |
| Human Resource Practitioner                                     | 3                       | 3                   | 100                          | 18621         | 6207                      |
| Industrial/ Labour Relations Officer                            | 1                       | 1                   | 100                          | 5817          | 5817                      |
| Information Technology & Systems Manager                        | 2                       | 2                   | 100                          | 24069         | 12034                     |
| Internal Audit Manager                                          | 0                       | 1                   | 0                            | 0             | 0                         |
| Internal Auditor                                                | 3                       | 3                   | 100                          | 16251         | 5417                      |
| Legal Related Manager                                           | 0                       | 1                   | 0                            | 0             | 0                         |
| Light Vehicle Driver                                            | 6                       | 7                   | 86                           | 18405         | 3067                      |
| Managers Not Elsewhere Classified                               | 52                      | 85                  | 61                           | 529647        | 10185                     |
| Messengers                                                      | 1                       | 1                   | 100                          | 2469          | 2469                      |
| MindManager: Human Resource & Organisation Development. Related | 4                       | 8                   | 50                           | 47676         | 11919                     |
| Middle Manager: Administrative Related                          | 4                       | 7                   | 57                           | 41856         | 10464                     |
| Middle Manager: Engineering Sciences Related                    | 33                      | 33                  | 100                          | 292479        | 8863                      |
| Middle Manager: Finance And Economics Related                   | 12                      | 16                  | 75                           | 133953        | 11162                     |
| Middle Manager: Information Technology Related                  | 0                       | 2                   | 0                            | 0             | 0                         |
| Office Cleaner                                                  | 12                      | 18                  | 67                           | 27624         | 2302                      |
| Organisational Development Practitioner                         | 1                       | 1                   | 100                          | 4692          | 4692                      |
| Other Middle Manager                                            | 16                      | 25                  | 64                           | 246441        | 15402                     |
| Personal Assistant                                              | 1                       | 2                   | 50                           | 5208          | 5208                      |
| Policy And Planning Managers                                    | 2                       | 2                   | 100                          | 409950        | 204975                    |
| Professionals Not Elsewhere Classified.                         | 4                       | 4                   | 100                          | 53742         | 13435                     |
| Programme Or Project Manager                                    | 0                       | 2                   | 0                            | 0             | 0                         |
| Protection/Security Official                                    | 0                       | 1                   | 0                            | 0             | 0                         |
| Quantity Surveyor                                               | 1                       | 1                   | 100                          | 11316         | 11316                     |
| Quantity Surveyors & Rela Prof Not Class Elsewhere              | 0                       | 1                   | 0                            | 0             | 0                         |
| Receptionist (General)                                          | 0                       | 1                   | 0                            | 0             | 0                         |
| Registry And Mailing Clerk                                      | 0                       | 1                   | 0                            | 0             | 0                         |

| Critical occupation                               | Beneficiary Profile     |                     |                              | Cost           |                           |
|---------------------------------------------------|-------------------------|---------------------|------------------------------|----------------|---------------------------|
|                                                   | Number of beneficiaries | Number of employees | % of total within occupation | Total (R'000)  | Average cost per employee |
| Regulatory And Compliance and Enforcement Manager | 0                       | 2                   | 0                            | 0              | 0                         |
| Regulatory Inspector                              | 2                       | 16                  | 13                           | 11679          | 5839                      |
| Research And Development Manager                  | 1                       | 2                   | 50                           | 15513          | 15513                     |
| Risk And Integrity Manager                        | 1                       | 1                   | 100                          | 19086          | 19086                     |
| Risk And Integrity Specialist                     | 3                       | 3                   | 100                          | 31377          | 10459                     |
| Risk Officer                                      | 1                       | 1                   | 100                          | 4905           | 4905                      |
| State Owned Entities And Oversight Manager        | 1                       | 1                   | 100                          | 19066          | 19066                     |
| Strategy/Monitoring &Evaluation Manager           | 0                       | 2                   | 0                            | 0              | 0                         |
| Supply Chain Clerk                                | 2                       | 2                   | 100                          | 6591           | 3295                      |
| Supply Chain Manager                              | 2                       | 3                   | 67                           | 37626          | 18813                     |
| Supply Chain Practitioner                         | 5                       | 6                   | 83                           | 33432          | 5572                      |
| Surveyor                                          | 0                       | 2                   | 0                            | 0              | 0                         |
| Systems Developer                                 | 1                       | 1                   | 100                          | 6663           | 6663                      |
| Town Planning Technician                          | 0                       | 1                   | 0                            | 0              | 0                         |
| Urban And Regional Planner                        | 2                       | 2                   | 100                          | 4359           | 4359                      |
| <b>Total</b>                                      | <b>317</b>              | <b>500</b>          | <b>0,01%</b>                 | <b>3053299</b> | <b>9601</b>               |

**Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2024 to 31 March 2025**

| 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       | 15                      | 36                  | 42                             | 212178             | 14145                     | 212178                                               |
| Band B       | 1                       | 8                   | 13                             | 4359               | 4359                      | 4359                                                 |
| Band C       | 0                       | 0                   | 0                              | 0                  | 0                         | 0                                                    |
| Band D       | 0                       | 1                   | 0                              | 0                  | 0                         | 0                                                    |
| <b>Total</b> | <b>16</b>               | <b>45</b>           | <b>36</b>                      | <b>216537</b>      | <b>18504</b>              | <b>216537</b>                                        |

### 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**

| Salary band                            | 01 April 2024 |            | 31 March 2025 |            | Change   |          |
|----------------------------------------|---------------|------------|---------------|------------|----------|----------|
|                                        | Number        | % of total | Number        | % of total | Number   | % Change |
| Lower skilled                          | 0             | 0          | 0             | 0          | 0        | 0        |
| Highly skilled production (Lev. 6-8)   | 0             | 0          | 0             | 0          | 0        | 0        |
| Highly skilled supervision (Lev. 9-12) | 0             | 0          | 0             | 0          | 0        | 0        |
| Contract (level 9-12)                  | 0             | 0          | 0             | 0          | 0        | 0        |
| Contract (level 13-16)                 | 0             | 0          | 0             | 0          | 0        | 0        |
| <b>Total</b>                           | <b>0</b>      | <b>0</b>   | <b>0</b>      | <b>0</b>   | <b>0</b> | <b>0</b> |

**Table 3.9.2 Foreign workers by major occupation for the period 1 April 2024 and 31 March 2025**

| Major occupation           | 01 April 2024 |            | 31 March 2025 |            | Change |          |
|----------------------------|---------------|------------|---------------|------------|--------|----------|
|                            | Number        | % of total | Number        | % of total | Number | % Change |
| Professionals and managers | 0             | 0          | 0             | 0          | 0      | 0        |

### 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) |
|-------------------------------------------|-------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2)                  | 55          | 83                                | 8                                    | 62                                    | 7                         | 38 653.62              |
| Skilled (levels 3-5)                      | 189         | 64                                | 31                                   | 74                                    | 6                         | 219 585.21             |
| Highly skilled production (levels 6-8)    | 770         | 75                                | 103                                  | 64                                    | 8                         | 1 525 188.76           |
| Highly skilled supervision (levels 9 -12) | 1100        | 79                                | 163                                  | 66                                    | 7                         | 3 780 963.59           |
| Top and Senior management (levels 13-16)  | 126         | 93                                | 17                                   | 39                                    | 7                         | 658 464.14             |
| <b>Total</b>                              | <b>2240</b> | <b>77</b>                         | <b>322</b>                           | <b>64</b>                             | <b>7</b>                  | <b>6 222 855.32</b>    |

**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) |
|------------------------------------------|------------|-----------------------------------|--------------------------------------------|---------------------------------------------|---------------------------|------------------------|
| Highly skilled production (Levels 6-8)   | 38         | 100                               | 6                                          | 46                                          | 6                         | 77                     |
| Highly skilled supervision (Levels 9-12) | 80         | 100                               | 5                                          | 39                                          | 16                        | 263                    |
| Skilled (Levels 3-5)                     | 13         | 100                               | 2                                          | 15                                          | 7                         | 14                     |
| <b>Total</b>                             | <b>131</b> | <b>100</b>                        | <b>13</b>                                  | <b>100</b>                                  | <b>10</b>                 | <b>354</b>             |

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 2024**

| Salary band                              | Total days taken | Number of Employees using annual leave | Average per employee |
|------------------------------------------|------------------|----------------------------------------|----------------------|
| Contract (Levels 6-8)                    | 117              | 16                                     | 7                    |
| Highly skilled production (Levels 6-8)   | 3 640            | 159                                    | 23                   |
| Highly skilled supervision (Levels 9-12) | 6 438            | 253                                    | 25                   |
| Lower skilled (Levels 1-2)               | 248              | 13                                     | 19                   |
| Senior management (Levels 13-16)         | 988              | 45                                     | 22                   |
| Skilled (Levels 3-5)                     | 976              | 43                                     | 23                   |
| <b>Total</b>                             | <b>12 407</b>    | <b>529</b>                             | <b>23</b>            |

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

| 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 2024 |
|------------------------------------------|----------------------------------|----------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Contract (Levels 3-5)                    | 0                                | 0                                      | 0                                         | 0                                                     |
| Contract (Levels 6-8)                    | 0                                | 0                                      | 0                                         | 0                                                     |
| Contract (Levels 9-12)                   | 0                                | 0                                      | 0                                         | 0                                                     |
| Highly skilled production (Levels 6-8)   | 0                                | 0                                      | 0                                         | 0                                                     |
| Highly skilled supervision (Levels 9-12) | 1                                | 1                                      | 1                                         | 83                                                    |
| Lower skilled (Levels 1-2)               | 0                                | 0                                      | 0                                         | 0                                                     |
| Senior management (Levels 13-16)         | 0                                | 0                                      | 0                                         | 79                                                    |
| Skilled (Levels 3-5)                     | 0                                | 0                                      | 0                                         | 128                                                   |
| <b>Total</b>                             | <b>1</b>                         | <b>1</b>                               | <b>1</b>                                  | <b>74</b>                                             |

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) |
|------------------------------------------------------------------------------------------------|----------------------|---------------------|------------------------------|
| Annual - Discounting with Resignation (Workdays)                                               | 501                  | 8                   | 62 625                       |
| Annual - Discounting: Contract Expiry (Workdays)                                               | 115                  | 1                   | 115 000                      |
| Annual - Gratuity: Death/Retirement/Medical Retirement (Work)                                  | 572                  | 9                   | 63 556                       |
| Capped - Gratuity: Death/Retirement/Medical Retirement (Work)                                  | 1 844                | 8                   | 230 500                      |
| <b>Total</b>                                                                                   | <b>3 032</b>         | <b>26</b>           |                              |
| <b>Leave Payouts (Actual) Allowance Codes - 0060, 0168, 0625, 0422, 0567, 0698, 0699, 0701</b> | <b>2 888</b>         | <b>18</b>           |                              |

### 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                                                                                                 |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| First Aiders in the department whilst attending to first aid cases.                                        | Provision of latex gloves to first aiders.                                                                                         |
| Employees who due to job requirements travel often to perform their duties.                                | HIV Awareness Campaigns.<br>Provisioning of condoms at all sites.<br>Opportunity for HIV counselling and testing at the workplace. |

**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.                                                                          | X   |    | Ms N Jafta<br>Director: Human Resource Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 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. | X   |    | 3 employees (1 x deputy director; 2 x assistant directors).<br><br>Budget allocated: R991 151.55                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.                                                                                                           | X   |    | Wellness Management<br>Counselling Services<br>Life Skills/ Capacity Building Sessions for employees<br>Sport and Recreation Programme<br>HIV and TB Management<br>HIV/TB Awareness Campaigns<br>HIV counselling and testing opportunities at all work sites<br>Peer Education Programme<br>Health and Productivity Management<br>Managing PILIR (Policy and Procedure on Incapacity and Ill Health Retirement)<br>Various Health Screenings<br>Health Awareness Campaigns<br>Health and Safety Management<br>Compliance with OHS Act (including the management of SHE reps and first aiders)<br>Identify and manage Health and Safety risks in the department<br>Health and Safety Awareness sessions and campaigns<br>Compliance to the COID (Compensation for Occupational Injuries and Diseases)<br>Act by processing injury on duty cases. |

| Question                                                                                                                                                                                                                                                | Yes | No | Details, if yes                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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. | X   |    | Committee Members:<br>Ms N. Jaftha, Ms AS van Rooyen, Ms PC Peter, Ms MN Banda, Mr G Malapane, Ms T Shweni, Ms P Gangqa, Mr N Mabindisa and Mr S Bodoza, Ms A Mdledle, Ms F Maposa-Nyangiwe, Ms G Ngobozana, Mr U Luwaca, Mr M Plaatjie, Ms A Manyela                                                         |
| 5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.                   | X   |    | HIV and TB Management Policy                                                                                                                                                                                                                                                                                  |
| 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.                                                                  | X   |    | HIV and TB Management Policy<br>Respect human rights and dignity<br>Social dialogue<br>Confidentiality and protection of employee's personal data<br>Non-discriminatory workplace practices<br>Education and Awareness                                                                                        |
| 7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.                                                                                                            | X   |    | Confidential counselling and testing is provided.<br>The department tested 148 employees                                                                                                                                                                                                                      |
| 8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.                                                                                          | X   |    | Submission of a quarterly and annual integrated Employee Health and Wellness Reporting Tools with baseline and annual targets and inclusive of a narrative section where data is interpreted, achievements reported on and challenges and recommendations included regarding the Employee Wellness Programme. |

### 3.12 Labour Relations

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

| Subject matter                              | Date                            |
|---------------------------------------------|---------------------------------|
| GPSSBC resolution 1 of 2024 (Special Leave) | Effective date<br>01 April 2024 |

#### Notes

If there were no agreements, keep the heading and replace the table with the following:

|                                       |   |
|---------------------------------------|---|
| Total number of Collective agreements | 1 |
|---------------------------------------|---|

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                   | 0        | 0          |
| Final written warning             | 0        | 0          |
| Suspended without pay             | 0        | 0          |
| Fine                              | 0        | 0          |
| Demotion                          | 0        | 0          |
| Dismissal                         | 0        | 0          |
| Not guilty                        | 0        | 0          |
| Case withdrawn                    | 0        | 0          |
| <b>Total</b>                      | <b>0</b> | <b>0</b>   |

#### Notes

If there were no agreements, keep the heading and replace the table with the following:

|                                                 |      |
|-------------------------------------------------|------|
| Total number of Disciplinary hearings finalised | None |
|-------------------------------------------------|------|

**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 |
|--------------------|----------|------------|
| None               | 0        | 0          |
| <b>Total</b>       | <b>0</b> | <b>0</b>   |

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

| Grievances                               | Number   | % of Total |
|------------------------------------------|----------|------------|
| Number of grievances resolved            | 2        | 100        |
| Number of grievances not resolved        | 0        | 0          |
| <b>Total number of grievances lodged</b> | <b>2</b> | <b>100</b> |

**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              | 0        | 0          |
| Number of disputes dismissed           | 0        | 0          |
| <b>Total number of disputes lodged</b> | <b>0</b> | <b>0</b>   |

**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                         | 1           |
| Number of people whose suspension exceeded 30 days | 1           |
| Average number of days suspended                   | 36 days     |
| Cost of suspension(R'000)                          | R113 026.99 |

### 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        | 136                                    | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male          | 126                                    | 0                                                          | 2                                       | 0                       | 2          |
| Professionals                              | Female        | 22                                     | 0                                                          | 86                                      | 0                       | 86         |
|                                            | Male          | 22                                     | 0                                                          | 81                                      | 0                       | 81         |
| Technicians and associate professionals    | Female        | 93                                     | 0                                                          | 24                                      | 0                       | 24         |
|                                            | Male          | 41                                     | 0                                                          | 16                                      | 0                       | 16         |
| Clerks                                     | Female        | 22                                     | 0                                                          | 8                                       | 0                       | 8          |
|                                            | Male          | 8                                      | 0                                                          | 2                                       | 0                       | 2          |
| Security                                   | Female        | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male          | 1                                      | 0                                                          | 0                                       | 0                       | 0          |
| Service and sales workers                  | Female        | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male          | 0                                      | 0                                                          | 2                                       | 0                       | 2          |
| Skilled agriculture and fishery workers    | Female        | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
|                                            | Male          | 0                                      | 0                                                          | 0                                       | 0                       | 0          |
| 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          | 10                                     | 0                                                          | 5                                       | 0                       | 5          |
| Elementary occupations                     | Female        | 17                                     | 0                                                          | 8                                       | 0                       | 8          |
|                                            | Male          | 2                                      | 0                                                          | 1                                       | 0                       | 1          |
| <b>Sub Total</b>                           | <b>Female</b> | <b>290</b>                             | <b>0</b>                                                   | <b>126</b>                              | <b>0</b>                | <b>126</b> |
|                                            | <b>Male</b>   | <b>210</b>                             | <b>0</b>                                                   | <b>109</b>                              | <b>0</b>                | <b>109</b> |
| <b>Total</b>                               |               | <b>500</b>                             | <b>0</b>                                                   | <b>235</b>                              | <b>0</b>                | <b>235</b> |

**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 2024 | Training provided within the reporting period |                                         |                         |            |
|--------------------------------------------|---------------|----------------------------------------|-----------------------------------------------|-----------------------------------------|-------------------------|------------|
|                                            |               |                                        | Learnerships                                  | Skills Programmes & other short courses | Other forms of training | Total      |
| Legislators, senior officials and managers | Female        | 136                                    | 0                                             | 18                                      | 0                       | 18         |
|                                            | Male          | 126                                    | 0                                             | 23                                      | 0                       | 23         |
| Professionals                              | Female        | 22                                     | 0                                             | 54                                      | 0                       | 54         |
|                                            | Male          | 22                                     | 0                                             | 50                                      | 0                       | 50         |
| Technicians and associate professionals    | Female        | 93                                     | 0                                             | 24                                      | 0                       | 24         |
|                                            | Male          | 41                                     | 0                                             | 11                                      | 0                       | 11         |
| Clerks                                     | Female        | 22                                     | 0                                             | 5                                       | 0                       | 5          |
|                                            | Male          | 8                                      | 0                                             | 1                                       | 0                       | 1          |
| Security                                   | Female        | 0                                      | 0                                             | 0                                       | 0                       | 0          |
|                                            | Male          | 1                                      | 0                                             | 0                                       | 0                       | 0          |
| Service and sales workers                  | Female        | 0                                      | 0                                             | 0                                       | 0                       | 0          |
|                                            | Male          | 0                                      | 0                                             | 0                                       | 0                       | 0          |
| Skilled agriculture and fishery workers    | Female        | 0                                      | 0                                             | 0                                       | 0                       | 0          |
|                                            | Male          | 0                                      | 0                                             | 0                                       | 0                       | 0          |
| 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          | 10                                     | 0                                             | 2                                       | 0                       | 2          |
| Elementary occupations                     | Female        | 17                                     | 0                                             | 1                                       | 0                       | 1          |
|                                            | Male          | 2                                      | 0                                             | 0                                       | 0                       | 0          |
| <b>Sub Total</b>                           | <b>Female</b> | <b>290</b>                             | <b>0</b>                                      | <b>102</b>                              | <b>0</b>                | <b>102</b> |
|                                            | <b>Male</b>   | <b>210</b>                             | <b>0</b>                                      | <b>87</b>                               | <b>0</b>                | <b>87</b>  |
| <b>Total</b>                               |               | <b>500</b>                             | <b>0</b>                                      | <b>189</b>                              | <b>0</b>                | <b>189</b> |

