

VOTE 8

Human Settlements

Operational budget	R3 549 877 000
MEC remuneration	Nil
Total amount to be appropriated	R3 549 877 000
Responsible MEC	MEC for Transport and Human Settlements ¹
Administering department	Human Settlements
Accounting officer	Head: Human Settlements

1. Overview

Vision

The vision of the department is: *Together, building homes, changing lives.*

Mission

The mission of the Department of Human Settlements (DOHS) is: *To create inclusive, resilient and sustainable human settlements through the development of transformed human settlements.*

Strategic outcomes

The impact and outcomes of the department are as follows:

- Impact: Sustainable livelihoods through transformed human settlements.
- Outcome: Improved good governance.
- Outcome: Spatial transformation through multi-programme integration.
- Outcome: Adequate housing and improved quality living environment.
- Outcome: Improved security of tenure.
- Outcome: Economically transformed human settlements sector.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- To promote the provision of housing development.
- To promote the provision of affordable housing and essential services.
- To manage, control and maintain the immovable assets of the department.
- To administer and manage housing subsidies of targeted groups.
- To research, establish, monitor and implement policies within the National Housing Policy Framework.
- To formulate a Provincial Housing Development Plan for the province.
- To facilitate and create housing institutions.
- To provide legal advice on land and environmental issues.
- To administer and co-ordinate the Community Residential Unit (CRU) programme.

¹ The salary of the MEC of Human Settlements is budgeted for under Vote 12: Transport.

- To administer the clearance of slums in KZN.
- To capacitate housing stakeholders.

Legislative mandates

The principal legislative mandates governing the operations of the department are:

- Constitution of the Republic of South Africa (Act No. 108 of 1996)
- Housing Act (Act No. 107 of 1997)
- KZN Housing Act (Act No. 12 of 1998, as amended)
- Housing Consumers Protection Measures Act (Act No. 95 of 1998, amended by Act No. 27 of 1999)
- Rental Housing Act (Act No. 50 of 1999)
- Sectional Titles Act (Act No. 95 of 1986, as amended by Acts No. 24 and 29 of 2003)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act No. 19 of 1998)
- Home Loan and Mortgage Disclosure Act (Act No. 63 of 2000)
- Disestablishment of South African Trust Limited Act (Act No. 26 of 2002)
- Constitutional Court judgment of 2000, on the enforceability of social and economic rights
- Housing Development Schemes for Retired Persons Act (Act No. 65 of 1988, amended by Act No. 20 of 1998)
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Preferential Procurement Policy Framework Act (PPPFA) (Act No. 5 of 2000) and revised regulations dated 16 January 2023
- Housing Consumers Protection Measures Act (Act No. 17 of 2007)
- Social Housing Act (Act No. 16 of 2008)
- Housing Development Agency Act (Act No. 23 of 2008)
- Public Finance Management Act (PFMA), (Act No.1 of 1999, as amended)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003)
- National Environmental Management Act (Act No. 107 of 1998, amended by Act No. 8 of 2004)
- Communal Land Rights Act (Act No. 11 of 2004)
- Communal Property Associations Act (Act No. 28 of 1996)
- Deeds Registries Act (Act No. 47 of 1937)
- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Land Administration Act (Act No. 2 of 1995)
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Corruption Act (Act No. 94 of 2004, as amended)
- Expropriation Act (Act No. 39 of 1951, repealed by Act No. 63 of 1975)
- National Heritage Resources Act (Act No. 25 of 1999)
- Protection of Personal Information Act (Act No. 4 of 2013)
- Skills Development Act (Act No. 97 of 1998)
- Standards Act (Act No. 29 of 1993)
- State Land Disposal Act (Act No. 48 of 1961)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

Aligning the department's budget to achieve government's prescribed outcomes

The NDP is a long-term development plan of the country that aims to ensure that all South Africans attain a decent standard of living through the elimination of poverty and reduction of inequality. Chapter 8 of the NDP sets out the plan for transforming human settlements. It sets out the five spatial principles for human settlements development, namely spatial justice, spatial sustainability, spatial resilience, spatial quality and spatial efficiency.

The 2024 to 2029 draft Medium Term Development Plan (MTDP) is a guiding framework for the department to implement the priorities and programmes to progressively achieve the objectives of government over the five-year period. In response to the priorities for the 7th Administration, the department has aligned its programmes and interventions to the three strategic priorities, namely:

- Strategic Priority 1: Inclusive growth and job creation.
- Strategic Priority 2: Reduce Poverty and tackle the high cost of living.
- Strategic Priority 3: A capable, ethical and developmental state.

In addition, the human settlements sector is responsive to the 2024-2029 draft MTDP as follows:

The strategic priority relating to inclusive growth and job creation will be viewed as an Apex priority as all spheres of government, clusters and sectors are required to prioritise the relevant economic interventions in support of this priority.

While all three strategic priorities are interrelated and interlinked, the social wage is deemed to be a key instrument for poverty reduction and is a safety net for the vulnerable. It further ensures that there is a skilled and healthy workforce, enabling infrastructure and basic services. The sector will therefore respond to the reduction of poverty and tackling the high cost of living through:

- The development of livable neighbourhoods in both rural and urban environments and to achieve spatial transformation.
- Increased access to adequate housing through various programmes.

The strategic priority relating to a capable, ethical and developmental state will also ensure that an enabling environment is created to support the sector in its endeavor to reduce poverty and improve livelihoods through national economic reforms and regulations.

The department is thus aligned to these strategic priorities, as well as the sector priorities in accordance with its provincial competencies through the implementation of its programme interventions which include, among others:

- Investing within 22 Priority Development Areas (PDAs).
- Implementation of a comprehensive provincial human settlements plan to support the development of human settlements.
- Improved living conditions, through the implementation of the Upgrading of the Informal Settlements Programme (UISP).
- The implementation of human settlements programmes such as the Integrated Residential Development Programme (IRDP), Rural Housing Programme, to support the provision of increased access to adequate housing.
- The implementation of the First Home Finance Programme that offers a range of interventions to households in the affordable market.
- Increased access to title deeds for households.
- The implementation of the serviced sites programme.

For 2025/26, the planning initiatives are aligned to support the priorities of the 7th Administration and are synchronised with the key strategic interventions of the 2024-2029 MTDP.

2. Review of the 2024/25 financial year

This section provides a review of 2024/25, outlining the main achievements and progress made during the year, as well as providing a brief discussion on challenges and new developments.