### 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 | 1         | 8%          |
| Temporary Total Disablement           | 12        | 92%         |
| Permanent Disablement                 | 0         | 0%          |
| Fatal                                 | 0         | 0%          |
| <b>Total</b>                          | <b>13</b> | <b>100%</b> |

### 3.15 Utilisation of Consultants

The following tables relates 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:

- The rendering of expert advice.
- The drafting of proposals for the execution of specific tasks; and
- 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 (workdays) | Contract value in Rand |
|---------------|----------------------------------------------------|---------------------|------------------------|
| None          | 21                                                 | 36 months contract  | R 96 012 987           |
| <b>Total</b>  | <b>21</b>                                          | <b>0</b>            | <b>R 96 012 987</b>    |

| Total number of projects | Total individual consultants | Total duration Workdays | Total contract value in Rand |
|--------------------------|------------------------------|-------------------------|------------------------------|
| 234                      | 21                           | 36 months contract      | R 96 012 987                 |
| <b>Total</b>             | <b>21</b>                    | <b>0</b>                | <b>R 96 012 987</b>          |

**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 |
|---------------|------------------------------------|-------------------------------------|----------------------------------------------------------------|
| None          | 0                                  | 0                                   | R0.00                                                          |
| <b>Total</b>  | <b>0</b>                           | <b>0</b>                            | <b>R0.00</b>                                                   |

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

| Project title | Total Number of consultants that worked on project | Duration (Workdays) | Donor and contract value in Rand |
|---------------|----------------------------------------------------|---------------------|----------------------------------|
| None          | 0                                                  | 0                   | R0.00                            |
| <b>Total</b>  | <b>0</b>                                           | <b>0</b>            | <b>R0.00</b>                     |

| Total number of projects | Total individual consultants | Total duration Workdays | Total contract value in Rand |
|--------------------------|------------------------------|-------------------------|------------------------------|
| None                     | 0                            | 0                       | R0.00                        |
| <b>Total</b>             | <b>0</b>                     | <b>0</b>                | <b>R0.00</b>                 |

**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**

| Project title | Percentage ownership by HDI groups | Percentage management by HDI groups | Number of consultants from HDI groups that work on the project |
|---------------|------------------------------------|-------------------------------------|----------------------------------------------------------------|
| None          | 0                                  | 0                                   | R0.00                                                          |
| <b>Total</b>  | <b>0</b>                           | <b>0</b>                            | <b>R0.00</b>                                                   |

### 3.16 Severance Packages

**Table 3.16.1 Granting of employee-initiated severance packages for the period 1 April 2024 and 31 March 2025**

| 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                                         |
| <b>Total</b>                             | <b>0</b>                        | <b>0</b>                                    | <b>0</b>                                 | <b>0</b>                                  |



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## **PFMA COMPLIANCE REPORT**

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

### 1.1 Irregular Expenditure

#### a) Reconciliation of irregular expenditure

| Description                                               | 2024/25        | 2023/2024      |
|-----------------------------------------------------------|----------------|----------------|
|                                                           | R'000          | R'000          |
| Opening balance                                           | 721 084        | 2 836 172      |
| Adjustment to opening balance                             | -              | -              |
| Opening balance as restated                               | 721 084        | 2 836 172      |
| Add: Irregular expenditure confirmed                      | 39 688         | 148 366        |
| Less: Irregular expenditure condoned                      | (427 739)      | (2 263 454)    |
| Less: Irregular expenditure not condoned and removed      |                | -              |
| Less: Irregular expenditure recoverable                   | (2)            | -              |
| Less: Irregular expenditure not recovered and written off | -              | -              |
| <b>Closing balance</b>                                    | <b>333 031</b> | <b>721 084</b> |

An amount of R39 687 822 identified as irregular expenditure incurred relates to:

- R39 646 942 emanating from multi-year contracts, that was identified and reported in previous financial years which has subsequently been condoned.
- R16,080 where the official travel outside of the province without the Accounting Officer's approval, and a debt was raised to recover the amount.
- R24,800 where officials had booked accommodation in East London without the Accounting Officer's approval, and debts was raised to recover the amounts

#### Reconciling notes

| Description                                                                      | 2024/2025     | 2023/2024      |
|----------------------------------------------------------------------------------|---------------|----------------|
|                                                                                  | R'000         | R'000          |
| Irregular expenditure that was under assessment                                  |               | 60 836         |
| Irregular expenditure that relates prior year and identified in the current year | -             | -              |
| Irregular expenditure for the current year                                       | 39 688        | 87 530         |
| <b>Total</b>                                                                     | <b>39 688</b> | <b>148 366</b> |

The irregular expenditure under assessment in the 2023/24 financial year was confirmed and condoned during the financial year, it related to advance payments made to implementing agents.

#### b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

| Description                               | 2024/2025    | 2023/2024      |
|-------------------------------------------|--------------|----------------|
|                                           | R'000        | R'000          |
| Irregular expenditure under assessment    | 8 972        | 105 301        |
| Irregular expenditure under determination | -            | -              |
| Irregular expenditure under investigation | -            | -              |
| <b>Total 1</b>                            | <b>8 972</b> | <b>105 301</b> |

The Department signed a Land availability agreement (LAA) with Daku Residential Properties (Pty) Ltd on 29 July 2016 as a Turnkey developer through an expression of interest. The Land Availability Agreement explicitly allowed the Developer to implement the Breidbach integrated mixed-use development in phases. The expenditure on this project was incurred in the current and previous financial years.

<sup>1</sup> Total unconfirmed irregular expenditure (assessment), losses (determination), and criminal conduct (investigation)

**c) Details of current and previous year irregular expenditure condoned**

| Description                    | 2024/2025      | 2023/2024        |
|--------------------------------|----------------|------------------|
|                                | R'000          | R'000            |
| Irregular expenditure condoned | 427 739        | 2 263 454        |
| <b>Total</b>                   | <b>427 739</b> | <b>2 263 454</b> |

Four cases of irregular expenditure, where the highest scoring bidders were not awarded the tender, were condoned during 2024/25 financial year.

**d) Details of current and previous year irregular expenditure removed - (not condoned)**

| Description                                    | 2024/2025 | 2023/2024 |
|------------------------------------------------|-----------|-----------|
|                                                | R'000     | R'000     |
| Irregular expenditure NOT condoned and removed | -         | -         |
| <b>Total</b>                                   | <b>-</b>  | <b>-</b>  |

No removal of irregular expenditure effected.

**e) Details of irregular expenditure recovered**

| Description                       | 2024/2025 | 2023/2024 |
|-----------------------------------|-----------|-----------|
|                                   | R'000     | R'000     |
| Irregular expenditure recoverable | 2         | -         |
| <b>Total</b>                      | <b>2</b>  | <b>-</b>  |

R2 067 irregular expenditure has been recovered and debts of R38 813 were raised for employees who did not have approval to book accommodation nor permission to travel outside of the province.

**f) Details of current and previous year irregular expenditure written off (irrecoverable)**

| Description                       | 2024/2025 | 2023/2024 |
|-----------------------------------|-----------|-----------|
|                                   | R'000     | R'000     |
| Irregular expenditure written off | -         | -         |
| <b>Total</b>                      | <b>-</b>  | <b>-</b>  |

No irregular expenditure was written off.

**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)**

| Description  |
|--------------|
| None         |
|              |
|              |
|              |
| <b>Total</b> |

**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)**

| Description  | 2024/2025 | 2023/2024 |
|--------------|-----------|-----------|
|              | R'000     | R'000     |
| None         |           |           |
|              |           |           |
|              |           |           |
|              |           |           |
| <b>Total</b> |           |           |

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

| Disciplinary steps taken |
|--------------------------|
| None                     |
|                          |
|                          |

|  |
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|  |
|--|

1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

| Description                                          | 2024/2025<br>R'000 | 2023/2024<br>R'000 |
|------------------------------------------------------|--------------------|--------------------|
| Opening balance                                      | 61 759             | 60 652             |
| Adjustment of opening balance                        | 18                 | -                  |
| Opening balance are restated                         | 61 777             | 60 652             |
| Add: Fruitless and wasteful expenditure confirmed    | 36 924             | 16 772             |
| Less: Fruitless and wasteful expenditure recoverable | (3 168)            | (7)                |
| Less: Fruitless and wasteful expenditure written off | (20)               | (15 658)           |
| <b>Closing balance</b>                               | <b>95 513</b>      | <b>61 759</b>      |

An amount of R36 924 423 identified as fruitless and wasteful expenditure incurred relates to:

- R18,324 was adjusted for the traffic fines recovered, but not previously raised as fruitless and wasteful expenditure.
- R2,260 was for cancellation fees, after-hour fees and accommodation exceeding the limits
- R5,981,956 was for interest and damages paid to suppliers due to court orders
- R4,560 was a duplicate payment to a conveyancer for a title deed, which has since been recovered.
- R22,282,830 relates to payments to service providers, where funds were previously advanced to HDA, who failed to pay the service providers
- R8 634 493 relates to payments by Raymond Mhlaba Local Municipality for 600 phase 3 permanent sites, as per the number of phase 1 - 2 sites, instead of the actual 463 sites. R13 789 822 was incurred in the previous financial year.

The department had paid suppliers for milestones that could not be verified during the project site verifications. The department considered that the scope and cost to determine the extent of the fruitless and wasteful expenditure was not practical, considering the number of projects that were still under construction. The department had resolved that prior to concluding the contract, a comprehensive reconciliation is to be conducted, to ensure that payments are based on value created on all milestones and completions.

Reconciling notes

| Description                                                                                      | 2024/2025<br>R'000 | 2023/2024<br>R'000 |
|--------------------------------------------------------------------------------------------------|--------------------|--------------------|
| Fruitless and wasteful expenditure that was under assessment                                     |                    | -                  |
| Fruitless and wasteful expenditure that relates to the prior year and identified in current year | 16 346             | 13 790             |
| Fruitless and wasteful expenditure for the current year                                          | 20 578             | 2 982              |
| <b>Total</b>                                                                                     | <b>36 924</b>      | <b>16 772</b>      |

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

| Description <sup>2</sup>                               | 2024/2025<br>R'000 | 2023/2024<br>R'000 |
|--------------------------------------------------------|--------------------|--------------------|
| Fruitless and wasteful expenditure under assessment    |                    | 23 264             |
| Fruitless and wasteful expenditure under determination | 36 924             | 16 772             |
| Fruitless and wasteful expenditure under investigation | -                  | -                  |
| <b>Total<sup>3</sup></b>                               | <b>36 924</b>      | <b>40 036</b>      |

<sup>2</sup> Group similar items

<sup>3</sup> Total unconfirmed fruitless and wasteful expenditure (assessment), losses (determination), and criminal conduct (investigation)

The R23,264,270 relates to possible duplicate payments where both HDA and Raymond Mhlaba Local Municipality paid for the same services.

**c) Details of current and previous year fruitless and wasteful expenditure recoverable**

| Description                                    | 2024/2025    | 2023/2024 |
|------------------------------------------------|--------------|-----------|
|                                                | R'000        | R'000     |
| Fruitless and wasteful expenditure recoverable | 3 168        | 7         |
| <b>Total</b>                                   | <b>3 168</b> | <b>7</b>  |

The department has recovered R6 075 from the debts raised during the 2024/25 financial year, and is in the process of recovering R3,161,738.33 where payments for goods and services in temporary shelters were not as per the approved terms of reference.

**d) Details of fruitless and wasteful expenditure not recovered and written off**

| Description                                    | 2024/2025 | 2023/2024     |
|------------------------------------------------|-----------|---------------|
|                                                | R'000     | R'000         |
| Fruitless and wasteful expenditure written off | 20        | 15 658        |
| <b>Total</b>                                   | <b>20</b> | <b>15 658</b> |

R19 981 for traffic fines for ex-employees, cancellation fees and after-hour fees was condoned during the 2024/25 financial year.

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

| Disciplinary steps taken |  |
|--------------------------|--|
| None                     |  |
|                          |  |
| <b>Total</b>             |  |

|  |
|--|
|  |
|--|

### 1.3 Unauthorised expenditure

**a) Reconciliation of unauthorised expenditure**

| Description                                                   | 2024/2025 | 2023/2024 |
|---------------------------------------------------------------|-----------|-----------|
|                                                               | R'000     | R'000     |
| Opening balance                                               | -         | -         |
| Adjustment to opening balance                                 | -         | -         |
| Opening balance restated                                      | -         | -         |
| Add: unauthorised expenditure confirmed                       | -         | -         |
| Less: unauthorised expenditure approved with funding          | -         | -         |
| Less: unauthorised expenditure approved without funding       | -         | -         |
| Less: unauthorised expenditure recoverable                    | -         | -         |
| Less: unauthorised not recovered and written off <sup>4</sup> | -         | -         |
| <b>Closing balance</b>                                        | <b>-</b>  | <b>-</b>  |

None

**Reconciling notes**

| Description                                                                                | 2024/2025 | 2023/2024 |
|--------------------------------------------------------------------------------------------|-----------|-----------|
|                                                                                            | R'000     | R'000     |
| Unauthorised expenditure that was under assessment                                         | -         | -         |
| Unauthorised expenditure that relates to the prior year and identified in the current year | -         | -         |
| Unauthorised expenditure for the current year                                              | -         | -         |
| <b>Total</b>                                                                               | <b>-</b>  | <b>-</b>  |

<sup>4</sup> This amount may only be written off against available savings

**b) Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)**

| Description                                  | 2024/2025 | 2023/2024 |
|----------------------------------------------|-----------|-----------|
|                                              | R'000     | R'000     |
| Unauthorised expenditure under assessment    | -         | -         |
| Unauthorised expenditure under determination | -         | -         |
| Unauthorised expenditure under investigation | -         | -         |
| <b>Total<sup>5</sup></b>                     | -         | -         |

None

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

**a) Details of material losses through criminal conduct**

| Material losses through criminal conduct | 2024/2025 | 2023/2024 |
|------------------------------------------|-----------|-----------|
|                                          | R'000     | R'000     |
| Theft                                    | -         | -         |
| Other material losses                    | -         | -         |
| Less: Recoverable                        | -         | -         |
| Less: Not recoverable and written off    | -         | -         |
| <b>Total</b>                             | -         | -         |

None

**b) Details of other material losses**

| Nature of other material losses                   | 2024/2025 | 2023/2024 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
| <b>Total</b>                                      | -         | -         |

None

**c) Other material losses recoverable**

| Nature of losses                                  | 2024/2025 | 2023/2024 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
| <b>Total</b>                                      | -         | -         |

None

**d) Other material losses not recoverable and written off**

| Nature of losses                                  | 2023/2024 | 2022/2023 |
|---------------------------------------------------|-----------|-----------|
|                                                   | R'000     | R'000     |
| (Group major categories, but list material items) | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
|                                                   | -         | -         |
| <b>Total</b>                                      | -         | -         |

None

<sup>5</sup> Total unconfirmed unauthorised expenditure (assessment), losses (determination), and criminal conduct (investigation)

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

| Description<br>Value                                                      | Number of<br>invoices | Consolidated |
|---------------------------------------------------------------------------|-----------------------|--------------|
|                                                                           | R'000                 | R'000        |
| Valid invoices received                                                   | 6 888                 | 1 916 985    |
| Invoices paid within 30 days or agreed period                             | 6 777                 | 1 701 268    |
| Invoices paid after 30 days or agreed period                              | 111                   | 215 717      |
| Invoices older than 30 days or agreed period (unpaid and without dispute) | 6                     | 30           |
| Invoices older than 30 days or agreed period (unpaid and in dispute)      | 0                     | 0            |

- Delays in preparing new expenditure approvals and commitment registers for accruals carried over into the new financial year, as payments are processed against the current year's budget.
- Delays by end-users in signing Goods Received Vouchers (GRVs) to confirm satisfactory receipt of services.
- Delays in the approval of the business plan.
- Budgetary constraints
- Contractors changing banking details without updating the Centralised Supplier Database (CSD), causing payment delays.