Rental Housing Tribunal

The plan for 2024/25 was to fully implement virtual hearings through the digitised Tribunal court system. This plan could not be fully executed owing to the delay in the procurement processes of all the necessary equipment for the digitisation of courts. Although all the equipment was delivered and fitted, the final fine-tuning is still underway. By the end of the third quarter of 2024/25, the department was able to increase usage of virtual hearings and mediations through the Microsoft Teams platform.

However, budget constraints as a result of budget cuts had a negative impact on the planned introduction of the electronic case management system. In this regard, the system is now planned for in 2025/26. This means that the record keeping, and file management remained manual, with its inherent challenges, as the manual system is outdated and time-consuming, leading to delays in case processing and contributing to backlogs as staff struggle to manage high case volumes efficiently. Additionally, the risk of human error is high, with cases being misfiled, lost, or inaccurately recorded, causing further inefficiencies. The lack of real-time case tracking makes it difficult to monitor progress, leading to delays in communication with stakeholders. Manual record-keeping also poses security risks, as paper-based files are vulnerable to loss, damage, and unauthorised access. Furthermore, scheduling and notifications are handled manually, increasing the likelihood of missed deadlines and scheduling conflicts. The high administrative burden placed on staff, who spend excessive time on case tracking further reduces efficiency and diverts focus from case resolution. This, at times, caused difficulties in ensuring compliance with timeframes as set out in the Rental Housing Act. An electronic case management system will resolve many of these challenges.

The processes leading to promulgation of the effective date for the Rental Housing Amendment Act 2014 and the National Regulations of the Rental Housing Act, No. 50 of 1999 remained, hence the inability to implement and derive the full benefit of the Amendment Act. In 2024/25, the approval of the Chief State Law Advisor at national level was obtained, after the resolution of concerns raised with the draft regulations. The regulations have now been sent to the Office of the National Minister of Human Settlements in order to complete the outstanding Parliamentary processes.

The new term of office for the KZN Rental Housing Tribunal commenced on 01 February 2024 and will expire on 31 January 2027, and the Tribunal is currently operating with five members and two alternate members as prescribed by the Rental Housing Act, No. 50 of 1999. This has ensured that the Tribunal has capacity to deal with more cases.

CRU

The CRU programme aims to create a sustainable, affordable and secure rental housing option for households earning between R800 and R3 500 per month. The projects are usually developed or managed on provincial or municipal owned land parcels in order to curb construction costs. The department uses its CRU norms and standards to guide the implementation of CRUs to ensure viable and sustainable CRU projects within reasonable costs.

In line with a previous national directive, all projects previously planned as CRUs which fall within approved provincial restructuring zones were implemented as social housing projects. This change meant that more people benefit as the social housing programme caters for a bigger market (people who earn R1 850 to R22 000) as opposed to the CRU programme which caters only for the low-income market (people who earn from R800 to R3 500).

Municipalities were capacitated on property management skills for effective and efficient management of all CRU rental stock. It is expected that more CRU projects will be packaged going forward in line with the approved Rental Housing roll-out plan which seeks to develop a total yield of new CRUs. In 2024/25, a total of 303 CRU units are in the final stages of completion in the Newcastle, Greater Kokstad and Johannes Phumani Phungula Municipalities and the eThekweni Metro, among others, and are expected to be completed in 2025/26. The budget cuts effected over the 2024/25 MTEF impacted the programme

negatively as slower delivery of completed units was achieved as a result of stringent controls over the approval of new CRU projects in light of limited funding availability.

As indicated in the 2024/25 Outlook, the National Department of Human Settlements (NDHS) is still in the process of reviewing and updating the 20-year hostel upgrade strategy. Once the new proposed strategy is concluded, it will be workshopped with the provinces for implementation and this is expected to be concluded in 2025/26.

Informal Settlements Upgrade (ISU)

The upgrading of informal settlements projects is a national and provincial priority. Projects in this regard are currently at various stages of the delivery cycle. This programme forms an integral part of the priorities of government. In 2024/25, 83 projects were under the detailed planning stage, 19 projects were at the installation of bulk infrastructure services stage, while 29 projects were under construction of services (to yield 982 sites).

The ISU plans undertaken promote participatory planning processes for the development of settlement layout plans based primarily on a negotiated process with the community. In this process, infrastructure assessments have the objective of ascertaining the current capacity, as well as future demands in a particular settlement.

ISU plans assist the department in ascertaining a cost estimate of infrastructure provision where a need has been identified. Such information relates to the detailed costing of interim and permanent engineering services, such as bulk electricity, water, sewer treatment plants, roads, foot paths and solid waste, among others. Such developmental interventions are pivotal in the upgrading of informal settlements, as well as in ensuring that the poorest of the poor do not have to live in precarious environments.

In 2024/25, the target for the total yield was adjusted from 982 sites to 1 114 sites as directed by the NDHS to prioritise the ISUP projects, and 406 sites were completed by the end of the third quarter of 2024/25.

Rural housing development

The rural housing programme is intended to provide housing opportunities to residents who live in rural settlements, where there is no outright land ownership. The settlements are usually governed by traditional authorities, and residents have communal land rights. Rural development is critical to ensure sustainability and poverty alleviation as poverty is high in rural areas. To this end, this programme performed well in 2024/25 and is geared to continue delivering the much-needed housing opportunities through planned projects. While there are many projects planned for rural areas, several beneficiaries were identified through OSS war-rooms across various wards. The OSS war-rooms prioritise vulnerable groups such as the elderly and people with disabilities, who cannot wait for projects to go through normal processes and require a speedy intervention.

The rural housing programme delivered 3 703 units by the end of third quarter across all districts in the province, against the annual revised target of 4 559 units. This programme has not been without challenges due to the remote nature of some rural settlements, for instance, contractors are faced with considerable costs to deliver materials utilising poor road infrastructure.

Although there are challenges, this programme has assisted in improving the lives of the most vulnerable groups who had no other opportunity to access decent housing and enjoy security and comfort.

Finance Linked Individual Subsidy Programme (FLISP)

The department focused on interventions targeting those categorised as gap market beneficiaries, who earn too much to qualify for a full government housing subsidy, while still earning too low to afford bonded housing. The FLISP subsidises individuals earning between R3 501 to R22 000 who purchase properties through financial institutions, and it is recognised that mortgage bonds are usually only availed to persons earning above R22 000, which is the middle-income market. There is a limitation on available developments within the affordable price range, and a further limitation is funding for potential developers for this target market.

The recent interest rate cuts have assisted potential buyers in the property market. The continued interest rate cuts will see more qualifying individuals buying properties and applying for FLISP. Non-mortgage options have also been rolled-out in the province and the FLISP unit has embarked on a few options to assist buyers in the qualifying categories. The programme also has a promotions team that accompanies the Capacity Building unit to educate the public throughout the province about FLISP.

The biggest challenge in the FLISP programme is finalising applications timely due to incomplete applications or outstanding supporting documents. Despite numerous appeals to the applicants, most do not heed the requests and many applications are eventually declined for non-submission of required documents.

During 2024/25, the First National Bank (FNB) approached the department for a partnership to assist homeowners who have existing bonds with the bank. These homeowners have either lost their jobs or have become pensioners or deceased estates, and are finding it difficult to service their home loans. These properties are on the brink of repossession and FNB has sought financial assistance to pay off the balances and hand over the title deeds to these owners. As at the end of the third quarter of 2024/25, there are 27 approvals with a further 43 in the process which will be finalised by the end of March 2025. The department reprioritised funds within its baseline to assist with this initiative.

3. Outlook for the 2025/26 financial year

This section looks at the key focus areas of 2025/26, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments. The main purpose of the department's budget allocation is for the provision of housing to various sectors of the population including rural areas and informal settlements, with the bulk of the funding being provided *via* the Human Settlements Development grant (HSDG).

The HSDG and the Informal Settlements Upgrading Partnership Grant for Provinces (ISUPG) saw significant budget cuts over the 2024/25 MTEF as part of a major reprioritisation exercise undertaken by National Treasury to address various budget pressures. The number of units, sites and housing opportunities across all projects were reduced significantly as a result of these budget cuts and therefore, targets were revised. The 2025/26 MTEF budget is still impacted by the carry-through of the 2024/25 budget cuts.

In 2025/26, the department will continue to implement the anti-land invasion strategy, which has necessitated the safeguarding of departmental owned properties against illegal occupation, and will continue with the provision of housing, as detailed below.

Rental Housing Tribunal

The plan for 2025/26 is to finalise the implementation of the digitised Tribunal Court System for virtual hearings. The Tribunal court digitisation is aimed at conducting hearings with parties far apart, i.e. one party being overseas and the other in another province. This effectively closes the distance-gap and improves the case resolution turnaround time to ensure compliance with the Tribunal's service standard. Once fully implemented, the need to travel to municipalities that are in the periphery, to conduct hearings and mediations will be drastically reduced. With minimum travel to outlying municipalities for hearings and mediations, comes improved case resolution turnaround time and the resultant improved compliance with service standards as articulated in the Act.

Another attempt to procure an electronic case management system in 2025/26, will be made. This system is necessary for an effective records and file management system, from the lodgement of a complaint to the resolution thereof. This will improve landlord/tenant interaction with the Tribunal and administrative staff in the most appropriate and efficient manner. Statistical integrity, timeous case tracking, email and text notifications, as well as reminders to parties, and accurate reports are some of the benefits that are going to be derived from the usage of the system.

The department is still awaiting the finalisation of the processes leading to the promulgation of the Rental Housing Amendment Act No. 35 of 2014. This Act was assented to in 2014 by the President but the effective date was not promulgated owing to the need, among others, to finalise the regulations. The promulgation of the implementation date of the National Regulations under the Rental Housing Act No. 50

of 1999 and the Rental Housing Amendment Act No. 35 of 2014 will have a direct impact on the number of Tribunal members to be appointed. The implementation date is still not known yet, while the regulations have been consulted with various stakeholders but still need to be presented at MINMEC and tabled at Parliament, but it is anticipated that it will be passed in 2025/26 after the completion of the parliamentary processes.

In this regard, provision is made for the appointment of 13 Tribunal members instead of the current seven. This will extend the mandate of the Tribunal to deal with appeals on rulings of the Tribunal, as well as to handle applications for variation of rulings, rescissions, and spoliation applications. These processes are currently being dealt with at either a Magistrates Court or High Court level.

CRU

The department approved the 20-year strategy in May 2019 for the upgrading of hostels to CRUs, and this strategy guides the upgrading of all hostels across the province and ensures that development costs are standardised and that the delivery of completed units is upscaled.

In 2025/26, a major focus in the CRU programme will continue to be on the redevelopment of old hostels to CRUs and the construction of new CRU projects in various municipalities. In 2025/26, the department is planning to construct over 303 new units, as well as various hostel refurbishment projects as part of the hostel upgrading programme. The programme provides for projects, such as the construction of new CRUs, refurbishment of existing CRUs, old hostel upgrades, including the Kokstad CRU, Newcastle N11 in Amajuba, Donnelly Road CRU in eThekweni, upgrading of hostels in the eThekweni, Alfred Duma, Endumeni, AbaQulusi Municipalities, etc. The 303 new CRU units are made up of 58 units in the eThekweni Metro, 150 units in the Newcastle, 45 units in the Greater Kokstad, 30 units in the Johannesburg Phumani Phungula, and 20 in the Umvoti Municipalities.

Informal Settlements Upgrade (ISU)

The upgrading of informal settlements projects is a national and provincial priority. Projects in this regard are currently at various stages of the delivery cycle, as explained. In 2025/26, the department is allocated R508.686 million with respect to the ISUPG. This grant saw a significant reduction due to budget cuts implemented by National Treasury over the 2024/25 MTEF. These cuts necessitated the scaling down of a number of projects undertaken under this programme.

In 2025/26, it is estimated that 1 446 sites (with a budget allocation of R100.901 million) will be provided with services such as water, sanitation, roads and storm water services, among others, in areas, such as Madundube, Groutville Etete, Nyathikazi, Inyoni, Steve Biko, Driefontein, Lamontville, Ntuzuma, Johnstown, Blaauwbosch Laagte and Cavan, North-East Sector, etc. The department allocated R67.610 million to the planning of projects, R10 million for the installation of temporary bulk services, R290.667 million for the installation of bulk services, R1 million for the purchase of strategic land parcels for informal settlement upgrades and R25.434 million for the Operational Support Capital Programme (OPSCAP) (to be used towards *Compensation of employees*, the ISU Strategy and Management Plan, the Outreach Programme, as well as the National Housing Needs Register). The completed upgrading plans undertaken in 2025/26 will create a roadmap to the upgrading of informal settlements to ensure that technical assessments, socio-economic, environmental, and geotechnical factors, as well as the availability of bulk infrastructure services will be provided to those living under precarious conditions.