## 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    |
|---------------------------------------------------------------|--------------------------------|------------------------------------|-----------------|----------------------|
| Licence Provision                                             | ESRI GIS                       | Deviation                          | N/A             | R127 777.59          |
| Provision of Training                                         | SAPSA                          | Deviation                          | N/A             | R3 490.00            |
| Internal Audit System                                         | Wolters Kluwer                 | Deviation                          | N/A             | R210 963.41          |
| Verification of Qualifications                                | SAQA                           | Deviation                          | N/A             | R11 520.00           |
| Provision of training                                         | NSG                            | Deviation                          | N/A             | R25 006.00           |
| Provision of training                                         | IRMSA                          | Deviation                          | N/A             | R67 080.56           |
| Provision of training                                         | Institute of Internal Auditors | Deviation                          | N/A             | R36 432.00           |
| Provisioning of Electricity at Kokstad Municipality           | Kokstad Municipality           | Deviation                          | N/A             | R5 000.00            |
| Provision of training                                         | NSG                            | Deviation                          | N/A             | R125 040.00          |
| Marketing Services                                            | Arena                          | Deviation                          | N/A             | R350 000             |
| Registration                                                  | SAIPA                          | Deviation                          | N/A             | R1 500.00            |
| Radio Interview                                               | Algoa F.M.                     | Deviation                          | N/A             | R40 000.00           |
| Provision of training                                         | NSG                            | Deviation                          | N/A             | R225 072.00          |
| Radio Interview                                               | MpumaKapa                      | Deviation                          | N/A             | R23 000.00           |
| Teammate                                                      | Wolter Kluwer                  | Deviation                          | N/A             | R405 415.64          |
| Provision of training                                         | NSG                            | Deviation                          | N/A             | R4 947.00            |
| Provision of training                                         | Institute of Internal Auditors | Deviation                          | N/A             | R57 500.00           |
| Electricity                                                   | Kokstad Municipality           | Deviation                          | N/A             | R15 000.00           |
| Provision of training                                         | IJA                            | Deviation                          | N/A             | R20 010.00           |
| Registration                                                  | IJA                            | Deviation                          | N/A             | R30 222.00           |
| Electricity                                                   | Kokstad Municipality           | Deviation                          | N/A             | R30 000.00           |
| DSTV                                                          | Multichoice                    | Deviation                          | N/A             | R14 400.00           |
| Marketing                                                     | SABC                           | Deviation                          | N/A             | R87 630.00           |
| Registration                                                  | IRMSA                          | Deviation                          | N/A             | R14 156.50           |
| Payment                                                       | IRMSA                          | Deviation                          | N/A             | R13 064.00           |
| Storage facilities for Departmental documents at Bloemfontein | Mafunyane Tech                 | Deviation                          | N/A             | R556 260.46          |
| Teammate                                                      | Wolter Kluwer                  | Deviation                          | N/A             | R986 745.00          |
| Media                                                         | Arena                          | Deviation                          | N/A             | R280 000.00          |
| Verification                                                  | SAQA                           | Deviation                          | N/A             | R4 320.00            |
| Interviews                                                    | SABC                           | Deviation                          | N/A             | R79 350.00           |
| Advert                                                        | Keith Ngesi                    | Deviation                          | N/A             | R125 650.00          |
| <b>Total</b>                                                  |                                |                                    |                 | <b>R3 976 552.16</b> |

### 3.2. 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 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------------------------------|-------------------|-------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------|
| Madwakazane 219 Rural Housing Project: Appointment of a Professional Service Provider for Inception, Planning and Design, Contract Monitoring and Construction, Supervision of 219 New Housing Units in Madwakazane , Mthukukazi, Mvenyane, Ndakeni, Nyasa and Chibini (Ntabankulu) at Ntabankulu Local Municipality Under Alfred Nzo- Region                                                                       | JTP Consortium               | Additional Scope for Beneficiary Administration                    | SCMU11-23/24-053  | R2 059 585.00           | Nil                                                                                               | 160 965.00                                       |
| Aliwal North 550, Steynsburg 220 and Steynsburg 530: Installation of 550 Services and Construction Of 158 Units in Aliwal North, Installation of 220 Services at Steynsburg, Electrification of 530 Units at Steynsburg, Installation of 550 Service, Construction of 158 Units at Aliwal North, Installation Of 220 Services at Steynsburg, Electrification of 530 Units and Installation of Ceilings to 530 Units | Jade Africa Developments     | Additional Scope for 4 X Enhanced Units Disabled                   | SCMU11-17/18D0009 | R64 661 179.00          | 1ST VO- R464 000,00<br>2ND VO- 2 285 000,00<br>3RD VO-7 422 000,00 -<br>TOTAL VO's R10 467 516.00 | R296 516                                         |
| Gasela 75 Housing Project: Appointment of a Contractor for the Construction Of 75 Housing Unitsbat Gasela Village in Amahlathi Local Municipality                                                                                                                                                                                                                                                                   | Bendolite Trading PTY LTD    | Additional Scope for 12 Units at Gasela                            | SCMU1123/24-015   | R13 760 592.75          | Nil                                                                                               | R2 597 808                                       |
| Squashville 153 Units Housing Project: Appointment of a Professional Service Provider for Planning, Contract Monitoring and Construction Supervision For 153 New Units with Rainwater Goods at Amahlathi Local Municipality                                                                                                                                                                                         | SAGIENT CONSULTING ENGINEERS | APPLICATION FOR CONSTRUCTION IWORK PERMIT AND ENROLMENT WITH NHBRC | SCMU11-22/23-021  | R1 040 400.00           | Nil                                                                                               | R52 100                                          |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                        |                              |                                                                    |                   |                         |                                                                                                   | <b>R3 107 389</b>                                |



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# *Auditor's* **REPORT**

*Transforming communities together*

## Report of the auditor-general to the Eastern Cape Provincial Legislature on vote no. 11: Eastern Cape Department of Human Settlements

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Eastern Cape Department of Human Settlements set out on pages xx to xx, 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 respects, the financial position of the Eastern Cape 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) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 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 our 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.

#### Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

#### Restatement of corresponding figures

7. As disclosed in Note 31 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the department for the year ended, 31 March 2025.

## Other matter

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited supplementary schedules

9. The supplementary information set out on pages xx to xx 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

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS, the requirements of the PFMA and the 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.
11. 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

12. 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 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.
13. 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.

## Report on the audit of the annual performance report

14. 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 selected programmes presented in the annual performance report. The accounting officer is responsible for the preparation of the annual performance report.
15. 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 : human settlements delivery planning and performance | [XX]         | To manage human settlements planning and performance management                           |
| Programme : housing development                                 | [XX]         | To manage effective and efficient human settlements facilitation programme                |
| Programme : human settlements property and assets management    | [XX]         | To oversee efficient and effective management of human settlements properties and assets. |

16. 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.

17. 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.

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

19. I did not identify any material findings on the reported performance information for selected programmes.

#### Other matters

20. I draw attention to the matters below.

#### Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement. 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 pages xx to xx.

#### Housing development

| <p><i>Targets achieved: 74%</i></p> <p><i>Budget spent: 99.99%</i></p>                                            |                |                      |
|-------------------------------------------------------------------------------------------------------------------|----------------|----------------------|
| Key service delivery indicator not achieved                                                                       | Planned target | Reported achievement |
| Number of informal settlements upgraded to phase 3 of the upgrading of informal settlements programme (UISP)      | 29             | 1                    |
| Number of informal settlements upgraded to phases 1 & 2 of the upgrading of informal settlements programme (UISP) | 45             | 0                    |
| Number of socio-economic facilities provided                                                                      | 2              | 0                    |
| Number of houses handed over to military veterans                                                                 | 65             | 15                   |
| Number of breaking new ground (BNG) houses delivered                                                              | 6 284          | 6 115                |
| Number of defective houses rectified (pre and post)                                                               | 1 277          | 801                  |

## Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3: housing development and programme 4: human settlements property and assets management. management subsequently corrected all the misstatements.

## Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, we must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer 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 AGSA findings engagement methodology. 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:

## Transfer of funds

28. Appropriate measures were not maintained to ensure that transfers and subsidies to entities were applied for their intended purposes, as required by treasury regulation 8.4.1.

## Expenditure management

29. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payment for goods and services that were not received. Fruitless and wasteful expenditure amounting to R22 million was incurred on Bedford – New Rest 600 subs.
30. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by section 38(1)(f) of the PFMA and treasury regulation 8.2.3.

## Strategic planning and annual performance

31. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

## Other information in the annual report

32. The accounting officer is responsible for the other information included in the annual report, which includes the audit committee's report. The other information referred to 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.
33. 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.
34. 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.
35. Based on the work I performed, I conclude that there is no material misstatement in this other information.

## Internal control deficiencies

36. I considered internal controls 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.
37. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on compliance with legislation included in this report.
38. Management did not design, implement and monitor the implementation of appropriate measures to ensure that funds transferred to other institutions are used for the intended purposes, by performing scheduled or unscheduled site visits to verify each of the reports prepared to the transferee institution.
39. Management did not adequately define what would be identified as an upgraded informal settlement for performance information reporting purposes, which then resulted in management incorrectly reporting partial progress as a complete upgrade of an informal settlement. This further rendered the department's project monitoring processes inadequate and ineffective for the informal settlements upgrading projects.
40. Management did not have adequate controls to ensure that payments were made within 30 days after receipt of an invoice. Furthermore, management did not have adequate controls to monitor payments made to implementing agents.

## Material irregularities

41. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of material irregularities as previously reported in the auditor's report.

### Material irregularities identified during the audit

#### Non-compliance with TR 8.1.1

42. The department appointed a contractor to erect 1000 temporary residential units (TRU) across the province to address the flood disaster at a cost of R64 400 per unit. The supplier was paid the full price even though there were no services rendered for concrete flooring and thermal improvement under the roof, which is in contravention of the treasury regulation 8.1.1
43. The non-compliance has resulted in a material financial loss of R3.1 million. The payments were made by the department up to the period ending 31 March 2023 and were disclosed as fruitless and wasteful expenditure in note 22 of the 2022-23 annual financial statements
44. I notified the accounting officer of the material irregularity on 7 December 2022 and invited them to make a written submission on the actions that had been or would be taken to address the matter. The actions taken and planned are as follows:
- The accounting officer requested the relevant contractor to issue a credit note to the value of the financial loss.
  - The accounting officer amended the specifications from concrete to suspended flooring and submitted a letter to the national department requesting exemption from the national specifications on 10 April 2025
  - The fruitless and wasteful expenditure is disclosed in note 23 of the annual financial statements and has been referred to the disciplinary committee for determination of the responsible officials and implementing consequence management.
  - I will follow up on the implementation of the planned actions during my next audit.

## Material irregularities in progress

45. I identified a material irregularity during the audit and notified the accounting officer of this, as required by material irregularity regulation 3(2). By the date of this auditor's report, I had not yet completed the process of evaluating the responses from the accounting officer. This material irregularity will be included in next year's auditor's report.

*Auditor-General*

East London

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, we exercise professional judgement and maintain professional scepticism throughout our 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 our 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. We 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 we conclude that a material uncertainty exists, we are required to draw attention in our 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 us at the date of this auditor's report. However, future events or conditions may cause a department 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
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities I am responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

## 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 we identify during our audit.

I also provide the accounting officer with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to have a bearing on our 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; 8.2.3; 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); 16A 6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A7.1; 16A7.3; 16A7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(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(7A)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Division of Revenue Act 24 of 2024                              | Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); 16(3)(a)(ii)(bb)                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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 2020/21 | Paragraph 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Erratum National Treasury Instruction No. 5 of 202/21           | Paragraph 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| National Treasury Instruction No. 1 of 2021/22                  | Paragraph 4.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| National Treasury Instruction No. 4 of 2015/16                  | Paragraph 3.4                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| National Treasury SCM Instruction No. 4A of 2016/17             | Paragraph 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| Legislation                                                   | Sections or regulations                                                                                                          |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 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.                                                                                           |
| 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 Regulation, 2022                     | Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4                                                                                |
| Preferential Procurement Regulation, 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)                                                                                                                     |



Province of the  
**EASTERN CAPE**  
HUMAN SETTLEMENTS

# *Annual* **FINANCIAL STATEMENTS**

*Transforming communities together*

## Table of Contents

|                                                                          |     |
|--------------------------------------------------------------------------|-----|
| Appropriation Statement                                                  | 154 |
| Notes to the Appropriation Statement                                     | 162 |
| Statement of Financial Performance                                       | 164 |
| Statement of Financial Position                                          | 165 |
| Statement of Changes in Net Assets                                       | 166 |
| Cash Flow Statement                                                      | 167 |
| Notes to the Annual Financial Statements (including Accounting Policies) | 168 |
| Annexures                                                                | 192 |

**APPROPRIATION STATEMENT**  
for the year 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              |
| <b>Programme</b>                        |                  |                   |          |                  |                    |              |                                  |                  |                    |
| 1. ADMINISTRATION                       | 216,518          | -                 | (2,260)  | 214,258          | 208,464            | 5,794        | 97.3%                            | 172,062          | 169,388            |
| 2. HOUSING NEEDS, RESEARCH AND PLANNING | 19,854           | -                 | 257      | 20,111           | 20,111             | -            | 100.0%                           | 21,010           | 21,010             |
| 3. HOUSING DEVELOPMENT                  | 2,186,494        | -                 | 2,336    | 2,188,830        | 2,187,416          | 1,414        | 99.9%                            | 2,154,951        | 2,151,395          |
| 4. HOUSING ASSET MANAGEMENT             | 22,713           | -                 | (333)    | 22,380           | 22,230             | 150          | 99.3%                            | 20,004           | 20,004             |
| <b>Subtotal</b>                         | <b>2,445,579</b> | <b>-</b>          | <b>-</b> | <b>2,445,579</b> | <b>2,438,221</b>   | <b>7,358</b> | <b>99.7%</b>                     | <b>2,368,027</b> | <b>2,361,797</b>   |
| Statutory Appropriation                 | 2,278            | -                 | -        | 2,278            | 2,278              | -            | 100.0%                           | 2,159            | 2,159              |
| Members' remuneration                   | 2,278            | -                 | -        | 2,278            | 2,278              | -            | 100.0%                           | 2,159            | 2,159              |
| <b>TOTAL</b>                            | <b>2,447,857</b> | <b>-</b>          | <b>-</b> | <b>2,447,857</b> | <b>2,440,499</b>   | <b>7,358</b> | <b>99.7%</b>                     | <b>2,370,186</b> | <b>2,363,956</b>   |

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2025**

|                                                                           | 2024/25      |                    |  |  | 2023/24      |                    |
|---------------------------------------------------------------------------|--------------|--------------------|--|--|--------------|--------------------|
|                                                                           | Final Budget | Actual Expenditure |  |  | Final Budget | Actual Expenditure |
|                                                                           | R'000        | R'000              |  |  | R'000        | R'000              |
| TOTAL (brought forward)                                                   | 2,447,857    | 2,440,499          |  |  | 2,370,186    | 2,363,956          |
| Reconciliation with statement of financial performance                    |              |                    |  |  |              |                    |
| ADD                                                                       |              |                    |  |  |              |                    |
| Departmental receipts                                                     | 5,740        |                    |  |  | 24,053       |                    |
| Actual amounts per statement of financial performance (Total revenue)     | 2,453,597    |                    |  |  | 2,394,239    |                    |
| Actual amounts per statement of financial performance (Total expenditure) |              | 2,440,499          |  |  |              | 2,363,956          |



**APPROPRIATION STATEMENT**  
for the year 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              |
| <b>Economic classification</b>              |                  |                   |          |                  |                    |              |                                  |                  |                    |
| Current payments                            | 482,520          | -                 | 4,203    | 486,723          | 483,497            | 3,226        | 99.3%                            | 437,120          | 437,102            |
| Compensation of employees                   | 397,668          | -                 | (7,203)  | 390,465          | 387,256            | 3,209        | 99.2%                            | 372,494          | 372,476            |
| Goods and services                          | 84,852           | -                 | 11,406   | 96,258           | 96,241             | 17           | 100.0%                           | 64,626           | 64,626             |
| Transfers and subsidies                     | 1,935,805        | -                 | 184      | 1,935,989        | 1,935,905          | 84           | 100.0%                           | 1,921,341        | 1,917,803          |
| Public corporations and private enterprises | -                | -                 | 5        | 5                | 5                  | -            | 100.0%                           | 1                | 1                  |
| Households                                  | 1,935,805        | -                 | 179      | 1,935,984        | 1,935,900          | 84           | 100.0%                           | 1,921,340        | 1,917,802          |
| Payments for capital assets                 | 29,532           | -                 | (4,410)  | 25,122           | 21,074             | 4,048        | 83.9%                            | 11,632           | 8,958              |
| Machinery and equipment                     | 29,532           | -                 | (4,410)  | 25,122           | 21,074             | 4,048        | 83.9%                            | 11,632           | 8,958              |
| Payments for financial assets               | -                | -                 | 23       | 23               | 23                 | -            | 100.0%                           | 93               | 93                 |
| <b>Total</b>                                | <b>2,447,857</b> | <b>-</b>          | <b>-</b> | <b>2,447,857</b> | <b>2,440,499</b>   | <b>7,358</b> | <b>99.7%</b>                     | <b>2,370,186</b> | <b>2,363,956</b>   |

**APPROPRIATION STATEMENT**  
for the year 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. OFFICE OF THE MEC          | 10,101          | (695)             | (2,204)  | 7,202        | 6,431              | 771      | 89.3%                            | 9,479        | 9,479              |
| 2. CORPORATE SERVICES         | 206,417         | 695               | (56)     | 207,056      | 202,033            | 5,023    | 97.6%                            | 162,583      | 159,909            |
| Total for sub programmes      | 216,518         | -                 | (2,260)  | 214,258      | 208,464            | 5,794    | 97.3%                            | 172,062      | 169,388            |
| Economic classification       |                 |                   |          |              |                    |          |                                  |              |                    |
| Current payments              | 186,891         | -                 | 1,912    | 188,803      | 187,057            | 1,746    | 99.1%                            | 160,140      | 160,140            |
| Compensation of employees     | 128,053         | -                 | (4,308)  | 123,745      | 121,999            | 1,746    | 98.6%                            | 117,626      | 117,626            |
| Goods and services            | 58,838          | -                 | 6,220    | 65,058       | 65,058             | -        | 100.0%                           | 42,514       | 42,514             |
| Transfers and subsidies       | 95              | -                 | 215      | 310          | 310                | -        | 100.0%                           | 197          | 197                |
| Households                    | 95              | -                 | 215      | 310          | 310                | -        | 100.0%                           | 197          | 197                |
| Payments for capital assets   | 29,532          | -                 | (4,410)  | 25,122       | 21,074             | 4,048    | 83.9%                            | 11,632       | 8,958              |
| Machinery and equipment       | 29,532          | -                 | (4,410)  | 25,122       | 21,074             | 4,048    | 83.9%                            | 11,632       | 8,958              |
| Payments for financial assets | -               | -                 | 23       | 23           | 23                 | -        | 100.0%                           | 93           | 93                 |
| Total                         | 216,518         | -                 | (2,260)  | 214,258      | 208,464            | 5,794    | 97.3%                            | 172,062      | 169,388            |

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2025

| Programme 2: HOUSING NEEDS, RESEARCH AND PLANNING |                 |                   |            |               |                    |          |                                  |               |                    |
|---------------------------------------------------|-----------------|-------------------|------------|---------------|--------------------|----------|----------------------------------|---------------|--------------------|
|                                                   | 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. ADMINISTRATION                                 | 2,389           | 127               | 42         | 2,558         | 2,558              | -        | 100.0%                           | 2,192         | 2,192              |
| 2. POLICY                                         | 5,318           | 99                | 534        | 5,951         | 5,951              | -        | 100.0%                           | 6,456         | 6,456              |
| 3. PLANNING                                       | 6,521           | (259)             | (457)      | 5,805         | 5,805              | -        | 100.0%                           | 5,489         | 5,489              |
| 4. RESEARCH                                       | 5,626           | 33                | 138        | 5,797         | 5,797              | -        | 100.0%                           | 6,873         | 6,873              |
| Total for sub programmes                          | 19,854          | -                 | 257        | 20,111        | 20,111             | -        | 100.0%                           | 21,010        | 21,010             |
| Economic classification                           |                 |                   |            |               |                    |          |                                  |               |                    |
| Current payments                                  | 19,838          | -                 | 257        | 20,095        | 20,095             | -        | 100.0%                           | 20,126        | 20,126             |
| Compensation of employees                         | 18,340          | -                 | (635)      | 17,705        | 17,705             | -        | 100.0%                           | 18,938        | 18,938             |
| Goods and services                                | 1,498           | -                 | 892        | 2,390         | 2,390              | -        | 100.0%                           | 1,188         | 1,188              |
| Transfers and subsidies                           | 16              | -                 | -          | 16            | 16                 | -        | 100.0%                           | 884           | 884                |
| Households                                        | 16              | -                 | -          | 16            | 16                 | -        | 100.0%                           | 884           | 884                |
| <b>Total</b>                                      | <b>19,854</b>   | <b>-</b>          | <b>257</b> | <b>20,111</b> | <b>20,111</b>      | <b>-</b> | <b>100.0%</b>                    | <b>21,010</b> | <b>21,010</b>      |