The KZN ISU programme forum aims to provide a vehicle for reporting and monitoring of the ISUPG and grant utilisation, and to offer technical assistance to municipalities and informal settlement practitioners in the province for optimum incremental upgrading interventions. Since its inception in 2018, the KZN ISU programme forum continues to provide a platform for knowledge sharing and an avenue for robust stakeholder participation and engagement, thereby ensuring stratified and collaborative participation. The forum meets on a quarterly basis and is chaired by the Director: Integrated Planning within the department.

The 2025/26 ISU programme includes major projects, such as 20 000 units in Greater Amaoti, 3 020 units in Umvoti, 9 244 units in the Umlazi precinct, 9 244 units in the Cato Manor precinct, 2 259 units in Madundube, 3 000 units in Vulindlela in uMhlathuze, 5 000 units in Mzingazi in Umfolozi, 3 500 units in Nzalabantu ISUP, 3 000 units in Glenwood South East Sector, 3 000 units in Copesville Phase 2, 4 000

units in Mkhholombe, as well as 8 985 units in Johnstown, Blaauwbosch Laagte and Cavan Phase 2 and 3, which will be implemented over the MTEF. These numbers remain unchanged from the 2024/25 *EPRE* because they relate to the entire project yield and not specific project delivery for the year.

Rural housing development

The construction of top structures in rural areas will continue to be a focus area as it assists those who reside in undignified mud structures and are unable to provide better shelter for themselves. The identification of the most vulnerable residents will continue to ensure that they are prioritised as the demand for houses exceeds available resources. The established relationship with war-rooms will continue to be strengthened to ensure that deserving families are prioritised for housing.

The province will also focus on delivering houses to those who have been affected by severe weather patterns in the last three years. While some incidents have not been declared as disasters, they have exposed the need to intensify the delivery in rural areas. The relations with OSS war-rooms will be strengthened as this is the most practical way of identifying the most vulnerable families within communities, who will then be prioritised in terms of project delivery.

There will be a shift in focus to districts that are severely under-developed and have high poverty indices. These areas include the Ugu, uMzinyathi, King Cetshwayo, uMgungundlovu and Harry Gwala Districts. A total of 4 992 units (excluding units relating to the 2019 disaster) are planned for and these will be constructed throughout the province.

Finance Linked Individual Subsidy Programme (FLISP)

The department will continue to focus on interventions targeting those categorised as gap market beneficiaries, who earn too much to qualify for a full government housing subsidy, while still earning too low to afford bonded housing. The FLISP thus subsidises individuals earning between R3 501 to R22 000 who purchase properties through financial institutions, and it is recognised that mortgage bonds are usually only availed to persons earning above R22 000, which is the middle-income market. There is a limitation on available developments within the affordable price range, and a further limitation is funding for potential developers for this target market.

In 2025/26, the department will focus on implementing new interventions for FLISP i.e., the non-mortgage aspects introduced with the new FLISP Policy following the receipt of the framework or guidelines for the implementation from the NDHS in 2023/24. This will see an improvement in the performance of this programme as a wider market may be assisted with the new interventions as the subsidy is no longer limited to access only with mortgage bond finance. The increase of the subsidy quantum payable per income bracket rolled out in 2023, will also assist with increased expenditure on target, and crucially, will enable beneficiaries to improve their affordability to purchase property.

The department will continue to implement strategies to ensure wider access to the subsidy, which include:

- Liaising with private sector developers to ensure that they are aware of FLISP for their potential buyers.
- Enabling housing stokvels and other financing vehicles to be considered on FLISP, and not simply mortgage bonds.
- Investigating the possibility of banks providing finance against Permits to Occupy (PTOs) or leaseholds in rural areas.

The above strategies were proposed to radically improve FLISP delivery, and all have been included in the new FLISP Policy being implemented. These strategies, together with an intensified communication strategy and the anticipated stability in the economic and employment climate, are anticipated to improve delivery in 2025/26. The promotion of the urban development agenda therefore remains a primary area of intervention for the department in 2025/26.

Furthermore, the department will continue the initiative identified in 2024/25 to assist homeowners who have existing home loans with financial institutions but are finding it difficult to service them. These include homeowners who have lost their jobs or have become pensioners or deceased estates, among others. There are 221 homeowners that have been identified to require such assistance. The department will

implement this initiative over a 3-year period and will allocate R27.795 million per annum over the MTEF. The department will monitor the progress on this initiative over time.

4. Reprioritisation

The department undertook reprioritisation between programmes and economic classifications, as follows:

- Programme 1: Administration was increased by R7.227 million in 2025/26 and R7.150 million in 2026/27 against *Compensation of employees* (R3.204 million in 2025/26 and R2.896 million in 2026/27) to cater for the carry-through costs of the 2024 wage agreement and wage increases over the MTEF, *Goods and services* (R2.645 million in 2025/26 and R2.876 million in 2026/27) to cater for budget pressures against items such as advertising and contractors in respect of the MEC's Community Outreach Programmes, audit costs in respect of external audit fees, computer services in respect of the maintenance of servers and renewal of software licences and Microsoft licences, fleet services in respect of repairs and maintenance of the departmental vehicles and increases in fuel tariffs, operating leases in respect of office building leases with DOPWI, property payments in respect of municipal, cleaning and security services, as well as *Machinery and equipment* (R1.378 million in 2025/26 and 2026/27) to cater for the purchase of new vehicles. These funds were moved from the following:
 - R5.185 million in 2025/26 and R7.112 million in 2026/27 was reprioritised from Programme 3: Housing Development (Administration sub-programme) against *Compensation of employees* within the equitable share due to savings realised on vacant posts as a result of staff exits.
 - R2.042 million in 2025/26 and R38 000 in 2026/27 was reprioritised from Programme 4: Housing Asset Management (Administration sub-programme) within the equitable share against *Transfers and subsidies to: Departmental agencies and accounts* due to savings realised on vacant funded posts as a result of staff exits from retirements and resignations, which were not replaced in line with the NDHS target to dis-establish the KZN Housing Fund by 31 March 2025.

In addition, reprioritisation was undertaken within the programme, across sub-programmes and economic classification categories. In this regard, the department undertook reprioritisation towards *Transfers and subsidies to: Households* (R31 000 each in 2025/26 and 2026/27, respectively) to cater for a shortfall in external bursaries in respect of institution fees, meals and accommodation. These funds were moved from *Transfers and subsidies to: Provinces and municipalities* due to the historical over-budgeting against this category as evidenced by the under-spending trends.

- Programme 2: Housing Needs, Research and Planning was increased by R1.029 million in 2025/26 and R1.638 million in 2026/27 against *Compensation of employees* (R673 000 in 2025/26 and R579 000 in 2026/27) to cater for the carry-through costs of the Director: Research post which was filled in 2024/25, as well as *Goods and services* (R356 000 in 2025/26 and R1.059 million in 2026/27) to cater for items such as computer services, travel and subsistence and training and development due to the department adopting the zero-based budgeting approach over the MTEF which resulted in more funds required for certain items in *Goods and services*. These funds were moved within the equitable share from Programme 4 (Administration sub-programme) against *Transfers and subsidies to: Departmental agencies and accounts* due to savings realised on vacant funded posts, as explained.
- Programme 3 was reduced by R47.825 million in 2025/26 and R9.789 million in 2026/27, as follows:
 - R5.185 million in 2025/26 and R7.112 million in 2026/27 was reprioritised within the equitable share against *Compensation of employees* from savings from vacant funded posts mainly because of staff exits. These funds were moved to various categories in Programme 1, as explained.
 - R42.640 million in 2025/26 and R2.677 million in 2026/27 was reprioritised within the HSDG against *Transfers and subsidies to: Households* due to savings realised from unspent balances on housing projects under the Rectification of pre-1994 RDP stock, such as Ifafa, Glebe, Nibela and Macambini which are anticipated to be completed at the end of 2024/25. These funds were moved to Programme 4 to cater for the maintenance of properties that have not yet been transferred to municipalities and beneficiaries, such as Shallcross and Austerville units, the Rehabilitation of pre-1994 stock where the department is ready to commence the second phase in 2025/26, as well as to

cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts.

In addition to the above reprioritisation to Programmes 1 and 4, reprioritisation was undertaken within Programme 3 affecting various sub-programmes and economic classification categories, which can be summarised as follows:

- o *Compensation of employees* was increased by R3.720 million in 2025/26 and R11.102 million in 2026/27 to cater for the carry-through costs of the 2023 and 2024 unfunded wage agreements in the conditional grant OPSCAP funding. Furthermore, *Transfers and subsidies to: Households* was increased by R14.130 million in 2025/26 to cater for budget pressures against various housing projects as a result of the carry-through impact of the 2023/24 MTEF budget cuts against the HSDG and the ISUPG. In 2026/27, *Transfers and subsidies to: Provinces and municipalities* was increased by R9.003 million to cater for the shortfalls against operational costs of the accredited municipalities based on historical trends. These funds were reprioritised from the following categories within Programme 3:
 - R3.415 million in 2025/26 and R10.593 million in 2026/27 was reprioritised from *Goods and services* due to savings realised from the implementation of departmental cost-cutting measures against items such as travel and subsistence in respect of site visits, consultants in respect of structural assessments, and pre-planning activities, among others, in an effort to curb spending pressures experienced by the department.
 - R10.230 million was reprioritised from *Transfers and subsidies to: Provinces and municipalities* in 2025/26 due to a review that was done by the eThekweni Metro on the readiness to implement the hostel redevelopment programme. This indicated that the Metro is not ready to receive the full allocation in 2025/26 due to performance challenges on site.
 - R1.503 million was reprioritised from *Transfers and subsidies to: Households* in 2026/27 due to savings realised from projects under the Rectification of pre-1994 RDP stock which are anticipated to be completed at the end of 2024/25, as explained.
 - R3.900 million in 2025/26 and R7.500 million in 2026/27 was reprioritised from *Buildings and other fixed structures* due to savings realised from the anticipated completion of the Sonkombo community hall project in 2025/26.
 - R305 000 in 2025/26 and R509 000 in 2026/27 was reprioritised from *Machinery and equipment* due to savings realised from the implementation of the departmental cost-cutting in an effort to curb spending pressures experienced by the department.
- Programme 4 was increased by a net amount of R39.569 million in 2025/26 and R1.001 million in 2026/27 against *Transfers and subsidies to: Departmental agencies and accounts* to cater for the maintenance of properties that have not yet been transferred to municipalities and beneficiaries, such as Shallcross and Austerville units, the Rehabilitation of pre-1994 stock where the department is ready to commence the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts. These funds were reprioritised within the HSDG from Programme 3 against *Transfers and subsidies to: Households* due to savings realised from projects under the Rectification of pre-1994 RDP stock, which are anticipated to be completed by the end of 2024/25, as mentioned.

In addition to the above reprioritisation from Programme 3 in respect of the HSDG, reprioritisation was undertaken within the equitable share from this programme to cater for budget pressures against Programmes 1 and 2, as explained.

5. Procurement

The 2025/26 procurement plan is in the process of being finalised. The department will continue to strengthen its procurement systems focusing on reducing turnaround times when procuring goods and services by means of inviting price quotations and competitive bids. The department will continue to strengthen its control measures, contract management and records management in order to maintain an

unqualified audit opinion in the area of procurement. The department endeavours to continue to uphold the principles of procurement by ensuring that all contracts are awarded in a manner which is fair, equitable, transparent, competitive and cost effective.

The major procurement that will be undertaken by the department relates to the purchase of security systems for the various district offices, procurement of cleaning services for the head and regional offices, the placement of FLISP advertisements, the renewal of Microsoft office licences, the replacement of tools of trade such as laptops, desktops, and office furniture, etc. The department will continue to implement housing projects across the province and will appoint service providers, implementing agents, and all the related services to ensure delivery in line with its targets.

The department will also procure the equipment required to implement a virtual court system, which includes the procurement of an electronic case management system in respect of the Rental Housing Tribunal. This system is necessary for an effective records and file management system, from the lodgement of a complaint to the resolution thereof.

6. Receipts and financing

6.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2021/22 to 2027/28. The budget for 2025/26 comprises the equitable share of R436.306 million, the HSDG of R2.599 billion, R508.883 million in respect of the ISUPG, as well as R5.243 million in respect of the EPWP Integrated Grant for Provinces.

The department received disaster allocations of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of the HSDG, which partly explains the decrease in the 2024/25 Main Appropriation, though the main reason for the reduction was because the HSDG and ISUPG were cut significantly over the 2024/25 MTEF as part of a major reprioritisation exercise undertaken by National Treasury to address various budget pressures. The disaster allocations in 2022/23 and 2023/24 related to disasters that occurred during 2019 and 2020 where there were floods and storms, which resulted in damage to houses. The allocation for the EPWP Integrated Grant for Provinces is based on the previous year's achievements and is not allocated beyond 2025/26, at this stage. This grant allocation amounts to R5.243 million in 2025/26.