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2025

| Programme 3: HOUSING 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. ADMINISTRATION                           | 3,090           | (336)             | -        | 2,754        | 2,754              | -        | 100.0%                           | 2,440        | 2,440              |
| 2. FINANCIAL INTERVENTIONS                  | 285,124         | (29,679)          | (206)    | 255,239      | 255,051            | 188      | 99.9%                            | 309,501      | 309,424            |
| 3. INCREMENTAL INTERVENTIONS                | 987,459         | (121,653)         | (598)    | 865,208      | 865,110            | 98       | 100.0%                           | 1,181,706    | 1,178,245          |
| 4. SOCIAL AND RENTAL INTERVENTION           | -               | 22                | (22)     | -            | -                  | -        | -                                | -            | -                  |
| 5. RURAL INTERVENTION                       | 910,821         | 151,646           | 3,162    | 1,065,629    | 1,064,501          | 1,128    | 99.9%                            | 661,304      | 661,286            |
| Total for sub programmes                    | 2,186,494       | -                 | 2,336    | 2,188,830    | 2,187,416          | 1,414    | 99.9%                            | 2,154,951    | 2,151,395          |
| Economic classification                     |                 |                   |          |              |                    |          |                                  |              |                    |
| Current payments                            | 251,880         | -                 | 2,237    | 254,117      | 252,787            | 1,330    | 99.5%                            | 234,691      | 234,673            |
| Compensation of employees                   | 228,367         | -                 | (1,936)  | 226,431      | 225,118            | 1,313    | 99.4%                            | 214,694      | 214,676            |
| Goods and services                          | 23,513          | -                 | 4,173    | 27,686       | 27,669             | 17       | 99.9%                            | 19,997       | 19,997             |
| Transfers and subsidies                     | 1,934,614       | -                 | 99       | 1,934,713    | 1,934,629          | 84       | 100.0%                           | 1,920,260    | 1,916,722          |
| Public corporations and private enterprises | -               | -                 | 5        | 5            | 5                  | -        | 100.0%                           | 1            | 1                  |
| Households                                  | 1,934,614       | -                 | 94       | 1,934,708    | 1,934,624          | 84       | 100.0%                           | 1,920,259    | 1,916,721          |
| Total                                       | 2,186,494       | -                 | 2,336    | 2,188,830    | 2,187,416          | 1,414    | 99.9%                            | 2,154,951    | 2,151,395          |

**APPROPRIATION STATEMENT**  
for the year ended 31 March 2025

| Programme 4: HOUSING ASSET MANAGEMENT    |                 |                   |          |              |                    |          |                                  |              |                    |
|------------------------------------------|-----------------|-------------------|----------|--------------|--------------------|----------|----------------------------------|--------------|--------------------|
|                                          | 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. ADMINISTRATION                        | 3,149           | (135)             | (150)    | 2,864        | 2,819              | 45       | 98.4%                            | 2,863        | 2,863              |
| 2. SALE AND TRANSFER OF HOUSING PROPERTY | 5,050           | 463               | (50)     | 5,463        | 5,410              | 53       | 99.0%                            | 3,151        | 3,151              |
| 3. DEVOLUTION OF HOUSING PROPERTIES      | 3,935           | 13                | (99)     | 3,849        | 3,836              | 13       | 99.7%                            | 4,391        | 4,391              |
| 4. SOCIAL AND RENTAL INTERVENTION        | 10,579          | (341)             | (34)     | 10,204       | 10,165             | 39       | 99.6%                            | 9,599        | 9,599              |
| Total for sub programmes                 | 22,713          | -                 | (333)    | 22,380       | 22,230             | 150      | 99.3%                            | 20,004       | 20,004             |
| Economic classification                  |                 |                   |          |              |                    |          |                                  |              |                    |
| Current payments                         | 21,633          | -                 | (203)    | 21,430       | 21,280             | 150      | 99.3%                            | 20,004       | 20,004             |
| Compensation of employees                | 20,630          | -                 | (324)    | 20,306       | 20,156             | 150      | 99.3%                            | 19,077       | 19,077             |
| Goods and services                       | 1,003           | -                 | 121      | 1,124        | 1,124              | -        | 100.0%                           | 927          | 927                |
| Transfers and subsidies                  | 1,080           | -                 | (130)    | 950          | 950                | -        | 100.0%                           | -            | -                  |
| Households                               | 1,080           | -                 | (130)    | 950          | 950                | -        | 100.0%                           |              |                    |
| Total                                    | 22,713          | -                 | (333)    | 22,380       | 22,230             | 150      | 99.3%                            | 20,004       | 20,004             |

**APPROPRIATION STATEMENT**  
**for the year ended 31 March 2025**

| Statutory appropriation per economic classification |                 |                   |          |              |                    |          |                                  |              |                    |
|-----------------------------------------------------|-----------------|-------------------|----------|--------------|--------------------|----------|----------------------------------|--------------|--------------------|
| 2045/25                                             |                 |                   |          |              |                    |          |                                  | 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                                    | 2,278           | -                 | -        | 2,278        | 2,278              | -        | 100.0%                           | 2,159        | 2,159              |
| Compensation of employees                           | 2,278           | -                 | -        | 2,278        | 2,278              | -        | 100.0%                           | 2,159        | 2,159              |
| Total                                               | 2,278           | -                 | -        | 2,278        | 2,278              | -        | 100.0%                           | 2,159        | 2,159              |



**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2025**

**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-B 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**

| Programme                            | Final Budget     | Actual Expenditure | Variance     | Variance as a % of Final Budget |
|--------------------------------------|------------------|--------------------|--------------|---------------------------------|
|                                      | R'000            | R'000              | R'000        | %                               |
| Administration                       | 216,536          | 210,742            | 5,794        | 2.68                            |
| Housing Needs, Research and Planning | 20,111           | 20,111             | -            | -                               |
| Housing Development                  | 2,188,830        | 2,187,416          | 1,414        | 0.06                            |
| Housing Asset Management             | 22,380           | 22,230             | 150          | 0.67                            |
| <b>Total</b>                         | <b>2,447,857</b> | <b>2,440,499</b>   | <b>7,358</b> | <b>0.30</b>                     |

**4.2 Per economic classification**

| Economic classification                     | Final Budget     | Actual Expenditure | Variance     | Variance as a % of Final Budget |
|---------------------------------------------|------------------|--------------------|--------------|---------------------------------|
|                                             | R'000            | R'000              | R'000        | %                               |
| <b>Current payments</b>                     |                  |                    |              |                                 |
| Compensation of employees                   | 390,465          | 387,256            | 3,209        | 0.82                            |
| Goods and services                          | 96,258           | 96,241             | 17           | 0.02                            |
| <b>Transfers and subsidies</b>              |                  |                    |              |                                 |
| Public corporations and private enterprises | 5                | 5                  | -            | -                               |
| Households                                  | 1,935,984        | 1,935,900          | 84           | -                               |
| <b>Payments for capital assets</b>          |                  |                    |              |                                 |
| Machinery and equipment                     | 25,122           | 21,074             | 4,048        | 16.11                           |
| <b>Payments for financial assets</b>        | <b>23</b>        | <b>23</b>          | <b>-</b>     | <b>-</b>                        |
| <b>Total</b>                                | <b>2,447,857</b> | <b>2,440,499</b>   | <b>7,358</b> | <b>0.30</b>                     |

*Compensation of Employees: The underspending is attributable to vacant funded posts. Vacant posts were advertised in March 2025 and will be filled in the 2025/2026 financial year. Machinery and Equipment: The underspending is attributable to laptops being procured but not delivered at the financial year end. A roll-over application has been made to Provincial Treasury as the order was issued in March 2025.*

**NOTES TO THE APPROPRIATION STATEMENT**  
**for the year ended 31 March 2025**

**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 Settlement Development Grant         | 1,518,104        | 1,518,037          | 67        | 0.00                                     |
| Expanded Public Works Programme            | 2,384            | 2,369              | 15        | 0.63                                     |
| Informal Settlements Upgrading Partnership | 414,853          | 414,842            | 11        | 0.00                                     |
| <b>Total</b>                               | <b>1,935,341</b> | <b>1,935,248</b>   | <b>93</b> | <b>0.00</b>                              |

**4.4 Per Statutory Appropriation**

| Statutory Appropriation | Final Budget | Actual Expenditure | Variance | Variance as a % of Final Budget |
|-------------------------|--------------|--------------------|----------|---------------------------------|
|                         | R'000        | R'000              | R'000    | %                               |
| Members Remuneration    | 2,278        | 2,278              | -        | -                               |
| <b>Total</b>            | <b>2,278</b> | <b>2,278</b>       | <b>-</b> | <b>-</b>                        |

**STATEMENT OF FINANCIAL PERFORMANCE**  
**for the year ended 31 March 2025**

|                                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------------------------------------------|------|------------------|------------------|
| <b>REVENUE</b>                                    |      |                  |                  |
| Annual appropriation                              | 1    | 2,445,579        | 2,368,027        |
| Statutory appropriation                           | 2    | 2,278            | 2,159            |
| Departmental revenue                              | 3    | 5,740            | 24,053           |
| <b>TOTAL REVENUE</b>                              |      | <b>2,453,597</b> | <b>2,394,239</b> |
| <b>EXPENDITURE</b>                                |      |                  |                  |
| <b>Current expenditure</b>                        |      |                  |                  |
| Compensation of employees                         | 4    | 387,256          | 372,477          |
| Goods and services                                | 5    | 96,241           | 64,626           |
| <b>Total current expenditure</b>                  |      | <b>483,497</b>   | <b>437,103</b>   |
| <b>Transfers and subsidies</b>                    |      |                  |                  |
| Transfers and subsidies                           | 7    | 1,935,905        | 1,917,803        |
| <b>Total transfers and subsidies</b>              |      | <b>1,935,905</b> | <b>1,917,803</b> |
| <b>Expenditure for capital assets</b>             |      |                  |                  |
| Tangible assets                                   | 8    | 21,074           | 8,958            |
| <b>Total expenditure for capital assets</b>       |      | <b>21,074</b>    | <b>8,958</b>     |
| <b>Payments for financial assets</b>              | 6    | <b>23</b>        | <b>92</b>        |
| <b>TOTAL EXPENDITURE</b>                          |      | <b>2,440,499</b> | <b>2,363,956</b> |
| <b>SURPLUS FOR THE YEAR</b>                       |      | <b>13,098</b>    | <b>30,283</b>    |
| <b>Reconciliation of Net Surplus for the year</b> |      |                  |                  |
| Voted funds                                       |      | <b>7,358</b>     | <b>6,230</b>     |
| Annual appropriation                              |      | 7,274            | 2,674            |
| Conditional grants                                |      | 84               | 3,556            |
| Departmental revenue and NRF receipts             | 13   | 5,740            | 24,053           |
| <b>SURPLUS FOR THE YEAR</b>                       |      | <b>13,098</b>    | <b>30,283</b>    |

**STATEMENT OF FINANCIAL POSITION**  
**for the year ended 31 March 2025**

|                                                                             | <i>Note</i> | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------------------------------|-------------|------------------|------------------|
| <b>ASSETS</b>                                                               |             |                  |                  |
| <b>Current assets</b>                                                       |             | <b>11,792</b>    | <b>17,001</b>    |
| Cash and cash equivalents                                                   | 9           | 11,446           | 16,453           |
| Receivables                                                                 | 11          | 346              | 548              |
| <b>TOTAL ASSETS</b>                                                         |             | <b>11,792</b>    | <b>17,001</b>    |
| <b>LIABILITIES</b>                                                          |             |                  |                  |
| <b>Current liabilities</b>                                                  |             | <b>11,792</b>    | <b>17,001</b>    |
| Voted funds to be surrendered to the Revenue Fund                           | 12          | 7,358            | 6,230            |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 13          | 42               | 6,204            |
| Payables                                                                    | 14          | 4,392            | 4,567            |
| <b>TOTAL LIABILITIES</b>                                                    |             | <b>11,792</b>    | <b>17,001</b>    |

**STATEMENT OF CHANGES IN NET ASSETS**  
**for the year ended 31 March 2025**

|                                                                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------------------------------------|------|------------------|------------------|
| <b>Capitalisation reserves</b>                                                    |      |                  |                  |
| Opening balance                                                                   |      | -                | -                |
| Transfers                                                                         |      | -                | -                |
| Movement in equity                                                                |      | -                | -                |
| Movement in operational funds                                                     |      | -                | -                |
| Other movements                                                                   |      | -                | -                |
| Closing balance                                                                   |      | -                | -                |
| <b>Recoverable revenue</b>                                                        |      |                  |                  |
| Opening balance                                                                   |      |                  |                  |
| Transfers:                                                                        |      |                  |                  |
| Recoverable revenue written off                                                   |      | -                | -                |
| Debts revised                                                                     |      | -                | -                |
| Debts recovered (included in departmental revenue)                                |      | -                | -                |
| Debts raised                                                                      |      | -                | -                |
| Closing balance                                                                   |      | -                | -                |
| <b>Revaluation reserve</b>                                                        |      |                  |                  |
| Opening balance                                                                   |      | -                | -                |
| Revaluation adjustment (Human Settlements departments)                            |      | -                | -                |
| Transfers                                                                         |      | -                | -                |
| Other                                                                             |      | -                | -                |
| Closing balance                                                                   |      | -                | -                |
| <b>Unauthorised expenditure</b>                                                   |      | -                | -                |
| Opening balance                                                                   |      | -                | -                |
| Unauthorised expenditure - current year                                           |      | -                | -                |
| Relating to overspending of the vote or main division within the vote             |      | -                | -                |
| Incurred not in accordance with the purpose of the vote or main division          |      | -                | -                |
| Less: Amounts approved by Parliament/Legislature with funding                     |      |                  |                  |
| Less: Amounts approved by Parliament/Legislature without funding and derecognised |      |                  |                  |
| Current                                                                           |      | -                | -                |
| Capital                                                                           |      | -                | -                |
| Transfers and subsidies                                                           |      | -                | -                |
| Less: Amounts recoverable                                                         |      | -                | -                |
| Less: Amounts written off                                                         |      | -                | -                |
| Closing Balance                                                                   |      | -                | -                |
| <b>TOTAL</b>                                                                      |      | -                | -                |

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2025**

|                                                          |           | 2024/25          | 2023/24          |
|----------------------------------------------------------|-----------|------------------|------------------|
|                                                          | Note      | R'000            | R'000            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |           |                  |                  |
| Receipts                                                 |           | <b>2,455,481</b> | <b>2,395,784</b> |
| Annual appropriation funds received                      | 1.1       | 2,445,579        | 2,368,027        |
| Statutory appropriation funds received                   | 2         | 2,278            | 2,159            |
| Departmental revenue received                            | 3         | 498              | 401              |
| Interest received                                        | 3.2       | 7,126            | 25,197           |
| Net (increase)/decrease in net working capital           |           | 27               | 2,835            |
| Surrendered to Revenue Fund                              |           | (20,037)         | (113,686)        |
| Current payments                                         |           | (483,497)        | (437,103)        |
| Payments for financial assets                            | 6         | (23)             | (92)             |
| Transfers and subsidies paid                             |           | (1,935,905)      | (1,917,803)      |
| <b>Net cash flow available from operating activities</b> | <b>15</b> | <b>16,046</b>    | <b>(70,065)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |           |                  |                  |
| Payments for capital assets                              | 8         | (21,074)         | (8,958)          |
| Proceeds from sale of capital assets                     | 3.3       | 21               | 278              |
| <b>Net cash flow available from investing activities</b> |           | <b>(21,053)</b>  | <b>(8,680)</b>   |
| Net increase/(decrease) in cash and cash equivalents     |           | (5,007)          | (78,745)         |
| Cash and cash equivalents at beginning of period         |           | 16,453           | 95,198           |
| <b>Cash and cash equivalents at end of period</b>        | <b>16</b> | <b>11,446</b>    | <b>16,453</b>    |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year 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.

|            |                                                                                                                                                                                                                                                                                                                                                |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1.</b>  | <b>Basis of preparation</b>                                                                                                                                                                                                                                                                                                                    |
|            | The financial statements have been prepared in accordance with the Modified Cash Standard.                                                                                                                                                                                                                                                     |
| <b>2.</b>  | <b>Going concern</b>                                                                                                                                                                                                                                                                                                                           |
|            | The financial statements have been prepared on a going concern basis.                                                                                                                                                                                                                                                                          |
| <b>3.</b>  | <b>Presentation currency</b>                                                                                                                                                                                                                                                                                                                   |
|            | Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department                                                                                                                                                                                                              |
| <b>4.</b>  | <b>Rounding</b>                                                                                                                                                                                                                                                                                                                                |
|            | Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).                                                                                                                                                                                                                                          |
| <b>5.</b>  | <b>Foreign currency translation</b>                                                                                                                                                                                                                                                                                                            |
|            | 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.                                                                                                                                                                       |
| <b>6.</b>  | <b>Comparative information</b>                                                                                                                                                                                                                                                                                                                 |
| <b>6.1</b> | <b>Prior period comparative information</b>                                                                                                                                                                                                                                                                                                    |
|            | 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. |
| <b>6.2</b> | <b>Current year comparison with budget</b>                                                                                                                                                                                                                                                                                                     |
|            | A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.                                                                                                                                                                                  |
| <b>7.</b>  | <b>Revenue</b>                                                                                                                                                                                                                                                                                                                                 |
| <b>7.1</b> | <b>Appropriated funds</b>                                                                                                                                                                                                                                                                                                                      |
|            | 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.                                                                                             |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