Table 8.1 : Summary of receipts and financing

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Equitable share	423 210	432 455	412 849	418 357	418 357	418 357	436 306	455 997	476 517
Conditional grants	3 282 937	4 040 723	3 505 402	3 111 319	3 111 319	3 111 319	3 113 571	2 804 090	2 930 894
Human Settlements Development grant	2 455 021	2 935 224	2 797 568	2 507 919	2 507 919	2 507 919	2 599 445	2 633 105	2 752 176
EPWP Integrated Grant for Provinces	7 149	6 499	6 921	6 331	6 331	6 331	5 243	-	-
Provincial Emergency Housing grant	106 392	342 132	-	-	-	-	-	-	-
Informal Sett. Upgrading Part. Grant for Prov.	714 375	756 868	700 913	597 069	597 069	597 069	508 883	170 985	178 718
Total receipts	3 706 147	4 473 178	3 918 251	3 529 676	3 529 676	3 529 676	3 549 877	3 260 087	3 407 411
Total payments	3 713 205	4 062 628	4 103 222	3 529 676	3 819 391	3 819 391	3 549 877	3 260 087	3 407 411
Surplus/(Deficit) before financing	(7 058)	410 550	(184 971)	-	(289 715)	(289 715)	-	-	-
Financing of which									
Provincial roll-overs	-	-	418 302	-	263 741	263 741	-	-	-
Provincial cash resources	7 058	7 752	7 564	-	25 974	25 974	-	-	-
Surplus/(Deficit) after financing	-	418 302	240 895	-	-	-	-	-	-

The department receives a provincial allocation, as well as funding for several conditional grants, namely the HSDG, EPWP Integrated Grant for Provinces, PEHG which has not been allocated to the province from 2023/24 onward (it is also noted that all disaster related funding is now with the NDHS with this change in approach taking effect from 2024/25 onward), as well as the ISUPG.

2021/22 financial year:

In 2021/22, National Treasury issued Government Gazette No. 44 593 which saw the allocation of funds to the department with respect to the PEHG. In this regard, the department had made an application for disaster funding following Tropical Cyclone Eloise in February 2021. An amount of R102.590 million was allocated for the provision of Temporary Residential Units (TRUs) for 1 592 affected households. A further

R3.802 million was transferred to the department in this regard, making the transfer a total of R106.392 million. It must be noted that the department's equitable share was cut by R44.879 million, R61.484 million and R80.407 million over the 2021/22 MTEF in respect of fiscal consolidation cuts made by National Treasury, as well as *Compensation of employees* budget cuts.

Provincial cash resources reflects R7.058 million which relates to the following:

- R5.476 million was allocated to the department relating to funds collected from the sale of units at Ridgeview Gardens in respect of the FLISP development, as well as portion of interest received from the Ithala Development Finance Corporation (IDFC) relating to the Military Veterans' housing project, as explained. These funds were allocated to the department to cater for the FLISP communication strategy, as well as to cover spending pressures under the rural housing project in the Zululand District.
- R1.582 million was allocated to the department relating to funds collected from the sale of units at Ridgeview Gardens in respect of the FLISP development. These funds were allocated to cater for pressures from the purchase of computer equipment.

The department fully spent the 2021/22 allocation at year-end.

2022/23 financial year:

The department received additional funding of R363.079 million, as follows:

- R325.764 million was allocated *via* the PEHG, with National Treasury issuing Government Gazette no. 47 197 on 5 August 2022 allocating this funding to the province. These funds were appropriated in the 2022/23 Adjustments Estimate and were allocated in response to the application submitted by the department following the April 2022 flood disaster and were for the provision of 4 983 TRUs.
- Subsequent to the tabling of the 2022/23 Adjustments Estimate, National Treasury issued Government Gazette No. 48 095 which saw the allocation of a portion of an unallocated Schedule 7 grant to this province by the NDHS from the unallocated PEHG. As such, an additional R16.368 million was allocated to the department against the PEHG for the provision of TRUs, as well as Temporary Emergency Accommodation (TEA).
- R7.762 million was allocated for the carry-through costs of the 2021 wage agreement. In this regard, National Treasury allocated additional funding to the province for the non-pensionable allowance and this funding was allocated against the equitable share.
- R5.433 million was allocated for the 3 per cent cost of living adjustment for all levels of employees, with these funds received from National Treasury. These funds were allocated across all programmes against *Compensation of employees* in respect of equitable share funding.
- R2.275 million was allocated from donor funds received by the province since the April 2022 flood disaster occurred, reflected against provincial cash resources. These funds were to be used towards the cost of providing meals and so forth to people being assisted with accommodation in private facilities. These funds were specifically and exclusively allocated for this purpose.
- R5.477 million was allocated to the department against provincial cash resources relating to funds collected from the sale of units at Ridgeview Gardens in respect of the FLISP development, as well as portion of interest received from the IDFC relating to the Military Veterans' housing project, as explained. These funds were allocated to the department to cater for the FLISP communication strategy, as well as to cover spending pressures under the rural housing project in the Zululand District.

The 2022/23 budget was under-spent by R418.302 million, of which R416.465 million related to conditional grants (R360.340 million against the HSDG, R32.276 million against the ISUPG and R23.849 million against the PEHG) and R1.837 million related to the equitable share. This was mainly due to delays caused by the April 2022 flood disasters, and procurement delays. This is explained further under 2023/24 below.

2023/24 financial year:

The department received a roll-over of R418.302 million, of which R416.465 million relates to conditional grants and R1.837 million relates to the equitable share. Details of these roll-overs are as follows:

- R360.340 million was approved by National Treasury in respect of the HSDG as this was fully committed by the end of 2022/23. The department was allocated funds to address the October 2019 floods and these funds were ring-fenced within the HSDG. While the plans to implement the earlier disaster projects were in place, the province experienced floods during April 2022 which caused damage to repair work that had already commenced. This April 2022 flood damage then delayed the implementation of the permanent housing projects due to the risk of rebuilding on unstable sites, where some sites were washed away by mudslides. These funds were allocated to *Transfers and subsidies to: Households* in Programme 3.
- R32.276 million was approved for roll-over by National Treasury in respect of the ISUPG which was fully committed by the end of 2022/23. The under-spending was mainly due to delays caused by the April 2022 flood disaster. Production on sites was stalled as access roads and bridges were either blocked or washed away by the floods. Also, most of the department's resources and capacity were channelled toward emergency works relating to the April 2022 flood response and this included undertaking damage assessments, as well as assessing how the displaced and distressed communities could be assisted. National Treasury approved a roll-over of the full amount of R32.276 million in respect of the JBC housing project (phases 2 and 3) in the Amajuba District Municipality, as these funds were committed in the form of contracts. These funds were allocated to *Transfers and subsidies to: Households* in Programme 3.
- R23.849 million was approved by National Treasury in respect of the PEHG. This was fully committed by year-end in relation to the refurbishment costs and operational costs for the Montclair Lodge TEA. These funds were allocated in 2022/23 in response to the application submitted by the department following the April 2022 floods and were for the provision of TRUs. These funds were allocated to *Transfers and subsidies to: Households* in Programme 3.
- R1.837 million was rolled over from 2022/23 from unspent committed funds for emergency interventions from donor funds received in respect of the April 2022 flood disaster. This allocation was utilised for services of social facilitation and beneficiary administration towards registering TEA occupants on the Housing Subsidy System for housing benefits linked to projects and to relocate the qualifying flood victims. These funds were allocated to *Goods and services* in Programme 3. These funds were specifically and exclusively allocated to the department.