|              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>7.2</b>   | <p><b>Departmental revenue</b></p> <p>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.</p> <p>In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>                                                                                                                                                      |
| <b>7.3</b>   | <p><b>Accrued departmental revenue</b></p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> <li>- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>- the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy.</p> |
| <b>8.</b>    | <b>Expenditure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>8.1</b>   | <b>Compensation of employees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>8.1.1</b> | <p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>8.1.2</b> | <p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                       |
| <b>8.2</b>   | <p><b>Other expenditure</b></p> <p>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 of R5,000.</p> <p>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.</p>                                                                                                                                                                                                                 |
| <b>8.3</b>   | <p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost or fair value at the reporting date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>8.4</b>   | <b>Leases</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>8.4.1</b> | <p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>8.4.2</b> | <p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p>                                                                                                                                                                                                                                                                                                                                                                             |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             | <p>At commencement of the finance lease term, finance lease assets acquired are recorded and measured at:</p> <ul style="list-style-type: none"> <li>the fair value of the leased asset; or if lower,</li> <li>the present value of the minimum lease payments.</li> </ul> <p>Finance lease assets acquired prior to 1 April 2024, are recorded and measured at the present value of the minimum lease payments.</p>                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>9.</b>   | <p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>10.</b>  | <p><b>Prepayments and advances</b></p> <p>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.</p> <p>Prepayments and advances expensed before 1 April 2024 are recorded until the goods, services, or capital assets are received, or the funds are utilised in accordance with the contractual agreement.</p>                                                                                                                                                                                                                                                                                                                                                                        |
| <b>11.</b>  | <p><b>Receivables</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>12.</b>  | <p><b>Financial assets</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>12.1</b> | <p><b>Financial assets (not covered elsewhere)</b></p> <p>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.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                       |
| <b>12.2</b> | <p><b>Impairment of financial assets</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>13.</b>  | <p><b>Payables</b></p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>14.</b>  | <p><b>Capital assets</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>14.1</b> | <p><b>Movable capital assets</b></p> <p>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.</p> <p>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.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>14.2</b> | <p><b>Intangible capital assets</b></p> <p>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.</p> <p>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.</p> <p>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.</p> |
| <b>14.3</b> | <p><b>Project costs: Work-in-progress</b></p> <p>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.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>15.</b>  | <b>Provisions and contingents</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>15.1</b> | <p><b>Provisions</b></p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>15.2</b> | <p><b>Contingent liabilities</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>15.3</b> | <p><b>Contingent assets</b></p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>15.4</b> | <p><b>Capital commitments</b></p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>16.</b>  | <p><b>Unauthorised expenditure</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <ul style="list-style-type: none"> <li>approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure recorded in the notes to the financial statements comprise of</p> <ul style="list-style-type: none"> <li>unauthorised expenditure that was under assessment in the previous financial year;</li> <li>unauthorised expenditure relating to previous financial year and identified in the current year; and</li> <li>Unauthorised expenditure incurred in the current year.</li> </ul>                                                                                                                                                                                                                                                                         |
| <b>17.</b> | <p><b>Fruitless and wasteful expenditure</b></p> <p>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.</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:</p> <ul style="list-style-type: none"> <li>fruitless and wasteful expenditure that was under assessment in the previous financial year;</li> <li>fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and</li> <li>fruitless and wasteful expenditure incurred in the current year.</li> </ul>                                                                                                                    |
| <b>18.</b> | <p><b>Irregular expenditure</b></p> <p>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.</p> <p>Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:</p> <ul style="list-style-type: none"> <li>irregular expenditure that was under assessment in the previous financial year;</li> <li>irregular expenditure relating to previous financial year and identified in the current year; and</li> <li>irregular expenditure incurred in the current year.</li> </ul>                                                                                                                                                                         |
| <b>19.</b> | <p><b>Changes in accounting policies, estimates and errors</b></p> <p>Changes in accounting policies are applied in accordance with MCS requirements. Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>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.</p>                                                                                                                                                                                                                                           |
| <b>20.</b> | <p><b>Events after the reporting date</b></p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>21.</b> | <p><b>Principal-Agent arrangements</b></p> <p>The department is party to a principal-agent arrangement for housing construction projects. In terms of the arrangement the department is the principal and is responsible for:</p> <ul style="list-style-type: none"> <li>disbursement of funds based on agreed milestones;</li> <li>identification and approval of beneficiaries;</li> <li>Transfer of assets to beneficiaries.</li> </ul> <p>The implementing agencies are responsible for:</p> <ul style="list-style-type: none"> <li>construction of the houses;</li> <li>risks and rewards of ownership until completion of the construction.</li> <li>identification and transfer of the net assets to the beneficiaries</li> </ul> <p>These terms are specified in the service level agreement/memorandum of understanding between the two parties. All related revenues, expenditures, assets and liabilities have been recognised or recorded in</p> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.                                                                                                                                                                                                                                                                                                                              |
| <b>22.</b> | <p><b>Departures from the MCS requirements</b></p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information. The department has complied with the Standard and has not departed from any particular requirement to achieve fair presentation.</p>                                                                                                                                                             |
| <b>23.</b> | <p><b>Recoverable revenue</b></p> <p>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.</p>                                                                                                    |
| <b>24.</b> | <p><b>Related party transactions</b></p> <p>Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The full compensation of key management personnel is recorded in the notes to the financial statements.</p>                                                                                                                                                          |
| <b>25.</b> | <p><b>Employee benefits</b></p> <p>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.</p> <p>The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**PART B: EXPLANATORY NOTES**

**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) and Provincial Departments:

|                                      | 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                       | 216,518          | 216,518               | -                                  | 178,414          | 178,414                | -                                  |
| Housing Needs, Research and Planning | 19,854           | 19,854                | -                                  | 20,670           | 20,670                 | -                                  |
| Housing Development                  | 2,186,494        | 2,186,494             | -                                  | 2,148,082        | 2,148,082              | -                                  |
| Housing Asset Management             | 22,713           | 22,713                | -                                  | 20,861           | 20,861                 | -                                  |
| <b>Total</b>                         | <b>2,445,579</b> | <b>2,445,579</b>      | <b>-</b>                           | <b>2,368,027</b> | <b>2,368,027</b>       | <b>-</b>                           |

**1.2. Conditional grants**

|                                                     | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------|------|------------------|------------------|
| Total grants received                               | 32   | 1,935,341        | 1,921,369        |
| Provincial grants included in total grants received |      | <b>1,935,341</b> | <b>1,921,369</b> |

**2. Statutory Appropriation**

|                                                      | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------------|------|------------------|------------------|
| Members Remuneration                                 |      | 2,278            | 2,159            |
| <b>Total</b>                                         |      | <b>2,278</b>     | <b>2,159</b>     |
| Actual Statutory Appropriation received              |      | 2,278            | 2,159            |
| Statutory Appropriation not requested / not received |      | -                | -                |

**3. Departmental revenue**

|                                                       | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------------|------|------------------|------------------|
| Sales of goods and services other than capital assets | 3.1  | 326              | 332              |
| Interest, dividends and rent on land                  | 3.2  | 7,126            | 25,197           |
| Sales of capital assets                               | 3.3  | 21               | 278              |
| Transactions in financial assets and liabilities      | 3.4  | 172              | 69               |
| <b>Total revenue collected</b>                        |      | <b>7,645</b>     | <b>25,876</b>    |
| Less: Own revenue included in appropriation           | 13   | (1,905)          | (1,823)          |
| <b>Total</b>                                          |      | <b>5,740</b>     | <b>24,053</b>    |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**3.1. Sales of goods and services other than capital assets**

|                                                        | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------------------------|----------|------------------|------------------|
| Sales of goods and services produced by the department |          | 326              | 332              |
| Other sales                                            |          | 326              | 332              |
| <b>Total</b>                                           | <b>3</b> | <b>326</b>       | <b>332</b>       |

**3.2. Interest, dividends and rent on land**

|              | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|----------|------------------|------------------|
| Interest     |          | 7,126            | 25,197           |
| <b>Total</b> | <b>3</b> | <b>7,126</b>     | <b>25,197</b>    |

**3.3. Sales of capital assets**

|                                      | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------|----------|------------------|------------------|
| <b>Tangible capital assets</b>       |          | <b>21</b>        | <b>278</b>       |
| Buildings and other fixed structures |          | 21               | 278              |
| <b>Total</b>                         | <b>3</b> | <b>21</b>        | <b>278</b>       |

**3.4. Transactions in financial assets and liabilities**

|                                              | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------------------------|----------|------------------|------------------|
| Other receipts including Recoverable Revenue |          | 172              | 69               |
| <b>Total</b>                                 | <b>3</b> | <b>172</b>       | <b>69</b>        |

**3.4.1. Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)**

|                                                                 | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------------------------------------|----------|------------------|------------------|
|                                                                 | Annex 1C |                  |                  |
| Donations                                                       |          | 219              | 253              |
| <b>Total gifts, donations and sponsorships received in kind</b> |          | <b>219</b>       | <b>253</b>       |

**4. Compensation of employees**

**4.1. Analysis of balance**

|                                  | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------------|------|------------------|------------------|
| Basic salary                     |      | 275,260          | 265,627          |
| Service based                    |      | 22,095           | 21,258           |
| Compensative/circumstantial      |      | 1,269            | 1,766            |
| Other non-pensionable allowances |      | 35,991           | 33,975           |
| <b>Total</b>                     |      | <b>334,615</b>   | <b>322,626</b>   |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**4.2. Social contributions**

|                                        |      | 2024/25        | 2023/24        |
|----------------------------------------|------|----------------|----------------|
| Employer contributions                 | Note | R'000          | R'000          |
| Pension                                |      | 35,477         | 34,307         |
| Medical                                |      | 16,493         | 15,302         |
| Bargaining council                     |      | 63             | 61             |
| Insurance                              |      | 608            | 181            |
| <b>Total</b>                           |      | <b>52,641</b>  | <b>49,851</b>  |
| <b>Total compensation of employees</b> |      | <b>387,256</b> | <b>372,477</b> |
| Average number of employees            |      | <b>505</b>     | <b>509</b>     |

**5. Goods and services**

|                                             |      | 2024/25       | 2023/24       |
|---------------------------------------------|------|---------------|---------------|
|                                             | Note | R'000         | R'000         |
| Administrative fees                         |      | 161           | 207           |
| Advertising                                 |      | 411           | 582           |
| Minor assets                                | 5.1  | 862           | 27            |
| Bursaries (employees)                       |      | 1,237         | 1,270         |
| Catering                                    |      | 49            | 11            |
| Communication                               |      | 4,897         | 4,908         |
| Computer services                           | 5.2  | 10,055        | 3,661         |
| Consultants: Business and advisory services |      | 1,154         | 916           |
| Legal services                              |      | 11,200        | 2,009         |
| Contractors                                 |      | 314           | 128           |
| Agency and support / outsourced services    |      | 2,369         | 2,364         |
| Audit cost – external                       | 5.3  | 11,460        | 10,671        |
| Fleet services                              |      | 23            | -             |
| Inventories                                 | 5.4  | 29            | -             |
| Consumables                                 | 5.5  | 2,067         | 1,386         |
| Operating leases                            |      | 7,623         | 6,792         |
| Property payments                           | 5.6  | 123           | 30            |
| Travel and subsistence                      | 5.7  | 36,147        | 25,795        |
| Venues and facilities                       |      | 2,331         | 1,562         |
| Training and development                    |      | 1,470         | 1,665         |
| Other operating expenditure                 | 5.8  | 2,259         | 642           |
| <b>Total</b>                                |      | <b>96,241</b> | <b>64,626</b> |

**5.1. Minor assets**

|                                |      | 2024/25    | 2023/24   |
|--------------------------------|------|------------|-----------|
|                                | Note | R'000      | R'000     |
| <b>Tangible capital assets</b> |      | <b>862</b> | <b>27</b> |
| Machinery and equipment        |      | 862        | 27        |
| <b>Total</b>                   | 5    | <b>862</b> | <b>27</b> |

**5.2. Computer services**

|                        |      | 2024/25       | 2023/24      |
|------------------------|------|---------------|--------------|
|                        | Note | R'000         | R'000        |
| SITA computer services |      | 10,055        | 3,661        |
| <b>Total</b>           | 5    | <b>10,055</b> | <b>3,661</b> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**5.3. Audit cost - external**

|                   | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------|----------|------------------|------------------|
| Regularity audits |          | 10,631           | 10,671           |
| Investigations    |          | 829              | -                |
| <b>Total</b>      | <b>5</b> | <b>11,460</b>    | <b>10,671</b>    |

**5.4. Inventories**

|                                   | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------|----------|------------------|------------------|
| Clothing material and accessories |          | 29               | -                |
| <b>Total</b>                      | <b>5</b> | <b>29</b>        | <b>-</b>         |

**5.5. Consumables**

|                                          | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------|----------|------------------|------------------|
| Consumable supplies                      |          | 848              | 727              |
| Household supplies                       |          | 622              | 381              |
| IT consumables                           |          | 127              | 276              |
| Other consumables                        |          | 99               | 70               |
| Stationery, printing and office supplies |          | 1,219            | 659              |
| <b>Total</b>                             | <b>5</b> | <b>2,067</b>     | <b>1,386</b>     |

**5.6. Property payments**

|              | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|----------|------------------|------------------|
| Other        |          | 123              | 30               |
| <b>Total</b> | <b>5</b> | <b>123</b>       | <b>30</b>        |

**5.7. Travel and subsistence**

|              | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|----------|------------------|------------------|
| Local        |          | 35,869           | 25,657           |
| Foreign      |          | 278              | 138              |
| <b>Total</b> | <b>5</b> | <b>36,147</b>    | <b>25,795</b>    |

**5.8. Other operating expenditure**

|                                                       | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------------|----------|------------------|------------------|
| Professional bodies, membership and subscription fees |          | 793              | 520              |
| Resettlement costs                                    |          | 230              | 22               |
| Other                                                 |          | 1,236            | 100              |
| <b>Total</b>                                          | <b>5</b> | <b>2,259</b>     | <b>642</b>       |

**6. Payments for financial assets**

|                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------|------|------------------|------------------|
| Other material losses written off | 6.1  | 23               | 92               |
| <b>Total</b>                      |      | <b>23</b>        | <b>92</b>        |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**6.1. Other material losses written off**

| Nature of losses                         | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------|----------|------------------|------------------|
| Losses due to debt that is irrecoverable |          | 23               | 92               |
| <b>Total</b>                             | <b>6</b> | <b>23</b>        | <b>92</b>        |

**7. Transfers and subsidies**

|                                             | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------------------------------------|----------|------------------|------------------|
| Public corporations and private enterprises | Annex 1A | 5                | 1                |
| Households                                  | Annex 1B | 1,935,900        | 1,917,802        |
| <b>Total</b>                                |          | <b>1,935,905</b> | <b>1,917,803</b> |

**8. Expenditure for capital assets**

|                                | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------|------|------------------|------------------|
| <b>Tangible capital assets</b> |      | <b>21,074</b>    | <b>8,958</b>     |
| Machinery and equipment        |      | 21,074           | 8,958            |
| <b>Total</b>                   |      | <b>21,074</b>    | <b>8,958</b>     |

**8.1. Analysis of funds utilised to acquire capital assets - Current year**

| Name of entity                 | Voted funds<br>R'000 | Total<br>R'000 |
|--------------------------------|----------------------|----------------|
| <b>Tangible capital assets</b> | <b>21,074</b>        | <b>21,074</b>  |
| Machinery and equipment        | 21,074               | 21,074         |
| <b>Total</b>                   | <b>21,074</b>        | <b>21,074</b>  |

**8.2. Analysis of funds utilised to acquire capital assets - Prior year**

| Name of entity                 | Voted funds<br>R'000 | Total<br>R'000 |
|--------------------------------|----------------------|----------------|
| <b>Tangible capital assets</b> | <b>8,958</b>         | <b>8,958</b>   |
| Machinery and equipment        | 8,958                | 8,958          |
| <b>Total</b>                   | <b>8,958</b>         | <b>8,958</b>   |

**8.3. Finance lease expenditure included in Expenditure for capital assets**

|                                | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------|------|------------------|------------------|
| <b>Tangible capital assets</b> |      | <b>6,726</b>     | <b>6,528</b>     |
| Machinery and equipment        |      | 6,726            | 6,528            |
| <b>Total</b>                   |      | <b>6,726</b>     | <b>6,528</b>     |

**9. Cash and cash equivalents**

|                                        | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------------------|------|------------------|------------------|
| Consolidated Paymaster General Account |      | 11,446           | 16,453           |
| <b>Total</b>                           |      | <b>11,446</b>    | <b>16,453</b>    |

*There are no significant cash and cash equivalent balances held by the department that are not available for use.*

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**10. Prepayments and advances**

**10.1. Advances paid (Expensed) (Annexure 7)**

| 2024/25         |                           |                                    |             |                            |
|-----------------|---------------------------|------------------------------------|-------------|----------------------------|
|                 | Amount as at 1 April 2024 | Less: Received in the current year | Less: Other | Amount as at 31 March 2025 |
|                 | R'000                     | R'000                              | R'000       | R'000                      |
| Public entities | 648,162                   | (306,136)                          | -           | 342,026                    |
| Other entities  | 193,428                   | (118,531)                          | -           | 74,897                     |
| <b>Total</b>    | <b>841,590</b>            | <b>(424,667)</b>                   | <b>-</b>    | <b>416,923</b>             |

| 2023/24         |                           |                                    |                  |                           |                            |
|-----------------|---------------------------|------------------------------------|------------------|---------------------------|----------------------------|
|                 | Amount as at 1 April 2023 | Less: Received in the current year | Less: Other      | Add Current year advances | Amount as at 31 March 2024 |
|                 | R'000                     | R'000                              | R'000            | R'000                     | R'000                      |
| Public entities | 892,440                   | (192,182)                          | (154,334)        | 102,238                   | 648,162                    |
| Other entities  | 222,628                   | (158,093)                          | -                | 128,893                   | 193,428                    |
| <b>Total</b>    | <b>1,115,068</b>          | <b>(350,275)</b>                   | <b>(154,334)</b> | <b>231,131</b>            | <b>841,590</b>             |

Advances paid (Expensed) relating to prior year was adjusted from R549,2 million to R841,5 million due to advances of R5,1 million paid to Makana municipality in March 2023 which was not included in the opening balance as well as correction of negatives and adjustment of expenditure against the projects that were not advanced.  
For 2023/24 The column titled "Less received in the current year was revised to reflect expenditure against the funds that were advanced to agencies and one for Add/Less other was revised to reflect the funds that were recovered from the Implementing Agencies

**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       | -           | -          | 236        | -           | 236        |
| Staff debt         | 11.2       | 336         | 336        | 305        | -           | 305        |
| Other receivables  | 11.3       | 10          | 10         | 7          | -           | 7          |
| <b>Total</b>       | <b>346</b> | <b>-</b>    | <b>346</b> | <b>548</b> | <b>-</b>    | <b>548</b> |

**11.1. Claims recoverable**

|                        | Note      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------|-----------|------------------|------------------|
| Provincial departments |           | -                | 236              |
| <b>Total</b>           | <b>11</b> | <b>-</b>         | <b>236</b>       |

**11.2. Staff debt**

|              | Note      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|-----------|------------------|------------------|
| Debt account |           | 336              | 305              |
| <b>Total</b> | <b>11</b> | <b>336</b>       | <b>305</b>       |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**11.3. Other receivables**

|                  | Note      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------|-----------|------------------|------------------|
| Sal: Tax Debt    |           | 10               | 1                |
| Sal: Medical Aid |           | -                | 6                |
| <b>Total</b>     | <b>11</b> | <b>10</b>        | <b>7</b>         |

**12. Voted funds to be surrendered to the Revenue Fund**

|                                                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------------------------|------|------------------|------------------|
| Opening balance                                                   |      | 6,230            | 93,860           |
| Transferred from statement of financial performance (as restated) |      | 7,358            | 6,230            |
| Paid during the year                                              |      | (6 230)          | (93,860)         |
| <b>Closing balance</b>                                            |      | <b>7,358</b>     | <b>6,230</b>     |

**12.1. Reconciliation on unspent conditional grants**

|                                              | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------------------------|------|------------------|------------------|
| Opening balance                              |      | 3,390            | -                |
| Total conditional grants received            | 1.2  | 1,935,341        | 1,921,369        |
| Total conditional grants spent               |      | (1,935,248)      | (1,917,979)      |
| Unspent conditional grants to be surrendered |      | 3,483            | 3,390            |
| <b>Closing balance</b>                       |      | <b>3,483</b>     | <b>3,390</b>     |

**13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**

|                                                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------------------------|------|------------------|------------------|
| Opening balance                                                   |      | 6,204            | 154              |
| Transferred from statement of financial performance (as restated) |      | 5,740            | 24,053           |
| Own revenue included in appropriation                             |      | 1,905            | 1,823            |
| Paid during the year                                              |      | (13,807)         | (19,826)         |
| <b>Closing balance</b>                                            |      | <b>42</b>        | <b>6,204</b>     |

**14. Payables - current**

|                                 | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------------------------|------|------------------|------------------|
| Amounts owing to other entities |      | 4,206            | 4,440            |
| Clearing accounts               | 14.1 | 148              | 1                |
| Other payables                  | 14.2 | 38               | 126              |
| <b>Total</b>                    |      | <b>4,392</b>     | <b>4,567</b>     |

**14.1. Clearing accounts**

| Description        | Note      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------|-----------|------------------|------------------|
| Sal: ACB Recall:CA |           | 16               | 1                |
| Sal: Income Tax    |           | 132              | -                |
| <b>Total</b>       | <b>14</b> | <b>148</b>       | <b>1</b>         |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**14.2. Other payables**

| Description              | Note      | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------|-----------|------------------|------------------|
| Sal: GEHS Refund Control |           | 1                | 49               |
| Debt Receivable Income   |           | 37               | 77               |
| <b>Total</b>             | <b>14</b> | <b>38</b>        | <b>126</b>       |

**15. Net cash flow available from operating activities**

|                                                                  | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------------------------------------------------|------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance  |      | 13,098           | 30,283           |
| Add back non-cash/cash movements not deemed operating activities |      | 2,948            | (100,348)        |
| (Increase)/decrease in receivables                               |      | 202              | 321              |
| Increase/(decrease) in payables – current                        |      | (175)            | 2,514            |
| Proceeds from sale of capital assets                             |      | (21)             | (278)            |
| Expenditure on capital assets                                    |      | 21,074           | 8,958            |
| Surrenders to Revenue Fund                                       |      | (20,037)         | (113,686)        |
| Own revenue included in appropriation                            |      | 1,905            | 1,823            |
| <b>Net cash flow generated by operating activities</b>           |      | <b>16,046</b>    | <b>(70,065)</b>  |

**16. Reconciliation of cash and cash equivalents for cash flow purposes**

|                                        | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------------------------|------|------------------|------------------|
| Consolidated Paymaster General account |      | 11,446           | 16,453           |
| <b>Total</b>                           |      | <b>11,446</b>    | <b>16,453</b>    |

**17. Contingent liabilities and contingent assets**

**17.1. Contingent liabilities**

| Liable to                     | Nature    | Note     | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------|-----------|----------|------------------|------------------|
| Housing loan guarantees       | Employees | Annex 2A | 289              | 398              |
| Claims against the department |           | Annex 2B | 228,322          | 232,686          |
| <b>Total</b>                  |           |          | <b>228,611</b>   | <b>233,084</b>   |

**Housing loan guarantees**

Housing loan guarantees amounting to R289k represents guarantees issued by the department on behalf of its employees to help them secure housing finance. The department is uncertain of the possibility of any need for it to re-imburse the financing authorities as this will be informed by the employees failure to service their bonds, but in the event of this happening the funds will be recovered from their pensions.

**Claims against the Department**

Included in the claims against the department is R228 million which relates to court claims against the department. These claims include a case relating to Hlano Financial Services amounting to R210 million. The Department is uncertain of the possibility of any re-imbursement or recovery in relation to these cases as they will be decided by the court whether the Department is liable or not and the actual amounts that it must pay should it be found to be guilty or liable”

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**17.2. Contingent assets (Annex 2B)**

| Nature of contingent asset                      | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------|------|------------------|------------------|
| Hlalanathi Social Housing Association           |      | 150              | 150              |
| Khumbula Properties                             |      | -                | 4,214            |
| Mcwerha Construction CC                         |      | 150              | 150              |
| Reity Holdings & My Pride Smile Africa (Pty)Ltd |      | 150              | 150              |
| Ntema Investments                               |      | 100              | 100              |
| Taba Construction                               |      | 100              | 100              |
| Recovery of funds overpaid-HROPT                |      | 3                | 3                |
| Buildnat Developers                             |      | 150              | 150              |
| Gqange Construction                             |      | 86               | 86               |
| <b>Total</b>                                    |      | <b>889</b>       | <b>5,103</b>     |

**18. Capital commitments**

|                         | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------|------|------------------|------------------|
| Machinery and equipment |      | 2,004            | -                |
| <b>Total</b>            |      | <b>2,004</b>     | <b>-</b>         |

**19. Accruals and payables not recognised**

**19.1. Accruals**

| Listed by economic classification | Note | 2024/25          |                   |                | 2023/24        |
|-----------------------------------|------|------------------|-------------------|----------------|----------------|
|                                   |      | 30 Days<br>R'000 | 30+ Days<br>R'000 | Total<br>R'000 | Total<br>R'000 |
| Goods and services                |      | 4,257            | 340               | 4,597          | 4,209          |
| Other                             |      | 137              | 219               | 356            | 509            |
| <b>Total</b>                      |      | <b>4,394</b>     | <b>559</b>        | <b>4,953</b>   | <b>4,718</b>   |

| Listed by programme level            | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------|------|------------------|------------------|
| Administration                       |      | 3,090            | 2,862            |
| Housing Needs, Research and Planning |      | 132              | 60               |
| Housing Development                  |      | 1,661            | 1,705            |
| Housing Asset Management             |      | 70               | 91               |
| <b>Total</b>                         |      | <b>4,953</b>     | <b>4,718</b>     |

**19.2. Payables not recognised**

| Listed by economic classification | Note | 2024/25          |                   |                | 2023/24        |
|-----------------------------------|------|------------------|-------------------|----------------|----------------|
|                                   |      | 30 Days<br>R'000 | 30+ Days<br>R'000 | Total<br>R'000 | Total<br>R'000 |
| Goods and services                |      | 20               | -                 | 20             | 7,267          |
| Transfers and subsidies           |      | 17,714           | 4,968             | 22,682         | 147,089        |
| Other                             |      | -                | 190               | 190            | 248            |
| <b>Total</b>                      |      | <b>17,734</b>    | <b>5,158</b>      | <b>22,892</b>  | <b>154,604</b> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

| Listed by programme level            | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------|------|------------------|------------------|
| Administration                       |      | 10               | 7,206            |
| Housing Needs, Research and Planning |      | 19               | 32               |
| Housing Development                  |      | 22,863           | 147,360          |
| Housing Asset Management             |      | -                | 6                |
| <b>Total</b>                         |      | <b>22,892</b>    | <b>154,604</b>   |

| Included in the above totals are the following: | Note    | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------------------------------------|---------|------------------|------------------|
| Confirmed balances with other departments       | Annex 4 | 720              | 7,278            |
| <b>Total</b>                                    |         | <b>720</b>       | <b>7,278</b>     |

**20. Employee benefits**

|                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-------------------|------|------------------|------------------|
| Leave entitlement |      | 21,337           | 19,446           |
| Service bonus     |      | 11,196           | 10,821           |
| Capped leave      |      | 7,876            | 9,546            |
| Other             |      | 222              | 145              |
| <b>Total</b>      |      | <b>40,631</b>    | <b>39,958</b>    |

Included in the leave entitlement balance is the negative leave days amounting to R104 thousand which emanates from employees taking leave between January and March which exceeds the number of leave days earned during the same period. Capped leave is payable to employees upon retirement or death.

Long Service Awards relates to payments due to employees during the ensuing financial year for serving in government duty for 20, 30 and 40 years. The calculation was based on the rates issued by the Department of Public Service and Administration in August 2020. At this stage the department is not able to reliably measure the long-term portion of the long service awards.

**21. Lease commitments**

**21.1. Operating leases**

|                                              | 2024/25                          |                |
|----------------------------------------------|----------------------------------|----------------|
|                                              | Machinery and equipment<br>R'000 | Total<br>R'000 |
| Not later than 1 year                        | 931                              | 931            |
| Later than 1 year and not later than 5 years | 302                              | 302            |
| <b>Total lease commitments</b>               | <b>1,233</b>                     | <b>1,233</b>   |

|                                              | 2023/24                          |                |
|----------------------------------------------|----------------------------------|----------------|
|                                              | Machinery and equipment<br>R'000 | Total<br>R'000 |
| Not later than 1 year                        | 897                              | 897            |
| Later than 1 year and not later than 5 years | 911                              | 911            |
| <b>Total lease commitments</b>               | <b>1,808</b>                     | <b>1,808</b>   |

Operating leases relates to the leasing of photocopying machines utilised by the department.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**21.2. Finance leases**

|                                              | 2024/25                 |               |
|----------------------------------------------|-------------------------|---------------|
|                                              | Machinery and equipment | Total         |
|                                              | R'000                   | R'000         |
| Not later than 1 year                        | 7,138                   | 7,138         |
| Later than 1 year and not later than 5 years | 6,069                   | 6,069         |
| <b>Total lease commitments</b>               | <b>13,207</b>           | <b>13,207</b> |

|                                              | 2023/24                 |               |
|----------------------------------------------|-------------------------|---------------|
|                                              | Machinery and equipment | Total         |
|                                              | R'000                   | R'000         |
| Not later than 1 year                        | 6,547                   | 6,547         |
| Later than 1 year and not later than 5 years | 7,300                   | 7,300         |
| <b>Total lease commitments</b>               | <b>13,847</b>           | <b>13,847</b> |

Finance leases relate to the leasing of cellular phones, 3G cards and I-Pads from Vodacom as well as the leasing of fleet Motor Vehicles from Government Fleet Management Services.

**22. Accrued departmental revenue**

|                                      | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------|------|------------------|------------------|
| Interest, dividends and rent on land |      | 97,853           | 88,187           |
| Other                                |      | 24,801           | 21,893           |
| <b>Total</b>                         |      | <b>122,654</b>   | <b>110,080</b>   |

**22.1. Analysis of accrued departmental revenue**

|                        | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|------------------------|------|------------------|------------------|
| Opening balance        |      | 110,080          | 98,415           |
| Prior period error     |      | -                | 495              |
| Restated amount        |      | 110,080          | 98,910           |
| Less: amounts received |      | (7,325)          | (61,132)         |
| Add: amounts recorded  |      | 19,899           | 72,302           |
| <b>Closing balance</b> |      | <b>122,654</b>   | <b>110,080</b>   |

The balance of R 123 mil includes R15,5 mil judgement debt payable by King Williams Town Housing Association (KWTHA) as a result of the court order granted in March 2009. The department is pursuing legal processes to recover the outstanding debt from KWTHA through the office of the State Attorney. The debt has been impaired in the note 22.2 below.

**22.2. Impairment of accrued departmental revenue**

|                                                        | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------------------------------------|------|------------------|------------------|
| Estimate of impairment of accrued departmental revenue |      | 27,680           | 27,680           |
| <b>Total</b>                                           |      | <b>27,680</b>    | <b>27,680</b>    |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

The impairment of R27,7 mil includes an amount of R15,5 mil relating to accumulated interest that is due to ECDHS by KWTHA dating back to 2009 when the properties that were attached could not satisfy the total amount due to the department. The department is pursuing legal processes to recover the outstanding debt from KWTHA through the office of the State Attorney. The balance of R12,2 mil relates to interest on trust accounts due from the Development Bank of South Africa (DBSA), Housing Development Agency (HDA) and Amahlathi Kologha for which there has been no movement on the accounts for a number of years.

**23. Unauthorised, Irregular and Fruitless and wasteful expenditure**

|                                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|---------------------------------------------------|------|------------------|------------------|
| Irregular expenditure - current year              |      | 39,688           | 148,366          |
| Fruitless and wasteful expenditure - current year |      | 36,924           | 16,772           |
| <b>Total</b>                                      |      | <b>76,612</b>    | <b>165,138</b>   |

Of the R39,7 million reported as irregular in the current financial year, R39,6 million has been condoned by Provincial Treasury in December 2024 and the remaining balance of R41 thousand is in the process of recovery. This has been reported as such in the Annual Report. Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in the annual report under the PFMA Compliance Report.

**24. Related party transactions**

|                      | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|----------------------|------|------------------|------------------|
| <b>Payments made</b> |      |                  |                  |
| Goods and services   |      | 571              | -                |
| <b>Total</b>         |      | <b>571</b>       | <b>-</b>         |

The Eastern Cape Department of Human Settlements and the Eastern Cape Department of Public Works and Infrastructure are related parties as they are under the portfolio of the same Member of Executive Committee. R571 thousand is an inter-departmental claim that was paid as re-imbursement to DPW for ECDHS's cost portion of the strategic planning session that was held during the course of the year and paid for by DPW.

**25. Key management personnel**

|                          | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------------------|------------------|------------------|
| Political office bearers | 2,278            | 2,159            |
| Officials:               |                  |                  |
| Level 15-16              | 1,877            | 1,953            |
| Level 14                 | 13,762           | 11,475           |
| <b>Total</b>             | <b>17,917</b>    | <b>15,587</b>    |

The post for Accounting Officer was vacant for better part of the financial year, Chief Director Incremental Programs was tasked with responsibility to act as an Accounting Officer. Directors were tasked to act in the role of Chief Director: Incremental Programs whilst said Chief Director acted as Accounting Officer, their remuneration has been included in the total above for the relevant months of acting. Director was tasked to act in the role of Chief Director – District Coordination and Project Management and his remuneration has been included in the above total for the relevant months in which he was acting.

**26. Provisions**

|              | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|--------------|------|------------------|------------------|
| Retentions   |      | 29,844           | 10,660           |
| <b>Total</b> |      | <b>29,844</b>    | <b>10,660</b>    |

Retentions are amounts of progress billings not paid until satisfaction of conditions specified in the contract varying between 5% to 10%. Balances that are far above 10% are indicative of milestones that are partially complete.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**26.1. Reconciliation of movement in provisions – 2024/25**

|                         | 2024/2025     |                  |
|-------------------------|---------------|------------------|
|                         | Retentions    | Total provisions |
|                         | R'000         | R'000            |
| Opening balance         | 10,660        | 10,660           |
| Increase in provision   | 63,632        | 63,632           |
| Settlement of provision | (44,448)      | (44,448)         |
| <b>Closing balance</b>  | <b>29,844</b> | <b>29,844</b>    |

**Reconciliation of movement in provisions - Prior year**

|                         | 2023/24       |                  |
|-------------------------|---------------|------------------|
|                         | Retentions    | Total provisions |
|                         | R'000         | R'000            |
| Opening balance         | 715           | 715              |
| Increase in provision   | 60,855        | 60,855           |
| Settlement of provision | (50,910)      | (50,910)         |
| <b>Closing balance</b>  | <b>10,660</b> | <b>10,660</b>    |

**27. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

|                                              | 2024/25         |                   |               |                |                 |
|----------------------------------------------|-----------------|-------------------|---------------|----------------|-----------------|
|                                              | Opening balance | Value adjustments | Additions     | Disposals      | Closing balance |
|                                              | R'000           | R'000             | R'000         | R'000          | R'000           |
| <b>MACHINERY AND EQUIPMENT</b>               | <b>57,563</b>   | <b>-</b>          | <b>14,349</b> | <b>(6,757)</b> | <b>65,155</b>   |
| Transport assets                             | 1,632           | -                 | -             | (902)          | 730             |
| Computer equipment                           | 44,690          | -                 | 11,292        | (5,388)        | 50,594          |
| Furniture and office equipment               | 9,125           | -                 | 2,445         | (444)          | 11,126          |
| Other machinery and equipment                | 2,116           | -                 | 612           | (23)           | 2,705           |
| <b>FINANCE LEASE ASSETS</b>                  | <b>10,018</b>   | <b>-</b>          | <b>1,774</b>  | <b>(2,535)</b> | <b>9,258</b>    |
| Finance lease assets                         | 10,018          | -                 | 1,774         | (2,535)        | 9,258           |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>67,581</b>   | <b>-</b>          | <b>16,123</b> | <b>(9,292)</b> | <b>74,413</b>   |

**Movable Tangible Capital Assets under investigation**

|                                                                                                                                | Note | Number    | Value R'000 |
|--------------------------------------------------------------------------------------------------------------------------------|------|-----------|-------------|
| <b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b> |      |           |             |
| Machinery and equipment                                                                                                        |      | 38        | 634         |
| <b>Total</b>                                                                                                                   |      | <b>38</b> | <b>634</b>  |

*The majority of assets under investigation are shortages identified during the annual asset verification. Investigations are still in process and the outcome will inform the process of disposal.*

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**27.1. 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           |
| <b>MACHINERY AND EQUIPMENT</b>               | <b>57,548</b>   | <b>-</b>           | <b>2,430</b> | <b>(2,415)</b> | <b>57 563</b>   |
| Transport assets                             | 1,632           | -                  | -            | -              | 1,632           |
| Computer equipment                           | 44,605          | -                  | 2,345        | (2,260)        | 44,690          |
| Furniture and office equipment               | 9,143           | -                  | 80           | (98)           | 9,125           |
| Other machinery and equipment                | 2,168           | -                  | 5            | (57)           | 2,116           |
| <b>FINANCE LEASE ASSETS</b>                  | <b>8,669</b>    | <b>-</b>           | <b>1,349</b> | <b>-</b>       | <b>10,018</b>   |
| Finance lease assets                         | 8,669           | -                  | 1,349        | -              | 10,108          |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>66,217</b>   | <b>-</b>           | <b>3,779</b> | <b>(2,415)</b> | <b>67,581</b>   |

**27.2. Minor assets**

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

|                           | 2024/25                 |                      |              |
|---------------------------|-------------------------|----------------------|--------------|
|                           | Machinery and equipment | Finance lease assets | Total        |
|                           | R'000                   | R'000                | R'000        |
| Opening balance           | 8,983                   | 1,667                | 10,650       |
| Additions                 | 862                     | 1,148                | 2,010        |
| Disposals                 | (1,536)                 | (1,255)              | (2,791)      |
| <b>Total Minor assets</b> | <b>8,309</b>            | <b>1,560</b>         | <b>9,869</b> |

|                                     | Machinery and equipment | Finance lease assets | Total        |
|-------------------------------------|-------------------------|----------------------|--------------|
| Number of R1 minor assets           | 520                     | -                    | 520          |
| Number of minor assets at cost      | 4,215                   | 443                  | 4,658        |
| <b>Total number of minor assets</b> | <b>4,735</b>            | <b>443</b>           | <b>5,178</b> |

**Minor capital assets under investigation**

|                                                                                                                     | Note | Number | Value<br>R'000 |
|---------------------------------------------------------------------------------------------------------------------|------|--------|----------------|
| <b>Included in the above total of the minor capital assets per the asset register that are under investigation:</b> |      |        |                |
| Machinery and equipment                                                                                             |      | 28     | 49             |

*The majority of assets under investigation are shortages identified during the annual asset verification. Investigations are still in process and the outcome will inform the process of disposal.*

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**  
**2023/24**

|                           | <b>Machinery and equipment</b> | <b>Finance lease assets</b> | <b>Total</b>  |
|---------------------------|--------------------------------|-----------------------------|---------------|
|                           | <b>R'000</b>                   | <b>R'000</b>                | <b>R'000</b>  |
| Opening balance           | 9,167                          | 1,129                       | 10,296        |
| Additions                 | 27                             | 537                         | 564           |
| Disposals                 | (211)                          | -                           | (211)         |
| <b>Total Minor assets</b> | <b>8,983</b>                   | <b>(1,667)</b>              | <b>10,650</b> |

|                                     | <b>Machinery and equipment</b> | <b>Finance lease assets</b> | <b>Total</b> |
|-------------------------------------|--------------------------------|-----------------------------|--------------|
|                                     | <b>R'000</b>                   | <b>R'000</b>                | <b>R'000</b> |
| Number of R1 minor assets           | 604                            | -                           | 604          |
| Number of minor assets at cost      | 4,674                          | 455                         | 5,129        |
| <b>Total number of minor assets</b> | <b>5,278</b>                   | <b>455</b>                  | <b>5,733</b> |

**27.3. Movable capital assets written off**

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2025**

|                                         | <b>Machinery and equipment</b> | <b>Total</b> |
|-----------------------------------------|--------------------------------|--------------|
|                                         | <b>R'000</b>                   | <b>R'000</b> |
| Assets written off                      | 5,737                          | 5,737        |
| <b>Total movable assets written off</b> | <b>5,737</b>                   | <b>5,737</b> |

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024**

|                                         | <b>Machinery and equipment</b> | <b>Total</b> |
|-----------------------------------------|--------------------------------|--------------|
|                                         | <b>R'000</b>                   | <b>R'000</b> |
| Assets written off                      | 494                            | 494          |
| <b>Total movable assets written off</b> | <b>494</b>                     | <b>494</b>   |

**28. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2025**

|                                        | <b>Opening balance</b> | <b>Additions</b> | <b>Disposals</b> | <b>Closing balance</b> |
|----------------------------------------|------------------------|------------------|------------------|------------------------|
|                                        | <b>R'000</b>           | <b>R'000</b>     | <b>R'000</b>     | <b>R'000</b>           |
| SOFTWARE                               | 483                    | -                | (483)            | -                      |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>483</b>             | <b>-</b>         | <b>(483)</b>     | <b>-</b>               |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**28.1. 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                               | 483             | -                  | -         | -         | 483             |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>483</b>      | <b>-</b>           | <b>-</b>  | <b>-</b>  | <b>483</b>      |

**29. Principal-agent arrangements**  
**29.1. Department acting as the principal**

|                            | Note | 2024/25       | 2023/24       |
|----------------------------|------|---------------|---------------|
|                            |      | R'000         | R'000         |
| Housing Development Agency |      | 7,027         | 42,182        |
| Coega Development Agency   |      | 9,215         | 2,160         |
| <b>Total</b>               |      | <b>16,242</b> | <b>44,342</b> |

All our principal agent relationships are regulated by the contracts signed between the principal and the agent. The Department is a Principal in this relationship as it contracted the implementing agencies to construct houses as directed by the SLA's and thereby accelerating the service delivery of building houses, the Department will enjoy the benefit of delivering on its target and mandate.