Additional funding of R7.564 million was allocated in respect of funds collected from the sale of units at Ridgeview Gardens for FLISP development, and unspent funds re-called by the department from various municipalities. These funds were allocated to *Goods and services* in Programme 1 to cater for spending pressures on operating leases for office buildings due to an escalation in lease rates agreed upon between the department and DOPWI, as well as the carry-through impact of the 2021/22 MTEF budget cuts.

The department's budget allocation was reduced in-year by R424.746 million in respect of fiscal consolidation budget cuts by National Treasury due to lower than expected revenue collected *via* SARS. The conditional grant cuts amounted to R334.685 million against the HSDG, R89.313 million against the ISUPG and R748 000 against the EPWP Integrated Grant for Provinces. These cuts were effected in the 2023/24 Adjustments Estimate as follows:

- The EPWP Integrated Grant for Provinces cut was effected fully against *Goods and services* under Programme 3 in respect of EPWP job creation projects.
- The full ISUPG cut was effected against *Transfers and subsidies to: Households* under Programme 3 in respect of upgrading projects.
- The HSDG cut was effected against *Transfers and subsidies to: Provinces and municipalities* (R6.694 million), *Transfers and subsidies to: Households* (R315.597 million) and *Buildings and other fixed structures* (R1 million) in Programme 3, and *Transfers and subsidies to: Departmental agencies and accounts* (R11.394 million) relating to the KZN Housing Fund in Programme 4.

At the end of 2023/24, the department reflected a net under-spending of R240.895 million, being the under-spending in respect of the HSDG of R263.741 million, offset by the over-spending of R22.846 million against the equitable share. In this regard, the department requested a roll-over of R263.741 million being the unspent but committed funds in relation to the funding of R474.974 million that was ring-fenced within

the HSDG to address the October 2019 to January 2022 flood disasters. These funds were under-spent in 2023/24 due to stringent pre-construction activities which were put in place by the department to avoid the recurrence of disasters in future, and this proved to take longer than anticipated. This under-expenditure also related to various challenges, such as stoppages by local business forums, sites which were inaccessible, shortage of material supply and socio-political issues, among others. The department requested a conditional grant roll-over of this full amount as these funds were committed in the form of orders and contracts. National Treasury approved this roll-over and this was formalised in the 2024/25 Adjustments Estimate.

The over-spending of R22.846 million against the equitable share was due to budget pressures experienced by the department mainly due to the carry-through impact of the 2021/22 MTEF fiscal consolidation budget cuts which were higher in 2023/24.

2024/25 financial year:

- Over the 2024/25 MTEF, the department's budget was reduced by R15.738 million in 2024/25, R15.551 million in 2025/26 and R16.645 million in 2026/27, with carry-through, as a result of the fiscal consolidation budget cuts made against the equitable share, in view of lower than anticipated economic growth, lower than anticipated tax revenue collection, as well as the need to manage the country's debt levels. In addition, the province saw reductions against the equitable share as a result of updates to the data that informs the PES formula. The department effected these budget cuts against *Compensation of employees* and *Goods and services* in all four programmes.
- Furthermore, significant budget cuts were implemented by National Treasury against the department's conditional grants. In this regard, the HSDG allocation was reduced by R268.696 million in 2024/25, R302.425 million in 2025/26 and R268.828 million in 2026/27, while the ISUPG was reduced by R228.646 million in 2024/25, R354.021 million in 2025/26 and R691.933 million in 2026/27. These cuts were effected against *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Households* and to a lesser extent *Compensation of employees* in Programme 3, as well as *Transfers and subsidies to: Departmental agencies and accounts* in Programme 4.
- An amount of R263.741 million was approved by National Treasury to be rolled over from 2023/24 to 2024/25 in respect of the HSDG as the funds were fully committed by the end of 2023/24. The department was allocated funding of R474.974 million in 2023/24 to address the October 2019 to January 2022 flood disasters and these funds were ring-fenced within the HSDG, as explained. These funds were allocated to *Transfers and subsidies to: Households* in Programme 3.
- During the 2024/25 Adjustments Estimate, the department's budget was increased by R25.974 million allocated from provincial cash resources, as explained below:
 - The department was allocated an amount of R5.339 million which was held in the Provincial Revenue Fund (PRF) in respect of the KZN Housing Fund, to be used towards the costs related to the KZN Housing Fund. These funds were allocated as follows:
 - R2.800 million was allocated to *Goods and services* in Programme 1 to cater for spending pressures against costs for shared services that are centralised in this programme which are also utilised by the KZN Housing Fund.
 - R2.539 million was allocated to *Transfers and subsidies to: Departmental agencies and accounts* in Programme 4 to cater for the contract extensions of eight skilled and experienced officials whose contracts expired at the end of September 2024, as well as other staffing requirements such as payments of overtime for officials to perform all the reconciliations and statutory audit requirements.
 - The department was allocated back an amount of R20.635 million from the department's own revenue collected in 2024/25 from various sources including funds recalled from several municipalities in respect of unspent balances on completed housing projects (R17.750 million), proceeds from the sale of units at Ridgeview Gardens (R708 000), refunds from the FLISP in respect of beneficiaries not qualifying for home loans (R1.751 million), as well as other smaller sources (R426 000). These funds were allocated towards addressing some of the department's in-year budget pressures, and were allocated to Programme 1, as follows:

- R3.550 million was allocated to *Compensation of employees* to cater for the shortfall resulting from the costs of implementing the unfunded 2024 wage agreement.
- R15.817 million was allocated to *Goods and services* to cater for spending pressures against operating leases for office buildings, computer services, as well as audit costs: external in respect of the 2023/24 audit.
- R1.268 million was allocated to *Transfers and subsidies to: Households* to cater for unanticipated staff exit costs which were inadequately budgeted for.