The Department transferred funds to these implementing agencies in the previous years for them to build houses for the approved beneficiaries. The amounts disclosed pertain to fees paid to these implementing agencies as compensation for them having executed the projects as informed by the binding agreements. The implementing agents implement human settlements specific projects on behalf of the department including mentoring of emerging contractors and reports to the department on progress and remaining funds in cases of having advance payments. The Department provides funding (Capital and management fees) for the implementation of the projects and the agent fees in line with the project implementation plan. The agents needs to report on the implementation of the projects. The contracts also clearly state that in cases of poor/none performance it is adequately covered with "claw-back" clause. There were no changes to the terms and conditions of the contracts with agencies in the 2024/25 financial year. There is a risk of non performance by the implementing agencies in terms on the signed contract, but this is mitigated by the dispute resolution as per the contract

The department engaged these entities as Implementing Agents for acceleration its service delivery in line with its plans and targets for the 2024/25 financial year, as per the signed agreement.

Should the relationship between the Department and the various agencies that is has contracted with be terminated, there will be no cost implications to the Department other than what will be confirmed to be the value created at the point of contract termination. The Department will do final reconciliation of account to determine if there are any funds owed pertaining to value created by the agencies at the point of termination and settle what is confirmed to be amounts outstanding.

There are no resources other than advances reported in note 10 above that are under the custodianship of the agencies. These have been recorded by the implementing agencies and the expenditure incurred against them is reported in the same note 10.

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**30. Changes in accounting policies**

**30.1. 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) | Restated closing balance (31 Mar 2024) |
| Nature of change in accounting policy | Note | R'000                                          | R'000                          | R'000                                                  | R'000                                  |
| <b>Finance lease assets</b>           |      | -                                              | -                              | -                                                      | -                                      |
| Movable Tangible Capital Assets       | 27   | -                                              | 8,669                          | 8,669                                                  | 10,018                                 |
| Minor Assets                          | 27   | -                                              | 1,129                          | 1,129                                                  | 1,667                                  |

Included in the opening balances for 2023/24 and 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.

**31. Prior period errors**

**31.1. Correction of prior period errors**

|                                                  |      | 2023/24                        |                    |                |
|--------------------------------------------------|------|--------------------------------|--------------------|----------------|
|                                                  |      | Amount before error correction | Prior period error | Restated       |
|                                                  | Note | R'000                          | R'000              | R'000          |
| <b>Expenditure: Advanced paid (Expensed)</b>     | 10   | -                              | -                  | -              |
| Public entities – opening balances understated   |      | 388,038                        | 260,124            | 648,162        |
| Other Institutions – opening balance understated |      | 161,202                        | 32,226             | 193,428        |
| <b>Net effect</b>                                |      | <b>549,240</b>                 | <b>292,350</b>     | <b>841,590</b> |

Advances paid (Expensed) relating to prior year was adjusted from R549,2 million to R841,5 million due to advances of R5,1 million paid to Makana municipality in March 2023 which was not included in the opening balance as well as correction of negatives and adjustment of expenditure against the projects that were not advanced

|                                                                   |      | 2023/24                        |                    |               |
|-------------------------------------------------------------------|------|--------------------------------|--------------------|---------------|
|                                                                   |      | Amount before error correction | Prior period error | Restated      |
|                                                                   | Note | R'000                          | R'000              | R'000         |
| <b>Other: Fruitless &amp; Wasteful Expenditure)</b>               | 23   | -                              | -                  | -             |
| Fruitless & wasteful expenditure – Comparative amount understated |      | 2,982                          | 13,790             | 16,772        |
| <b>Net effect</b>                                                 |      | <b>2,982</b>                   | <b>13,790</b>      | <b>16,772</b> |

Fruitless and wasteful expenditure relating to the prior year was adjusted from R2,9 Mil to R16,7 Mil due to duplicate payments that were made to both HDA and Raymond Mhlaba Local Municipality for the same services.

### 32. Statement of conditional grants received

|                                            | 2024/25                                     |       |            |                  |                   |                 |                               |                            |                          |                                          | 2023/24                                     |                            |
|--------------------------------------------|---------------------------------------------|-------|------------|------------------|-------------------|-----------------|-------------------------------|----------------------------|--------------------------|------------------------------------------|---------------------------------------------|----------------------------|
|                                            | GRANT ALLOCATION                            |       |            |                  |                   | SPENT           |                               |                            |                          |                                          |                                             |                            |
|                                            | Division of Revenue Act / Provincial grants | R'000 | Roll overs | DORA Adjustments | Other Adjustments | Total Available | Amount received by department | Amount spent by department | Under- / (Oversp ending) | % of available funds spent by department | Division of Revenue Act / Provincial grants | Amount spent by department |
| Name of grant                              | R'000                                       | R'000 | R'000      | R'000            | R'000             | R'000           | R'000                         | R'000                      | R'000                    | %                                        | R'000                                       | R'000                      |
| Human Settlement Development Grant         | 1,518,104                                   | -     | -          | -                | -                 | 1,518,104       | 1,518,104                     | 1,518,037                  | 67                       | 100.0%                                   | 1,405,922                                   | 1,405,845                  |
| Expanded Public Works Programme            | 2,384                                       | -     | -          | -                | -                 | 2,384           | 2,384                         | 2,369                      | 15                       | 99.4%                                    | 2,216                                       | 2,364                      |
| Informal Settlements Upgrading Partnership | 361,420                                     | 3,433 | -          | -                | 50,000            | 414,853         | 414,853                       | 414,842                    | 11                       | 100.0%                                   | 496,371                                     | 492,917                    |
| Provincial Emergency Housing Grant         | -                                           | -     | -          | -                | -                 | -               | -                             | -                          | -                        | -                                        | 16,860                                      | 16,853                     |
| TOTAL                                      | 1,881,908                                   | 3,433 | -          | -                | 50,000            | 1,935,341       | 1,935,341                     | 1,935,248                  | 93                       |                                          | 1,921,369                                   | 1,917,979                  |

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 1A

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

| Name of public corporation / private enterprise | 2024/25                  |                     |                       |                          |                          | EXPENDITURE                      |                  |                  |                       | 2023/24                  |          |
|-------------------------------------------------|--------------------------|---------------------|-----------------------|--------------------------|--------------------------|----------------------------------|------------------|------------------|-----------------------|--------------------------|----------|
|                                                 | GRANT ALLOCATION         |                     |                       |                          |                          |                                  |                  |                  |                       |                          |          |
|                                                 | Adjusted Budget<br>R'000 | Roll overs<br>R'000 | Adjust-ments<br>R'000 | Total Available<br>R'000 | Actual transfer<br>R'000 | % of Available funds transferred | Capital<br>R'000 | Current<br>R'000 | Final Budget<br>R'000 | Actual transfer<br>R'000 |          |
| Private Enterprises                             |                          |                     |                       |                          |                          |                                  |                  |                  |                       |                          |          |
| Transfers                                       | 5                        | -                   | -                     | 5                        | 5                        | 100%                             | -                | -                | -                     | 1                        | 1        |
| Pd: Claims against the State                    | 5                        | -                   | -                     | 5                        | 5                        | 100%                             | -                | -                | -                     | 1                        | 1        |
| <b>TOTAL</b>                                    | <b>5</b>                 | <b>-</b>            | <b>-</b>              | <b>5</b>                 | <b>5</b>                 | <b>100%</b>                      | <b>-</b>         | <b>-</b>         | <b>-</b>              | <b>1</b>                 | <b>1</b> |



ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 1B

STATEMENT OF TRANSFERS TO HOUSEHOLDS

|                                            | 2024/25             |            |             |                 |                 |                                  |           | 2023/24      |                 |
|--------------------------------------------|---------------------|------------|-------------|-----------------|-----------------|----------------------------------|-----------|--------------|-----------------|
|                                            | TRANSFER ALLOCATION |            |             |                 | EXPENDITURE     |                                  |           | Final Budget | Actual transfer |
|                                            | Adjusted Budget     | Roll overs | Adjustments | Total Available | Actual transfer | % of available funds transferred |           |              |                 |
|                                            |                     |            |             |                 |                 |                                  |           |              |                 |
| Household                                  | R'000               | R'000      | R'000       | R'000           | R'000           | %                                | R'000     | R'000        |                 |
| Transfers                                  |                     |            |             |                 |                 |                                  |           |              |                 |
| Human Settlement Development Grant (HSDG)  | 1,518,104           | -          | -           | 1,518,104       | 1,518,032       | 100.0%                           | 1,405,922 | 1,405,845    |                 |
| Social Benefits                            | 2,848               | -          | 179         | 3,027           | 3,026           | 100.0%                           | 2,187     | 2,187        |                 |
| Informal Settlements Upgrading Partnership | 361,420             | 3,433      | 50,000      | 414,853         | 414,842         | 100.0%                           | 496,371   | 492,917      |                 |
| Provincial Emergency Housing Grant         | -                   | -          | -           | -               | -               |                                  | 16,860    | 16,853       |                 |
| Total Subsidies                            | 1,882,372           | 3,433      | 50,179      | 1,935,984       | 1,935,900       |                                  | 1,921,340 | 1,917,802    |                 |
| TOTAL                                      | 1,882,372           | 3,433      | 50,179      | 1,935,984       | 1,935,900       |                                  | 1,921,340 | 1,917,802    |                 |

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**ANNEXURE 1C**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

| Name of organisation          | Nature of gift, donation or sponsorship                                                                                                                                                                                                                                                                            | 2024/25 | 2023/24 |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
|                               |                                                                                                                                                                                                                                                                                                                    | R'000   | R'000   |
| <b>Donations</b>              |                                                                                                                                                                                                                                                                                                                    |         |         |
| Dept of Correctional Services | 5 x packs of vegetables; 1 x Food parcel                                                                                                                                                                                                                                                                           | -       | 1       |
| JR Quality                    | 1 x Double bed & linen                                                                                                                                                                                                                                                                                             | -       | 3       |
| Takela Group                  | R8,000 donation towards psycho-dynamic group therapy:                                                                                                                                                                                                                                                              | -       | 8       |
| Old Mutual SA                 | R63,547.94 was donated towards the following for the EC Human Settlements Indaba 2023:<br>1 x Cobranded Curved Wall Banner; 1 x Cobranded Wall Banner-skin only; 300 x Cobranded Broucher; 20 x Cobranded sticker; 350 x Omega Maxi gift bags; 100 x Cobranded Folders with Pockets; 4 x Cobranded Pull up banners | -       | 64      |
| Quantum Leap                  | 2 x sleeper couches; 2 x kitchen unit; 2 x 2burner stoves; curtain blind, beds, carpet for both houses and linen for beds donated during house handover to destitute families in Intsika Yethu LM                                                                                                                  | -       | 26      |
| Dept of Forestry & Fisheries  | 3 x Trees during house handover to destitute families in Intsika Yethu LM and Mnqanduli, KSD LM                                                                                                                                                                                                                    | -       | 1       |
| Dept of Correctional Services | 11 x fresh produce during house handover to destitute families in Intsika Yethu LM                                                                                                                                                                                                                                 | -       | 6       |
| Dept of Social Development    | 9 x food parcels and blankets during house handover to destitute families in Intsika Yethu LM                                                                                                                                                                                                                      | -       | 3       |
| Dept of Correctional Services | Fresh produce during house handover to destitute families in Mnqanduli, KSD LM                                                                                                                                                                                                                                     | -       | 1       |
| Takela Group                  | 1 x sleeper couches; 1 x kitchen unit; 1 x 2burner stoves; curtain blind, beds and carpet for both houses; linen for beds and groceries during house handover to destitute families in Mnqanduli, KSD LM                                                                                                           | -       | 24      |
| Gear Civils                   | 1 x sleeper couches; 1 x kitchen unit; 1 x 2burner stoves; curtain blind, beds and carpet for both houses; linen for beds and groceries during house handover to destitute families in Mnqanduli, KSD LM                                                                                                           | -       | 24      |
| GC Housing                    | Couches; 1 x 2 burner stoves; curtain blind for both houses; 1 x double bed; 1 x 3/4 bed; Linen for beds and groceries during house handover to destitute family in Gaqa, BCM                                                                                                                                      | -       | 18      |
| HAD                           | Furniture during house handover to destitute family in Jachvlagte                                                                                                                                                                                                                                                  | -       | 5       |
| Dept of Correctional Services | Fresh produce during house handover to destitute families in Jachvlagte and Katberg                                                                                                                                                                                                                                | -       | 1       |
| Amakhaya Construction         | Furniture during house handover to destitute family in Katberg and Khulile                                                                                                                                                                                                                                         | -       | 10      |
| Social Development            | 15 x food parcels during house handover in Mnceba village, Alfred Nzo                                                                                                                                                                                                                                              | -       | 3       |
| Liyema Civils Construction    | Tent, chairs and catering during house handover in Mnceba village, Alfred Nzo                                                                                                                                                                                                                                      | -       | 20      |
| Old Mutual                    | School shoes during back to school campaign held in Joe Gqabi District                                                                                                                                                                                                                                             | -       | 15      |
| GC Housing Construction       | Furniture and food parcel during house handover in Kweletha, Buffalo City Metro                                                                                                                                                                                                                                    | -       | 10      |
| Makwande Africa Group         | Furniture and food parcel during house handover in Breidbach, Buffalo City Metro                                                                                                                                                                                                                                   | -       | 10      |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

| Name of organisation                                  | Nature of gift, donation or sponsorship                                                                                                                                                                                                                                      | 2024/25 | 2023/24 |
|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|
|                                                       |                                                                                                                                                                                                                                                                              | R'000   | R'000   |
| Norland Construction                                  | Grocery pack to destitute families during house handover in Kei Road, Amathole Local Municipality,                                                                                                                                                                           | 1       | -       |
| CB Services                                           | Furniture, appliances and household items to destitute families during house handover in Willowvale, Amathole District Municipality                                                                                                                                          | 24      | -       |
| GC Contractors CC                                     | Furniture and grocery pack to destitute families during house handover in Phakamisa, Buffalo City Metro                                                                                                                                                                      | 14      | -       |
| Jade Africa Development                               | Furniture and grocery pack to destitute families during house handover in Kueburg, Elundini Local Municipality                                                                                                                                                               | 14      | -       |
| Stedone Construction                                  | R3,000 for furniture to destitute families during house handover in Debeneck, Raymond Mhlaba                                                                                                                                                                                 | 3       | -       |
| Department of Social Development                      | 4x food parcels to destitute families during house handover in Debeneck, Raymond Mhlaba                                                                                                                                                                                      | 1       | -       |
| Department of Forestry, Fisheries and the Environment | 3x fruit trees to destitute families during house handover in Debeneck, Raymond Mhlaba                                                                                                                                                                                       | 1       | -       |
| CB Services                                           | Furniture and catering to destitute families during house handover in Middleburg, Chris Hani                                                                                                                                                                                 | 52      | -       |
| Kwakhanya Contractors                                 | Furniture and grocery pack to destitute families during house handover in Keubung, Elundini Local Municipality,                                                                                                                                                              | 5       | -       |
| Department of Correctional Services                   | Joe Gqabi Freshly produced eggs to destitute families during house handovers in Raymond Mhlaba Disaster Project, Patensie in Sarah Baartman, kuNokhala Willowvale in Amathole District, EmaXesibeni in Alfred Nzo, Mthatha in OR Tambo                                       | 1       | -       |
| Department of Social Development                      | Grocery pack to destitute families during house handover in Raymond Mhlaba Disaster Project in Middledrift, Amathole DM                                                                                                                                                      | 1       | -       |
| Department of Forestry and Fisheries                  | 4x trees to destitute families during house handover in Raymond Mhlaba Disaster Project in Middledrift, Patensie and kuNokhala, Willowvale, Amathole District, Cabazana Project in EmaXesibeni, Alfred Nzo DM, Qebe/Silindini, Dr AB Xuma LM, Tsholomnqa/BCM and Kwalini/BCM | 3       | -       |
| Department of Social Development                      | Grocery pack to destitute elderly beneficiary in Patensie, Sarah Baartman DM                                                                                                                                                                                                 | 1       | -       |
| Department of Social Development                      | Grocery pack to destitute families during house handover in kuNokhala, Willowvale, Amathole District                                                                                                                                                                         | 1       | -       |
| Department of Rural Development and Agrarian Reform   | Garden tools and seedlings during house handover in kuNokhala, Willowvale, Amathole District                                                                                                                                                                                 | 1       | -       |
| Liyema Civils and Plant Hire                          | Furniture and grocery pack to destitute families during house handover in Cabazana Project in EmaXesibeni, Alfred Nzo DM                                                                                                                                                     | 10      | -       |
| Department of Social Development                      | Food parcels and blanket to destitute families during house handover in Qweqwe Destitute Project Handover in Mthatha, OR Tambo DM, Qebe/Silindini, Dr AB Xuma LM, Kwalini/BCM                                                                                                | 5       | -       |
| Bendolite Trading                                     | Furniture and household items to destitute families during house handover to Egasela village, Stutterheim village, Amathole District                                                                                                                                         | 2       | -       |
| MMS                                                   | Furniture and grocery pack to destitute families during house handover in Cabazana Project in EmaXesibeni, Alfred Nzo DM                                                                                                                                                     | 10      | -       |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

| Name of organisation                             | Nature of gift, donation or sponsorship                                                                     | 2024/25 | 2023/24 |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------|---------|---------|
|                                                  |                                                                                                             | R'000   | R'000   |
| Mahiri Constructors                              | Furniture and grocery pack to destitute families during house handover in Qebe/Silindini, Dr AB Xuma LM     | 10      | -       |
| Uphahla Constructors                             | Furniture and grocery pack to destitutes families during house handover in Tsholomnqa/BCM                   | 10      | -       |
| GC Housing Construction                          | Furniture and grocery pack to destitute families during house handover in Kwalini/BCM                       | 10      | -       |
| Nata Construction                                | Furniture and grocery pack to destitute families during house handover in PSJ/OR Tambo District             | 10      | -       |
| Uphahla Construction                             | Furniture and household items to destitutes families during house handover to Ndevana location ward 49, BCM | 10      | -       |
| Old Mutual                                       | School shoes and pads during EXCO Outreach - back to school campaign                                        | 19      | -       |
| Total donations                                  |                                                                                                             | 219     | 253     |
| TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED |                                                                                                             | 219     | 253     |



NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 2A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2025 - LOCAL

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount<br>R'000 | Opening balance<br>1 April 2024<br>R'000 | Guarantees drawdowns during the year<br>R'000 | Guarantees repaid/cancelled/reduced during the year<br>R'000 | Revaluation due to foreign currency movements<br>R'000 | Closing balance<br>31 March 2025<br>R'000 | Revaluations due to inflation rate movements<br>R'000 | Accrued guaranteed interest for year ended 31 March 2025<br>R'000 |
|-----------------------|-------------------------|---------------------------------------------|------------------------------------------|-----------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------|
|                       | <b>Housing</b>          |                                             |                                          |                                               |                                                              |                                                        |                                           |                                                       |                                                                   |
| Standard Bank         | Housing                 | 66                                          | 298                                      | -                                             | (109)                                                        | -                                                      | 189                                       | -                                                     | -                                                                 |
| Absa                  | Housing                 | 810                                         | 100                                      | -                                             | -                                                            | -                                                      | 100                                       | -                                                     | -                                                                 |
|                       | Subtotal                | 876                                         | 398                                      | -                                             | -                                                            | -                                                      | 398                                       | -                                                     | -                                                                 |
| <b>TOTAL</b>          |                         | 876                                         | 398                                      | -                                             | (109)                                                        | -                                                      | 289                                       | -                                                     | -                                                                 |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 2B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2025

| Nature of liability                                                                                                                                                                      | Opening balance<br>1 April 2024<br>R'000 | Liabilities<br>incurred during<br>the year<br>R'000 | Liabilities paid /<br>cancelled /<br>reduced during<br>the year<br>R'000 | Liabilities<br>recoverable<br>(Provide details<br>hereunder) | Closing balance<br>31 March 2025<br>R'000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------|--------------------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------|
| <b>Claims against the department</b>                                                                                                                                                     |                                          |                                                     |                                                                          |                                                              |                                           |
| Forensic Investigation; Maydene Farm                                                                                                                                                     | 283                                      | 69                                                  | (69)                                                                     | -                                                            | 283                                       |
| Breach of contract (KWTHA, Mandlethu)                                                                                                                                                    | 850                                      | -                                                   | (87)                                                                     | -                                                            | 763                                       |
| Legal Fees; Khumbula; NM Yelani; Siyawela                                                                                                                                                | 100                                      | 120                                                 | (220)                                                                    | -                                                            | -                                         |
| Summons - LZA Trading, Zale Developments                                                                                                                                                 | 5,713                                    | -                                                   | -                                                                        | -                                                            | 5,713                                     |
| Application - Sandile Mgweba and Others; Zamazondo Construction; Nomboniso Lilian Dike; Guwa                                                                                             | 465                                      | 67                                                  | (121)                                                                    | -                                                            | 411                                       |
| Summons - Thalami Imbawula Consortium; Opinion on Division of Revenue Act (DORA); Disciplinary Hearing (CFO); TBR Engineering                                                            | 3,696                                    | 4,082                                               | (7,628)                                                                  | -                                                            | 150                                       |
| Summons - Umphele Development (Fairfield); SPM Trading Enterprise and Another; DCI Holdings; Eldorado Trading; Amaxabiso Structural and Civil CC                                         | 10,503                                   | 11,139                                              | (11,133)                                                                 | -                                                            | 10,509                                    |
| Application - Tshepega Civil Engineering; Thembisa Mankayi and Others, Ilizwe Regional                                                                                                   | 424                                      | 2,201                                               | (2,440)                                                                  | -                                                            | 185                                       |
| Notice of motion - Umuhle Developers; Dumba Mamnikelwa, Malusi Makihose + 4 others; Hlalanathi Social Housing Association                                                                | 302                                      | 1,171                                               | (1,321)                                                                  | -                                                            | 152                                       |
| Review application - Housing Authority of East London, Solomon Onwana; Ntema Investments                                                                                                 | 200                                      | 120                                                 | (200)                                                                    | -                                                            | 120                                       |
| Capital plus legal fees - Hlano Financial Services; Tanenzo Trading Projects, Isiseko Sogoqosho CC                                                                                       | 210,150                                  | 39,649                                              | (40,015)                                                                 | -                                                            | 209,784                                   |
| Arbitration-Capital plus legal fees -Zingwazi; Ikhaya Developers;Ngangalala Construction; Gqange Construction                                                                            | -                                        | 2,569                                               | (2,569)                                                                  | -                                                            | -                                         |
| Legal fees-Nehawu on behalf of Tollie and others; Reeston-illegal invasion,Magida Nomamfengu, N.Diki and others ; Melekhoutrakal Farm;Papiesfontein; Misrepresentation of qualifications | -                                        | 3,914                                               | (3,662)                                                                  | -                                                            | 252                                       |
| Subtotal                                                                                                                                                                                 | 232,686                                  | 65,101                                              | (69,465)                                                                 | -                                                            | 228,322                                   |
| <b>TOTAL</b>                                                                                                                                                                             | 232,686                                  | 65,101                                              | (69,465)                                                                 | -                                                            | 228,322                                   |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 2B (continued) – CONTINGENT ASSETS

| Nature of liabilities recoverable (Contingent Assets) | Details of liability and recoverability               | Opening balance<br>1 April 2024 | Movement during<br>the year | Closing balance<br>31 March 2025 |
|-------------------------------------------------------|-------------------------------------------------------|---------------------------------|-----------------------------|----------------------------------|
|                                                       |                                                       | R'000                           | R'000                       | R'000                            |
| Khumbula Properties                                   | Debtor insolvent - matter written off                 | 4,214                           | (4,214)                     | -                                |
| Buildnat Developers                                   | Amount in favour of the department not yet quantified | 150                             | -                           | 150                              |
| Taba Construction                                     | Amount in favour of the department not yet quantified | 100                             | -                           | 100                              |
| Reity Holding & My Pride Smile Africa (PTY) LTD       | Amount in favour of the department not yet quantified | 150                             | -                           | 150                              |
| Hlalanathi Social Housing Association                 | Amount in favour of the department not yet quantified | 150                             | -                           | 150                              |
| Mcwertha Construction CC                              | Amount in favour of the department not yet quantified | 150                             | -                           | 150                              |
| Recovery of funds overpaid - HROPT                    |                                                       | 3                               | -                           | 3                                |
| Gqange Construction                                   | Amount in favour of the department not yet quantified | 86                              | -                           | 86                               |
| Ntema Investments                                     | Amount in favour of the department not yet quantified | 100                             | -                           | 100                              |
| <b>TOTAL</b>                                          |                                                       | <b>5,103</b>                    | <b>(4,214)</b>              | <b>889</b>                       |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 3

CLAIMS RECOVERABLE

| Government entity                             | Confirmed balance outstanding |                     | Unconfirmed balance outstanding |                     | Total               |                     | Cash-in-transit at year end 2024/25                    |                 |
|-----------------------------------------------|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------|-----------------|
|                                               | 31/03/2025<br>R'000           | 31/03/2024<br>R'000 | 31/03/2025<br>R'000             | 31/03/2024<br>R'000 | 31/03/2025<br>R'000 | 31/03/2024<br>R'000 | Receipt date up to six (6) working days after year end | Amount<br>R'000 |
|                                               |                               |                     |                                 |                     |                     |                     |                                                        |                 |
| Department                                    |                               |                     |                                 |                     |                     |                     |                                                        |                 |
| Department of Education                       | -                             | 23                  | -                               | -                   | -                   | 23                  | -                                                      | -               |
| South African Police Services                 | -                             | -                   | 10                              | -                   | 10                  | -                   | -                                                      | -               |
| Department of Public Works and Infrastructure | -                             | -                   | 85                              | -                   | 85                  | -                   | -                                                      | -               |
| Department of Transport                       | -                             | -                   | 309                             | -                   | 309                 | -                   | -                                                      | -               |
| Subtotal                                      | -                             | 23                  | 404                             | -                   | 404                 | 23                  | -                                                      | -               |
| TOTAL                                         | -                             | 23                  | 404                             | -                   | 404                 | 23                  | -                                                      | -               |



NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 4

INTERGOVERNMENT PAYABLES

| GOVERNMENT ENTITY                      | Confirmed balance outstanding |                     | Unconfirmed balance outstanding |                     | Total               |                     | Cash-in-transit at year end 2024/25                    |              |
|----------------------------------------|-------------------------------|---------------------|---------------------------------|---------------------|---------------------|---------------------|--------------------------------------------------------|--------------|
|                                        | 31/03/2025<br>R'000           | 31/03/2024<br>R'000 | 31/03/2025<br>R'000             | 31/03/2024<br>R'000 | 31/03/2025<br>R'000 | 31/03/2024<br>R'000 | Payment date up to six (6) working days after year end | Amount R'000 |
|                                        |                               |                     |                                 |                     |                     |                     |                                                        |              |
| <b>DEPARTMENTS</b>                     |                               |                     |                                 |                     |                     |                     |                                                        |              |
| <b>Current</b>                         |                               |                     |                                 |                     |                     |                     |                                                        |              |
| Government Fleet Management Services   | 207                           | 515                 | -                               | -                   | 207                 | 515                 | -                                                      | -            |
| Department of Justice                  | 234                           | 6,761               | 6,396                           | -                   | 6,630               | 6,761               | -                                                      | -            |
| Department of Education (TVET college) | -                             | 3                   | -                               | -                   | -                   | 3                   | -                                                      | -            |
| South African Police Services          | -                             | -                   | 59                              | -                   | 59                  | -                   | -                                                      | -            |
| Office of the Premier                  | 279                           | -                   | -                               | -                   | 279                 | -                   | -                                                      | -            |
| <b>Subtotal</b>                        | <b>720</b>                    | <b>7,279</b>        | <b>6,455</b>                    | <b>-</b>            | <b>7,175</b>        | <b>7,279</b>        | <b>-</b>                                               | <b>-</b>     |
| <b>OTHER GOVERNMENT ENTITIES</b>       |                               |                     |                                 |                     |                     |                     |                                                        |              |
| <b>Current</b>                         |                               |                     |                                 |                     |                     |                     |                                                        |              |
| Buffalo City Metropolitan Municipality | 3,818                         | 3,818               | -                               | -                   | 3,818               | 3,818               | -                                                      | -            |
| <b>Total Other Government Entities</b> | <b>3,818</b>                  | <b>3,818</b>        | <b>-</b>                        | <b>-</b>            | <b>3,818</b>        | <b>3,818</b>        | <b>-</b>                                               | <b>-</b>     |
| <b>TOTAL INTERGOVERNMENT PAYABLES</b>  | <b>4,538</b>                  | <b>11,097</b>       | <b>6,455</b>                    | <b>-</b>            | <b>10,993</b>       | <b>11,097</b>       | <b>-</b>                                               | <b>-</b>     |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 5

INVENTORIES

|                                              | Housing Inventory | Total            |
|----------------------------------------------|-------------------|------------------|
|                                              | R'000             | R'000            |
| Inventories for the year ended 31 March 2025 |                   |                  |
| Opening balance                              | 1,268,686         | 1,268,686        |
| Add: Additions/Purchases – Cash              | 1,444,880         | 1,444,880        |
| (Less): Issues                               | (1,424,036)       | (1,424,036)      |
| <b>Closing balance</b>                       | <b>1,289,530</b>  | <b>1,289,530</b> |

|                                              | Housing Inventory | Total            |
|----------------------------------------------|-------------------|------------------|
|                                              | R'000             | R'000            |
| Inventories for the year ended 31 March 2024 |                   |                  |
| Opening balance                              | 1,351,966         | 1,351,966        |
| Add: Additions/Purchases – Cash              | 1,121,887         | 1,121,887        |
| (Less): Issues                               | (1,205,167)       | (1,205,167)      |
| <b>Closing balance</b>                       | <b>1,268,686</b>  | <b>1,268,686</b> |

**NOTES TO ANNUAL FINANCIAL STATEMENTS**  
**for the year ended 31 March 2025**

**ANNEXURE 6**

**DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION**

|                                   | Note | 2024/25<br>R'000 | 2023/24<br>R'000 |
|-----------------------------------|------|------------------|------------------|
| <b>Inventories</b>                |      |                  |                  |
| Upgrading of Informal Settlements |      | 206,168          | 364,852          |
| Rural Support-inf land (Housing)  |      | 866,654          | 480,525          |
| Emergency Housing Assistance      |      | 115,777          | 71,719           |
| Peoples Housing Process (Support) |      | 105,244          | 80,730           |
| <b>Subtotal</b>                   |      | <b>1,293,843</b> | <b>997,826</b>   |
| <b>Transfers and subsidies</b>    |      |                  |                  |
| Peoples Housing Process (Support) |      | -                | 1,270            |
| Upgrading of Informal Settlements |      | -                | 122,791          |
| <b>Subtotal</b>                   |      | <b>-</b>         | <b>124,061</b>   |
| <b>TOTAL</b>                      |      | <b>1,293,843</b> | <b>1,121,887</b> |

NOTES TO ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2025

ANNEXURE 7

ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 10.1)

| Name of Entity                 | Sector of the entity | Description of the item paid for  | Classification category | Total Contract Value<br>R'000 | Balance outstanding as at 31 March 2024<br>R'000 | Total amount prepaid /advanced in the current year<br>R'000 | Less: goods, services or capital assets received in the current year<br>R'000 | Add/Less: Other<br>R'000 | Balance outstanding as at 31 March 2025<br>R'000 |
|--------------------------------|----------------------|-----------------------------------|-------------------------|-------------------------------|--------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| <b>Advances</b>                |                      |                                   |                         |                               |                                                  |                                                             |                                                                               |                          |                                                  |
| <u>Other Institutions</u>      |                      |                                   |                         |                               |                                                  |                                                             |                                                                               |                          |                                                  |
| Niabankulu Local Municipality  | Municipality         | Construction of human settlements | Other institutions      | 16,278                        | 536                                              | -                                                           | -                                                                             | -                        | 536                                              |
| Umkhumbi Local Municipality    | Municipality         | Construction of human settlements | Other institutions      | 9,500                         | 81                                               | -                                                           | (81)                                                                          | -                        | -                                                |
| Makana Local Municipality      | Municipality         | Construction of human settlements | Other institutions      | 69,439                        | 15,126                                           | -                                                           | (5,129)                                                                       | -                        | 9,997                                            |
| Ndlambe Local Municipality     | Municipality         | Construction of human settlements | Other institutions      | 6,791                         | 150                                              | -                                                           | -                                                                             | -                        | 150                                              |
| KSD                            | Municipality         | Construction of human settlements | Other institutions      | 379,365                       | 5,203                                            | -                                                           | (2,596)                                                                       | -                        | 2,607                                            |
| OR Tambo District Municipality | Municipality         | Construction of human settlements | Other institutions      | 969,593                       | 12,312                                           | -                                                           | (6,453)                                                                       | -                        | 5,859                                            |
| Nyandeni Local Municipality    | Municipality         | Construction of human settlements | Other institutions      | 139,285                       | 599                                              | -                                                           | -                                                                             | -                        | 599                                              |
| Buffalo City Municipality      | Municipality         | Construction of human settlements | Other institutions      | 248,888                       | 48,749                                           | -                                                           | (16,850)                                                                      | -                        | 31,899                                           |
| Blue Crane Local Municipality  | Municipality         | Construction of human settlements | Other institutions      | 5,275                         | 434                                              | -                                                           | -                                                                             | -                        | 434                                              |
| NMBM                           | Municipality         | Construction of human settlements | Other institutions      | 144,136                       | 90,397                                           | -                                                           | (77,492)                                                                      | -                        | 12,905                                           |
| Kouga Local Municipality       | Municipality         | Construction of human settlements | Other institutions      | 66,018                        | 19,841                                           | -                                                           | (9,930)                                                                       | -                        | 9,911                                            |
| <b>Public Entities</b>         |                      |                                   |                         |                               |                                                  |                                                             |                                                                               |                          |                                                  |
| Coega Development Corporation  | Public Entity        | Construction of human settlements | Public entities         | 242,478                       | 254,804                                          | -                                                           | (254,475)                                                                     | -                        | 329                                              |
| Nurcha                         | Public Entity        | Construction of human settlements | Public entities         | 80,540                        | 3,377                                            | -                                                           | (3,377)                                                                       | -                        | -                                                |

| Name of Entity                        | Sector of the entity | Description of the item paid for  | Classification category | Total Contract Value<br>R'000 | Balance outstanding as at 31 March 2024<br>R'000 | Total amount prepaid /advanced in the current year<br>R'000 | Less: goods, services or capital assets received in the current year<br>R'000 | Add/Less: Other<br>R'000 | Balance outstanding as at 31 March 2025<br>R'000 |
|---------------------------------------|----------------------|-----------------------------------|-------------------------|-------------------------------|--------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------|--------------------------------------------------|
| HDA - HSDG                            | Public Entity        | Construction of human settlements | Public entities         | 276,868                       | 20,119                                           | -                                                           | (9,884)                                                                       | -                        | 10,235                                           |
| HDA - UISPG                           | Public Entity        | Construction of human settlements | Public entities         | 432,428                       | 369,862                                          | -                                                           | (38,400)                                                                      | -                        | 331,462                                          |
| <b>Total advances</b>                 |                      |                                   |                         |                               | <b>841,590</b>                                   | <b>-</b>                                                    | <b>(424,667)</b>                                                              | <b>-</b>                 | <b>416,923</b>                                   |
| <b>TOTAL PREPAYMENTS AND ADVANCES</b> |                      |                                   |                         |                               | <b>841,590</b>                                   | <b>-</b>                                                    | <b>(424,667)</b>                                                              | <b>-</b>                 | <b>416,923</b>                                   |