In terms of the November 2024 IYM, the department is projecting to fully spend its 2024/25 budget.

Over the 2025/26 MTEF, the department's budget shows very low growth of 0.6 per cent in 2025/26, negative growth of 8.2 per cent in 2026/27 and 4.5 per cent in 2027/28. The low growth over the MTEF is mainly attributable to the 2024/25 MTEF budget cuts against the department's conditional grants which were higher in 2025/26. The HSDG shows some growth over the MTEF, while the ISUPG shows negative growth in 2025/26 and 2026/27, as a result of the 2024/25 MTEF budget cuts, as mentioned. The growth in the outer year of the MTEF is inflationary. All three grants receive an additional allocation over the 2025/26 MTEF for the funding the gap of the 2025 wage agreement that departments were told to budget for (4.6 per cent) versus the amount that was agreed to at the bargaining council (5.5 per cent). The total addition in this regard is R1.076 million, R1.137 million and R1.191 million over the MTEF.

6.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. Details of these departmental receipts are given in *Annexure – Vote 8: Human Settlements*.

Table 8.2 : Summary of departmental receipts collection

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	368	361	325	402	402	402	407	409	411
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	8	16	204	23	23	3 600	24	25	26
Sale of capital assets	3 651	925	1 726	774	774	774	809	815	820
Transactions in financial assets and liabilities	2 664	4 332	14 894	1 937	1 937	18 325	2 024	2 117	2 212
Total	6 691	5 634	17 149	3 136	3 136	23 101	3 264	3 366	3 469

Sale of goods and services other than capital assets is derived from commission on PERSAL deductions, such as insurance premiums and garnishee orders, rental on state-owned property, parking fees, etc. The budget grows over the MTEF in line with inflation.

Interest, dividends and rent on land shows a fluctuating trend as a result of interest from staff debts and partly from interest from land purchases. The interest collected in 2023/24 is attributed to interest received in respect of land purchased for housing development projects in the AbaQulusi Municipality in Zululand. Furthermore, the high collection in the 2024/25 Revised Estimate is due to the interest received from the KwaDukuza Municipality and the Greater Kokstad Municipality relating to interest earned on unspent housing projects funds. These funds were re-allocated back to the department in the 2024/25 Adjustments Estimate. The budget is conservative over the 2025/26 MTEF, and this relates to interest on outstanding staff debts.

Sale of capital assets relates to the sale of state properties and redundant assets, such as motor vehicles and office equipment. The department purchased 330 units in Ridgeview Gardens in 2014, with the intention of renovating and re-selling these units individually. The department was granted approval by Provincial Treasury in 2016/17 to sell these units as part of the FLISP programme, contributing to the high collection in the prior years and the 2024/25 Revised Estimate. Out of a total of 330 units, 308 units have been sold to date. It must be noted that, revenue collected from the sale of these units is re-allocated back to the

department. The department does not budget for the sale of units in Ridgeview Gardens, since it is not known exactly when such units will be sold. Therefore, the revenue budget over the MTEF relates to the sale of redundant motor vehicles.

Transactions in financial assets and liabilities derives its revenue mainly from the recovery of previous years' expenditure such as staff debts in respect of breached bursary contracts, as well as refunds of unspent funds from various projects. The fluctuating trend over the period relates to the uncertain nature of this source. This category also includes funds related to FLISP with respect to refunds received when beneficiaries are disqualified for a home loan by the financial institutions. The high revenue collection in 2023/24 was due to unspent funds returned by the Dr Nkosazana Zuma Local Municipality and Big Five Hlabisa Local Municipality. Also, the over-collection in the 2024/25 Revised Estimate is attributed to R114 000 received from Umpheme Development for contribution costs in respect of a court application brought against the department which was later withdrawn. Also, amounts were recovered from various municipalities, where there were savings on project costs or where the projects were incomplete. These municipalities are the Umkhanyakude District Municipality, Johannes Phumani Phungula Municipality, uMthonjaneni Municipality, KwaDukuza Municipality, Ray Nkonyeni Municipality, Greater Kokstad Municipality, Richmond Municipality, and Umvoti Municipality. These funds were re-allocated back to department in the 2024/25 Adjustments Estimate. The budget is conservative over the 2025/26 MTEF and is based on the recovery from previous years expenditure, such as staff debts.

6.3 Agency funding

Tables 8.3 and 8.4 reflect the details of agency funding for the period 2021/22 to 2027/28. The department received agency receipts in respect of the National Skills Fund (NSF).

Table 8.3 : Details of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Agency funding	-	-	-	-	85 199	85 199	-	-	-
NSF	-	-	-	-	85 199	85 199	-	-	-
Total	-	-	-	-	85 199	85 199	-	-	-

Table 8.4 : Details of payments and estimates of donor funding and agency receipts

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Agency funding	-	-	-	-	85 199	85 199	-	-	-
NSF	-	-	-	-	85 199	85 199	-	-	-
Total	-	-	-	-	85 199	85 199	-	-	-

The department has sought funding totaling an amount of R123 million from the National Department of Higher Education and Training through the NSF for skills development and training of 2 000 learners in all districts of the province including the eThekweni Metro. The department has received R34.427 million as at the end of the third quarter of 2024/25, with R50.772 million expected to be received by the end of 2024/25. The remainder of R37.801 million is expected to be received over the 2025/26 MTEF however, this is not included in the above tables due to the uncertainty of the timing and amount as it is based on milestones achieved in the skills development programme.

The funding has been approved for various learning areas namely Community House Building (500 learners), Construction Health and Safety (500 learners), Supervision of Construction Processes (500 learners) and Construction Contracting (500 learners). The department has recruited 1 000 learners and classes have started on two learning areas namely Community House Building (NQF Level 2) and Construction Health and Safety (NQF Level 3).

As at the end of the third quarter of 2024/25, R34.427 million was transferred to the department and expenditure incurred so far is R18.955 million in respect of the above learning areas. The low spending in this regard was due to delays in the finalisation of recruitment and selection processes, the finalisation of registration of learners with the Construction Education and Training Authority (CETA), and securing

training and induction venues, among others. All administrative pre-training matters have been resolved, and progress has been made on the programme.

7. Payment summary

Section 7 reflects payments and budgeted estimates in terms of programmes and economic classification. Details are given in *Annexure – Vote 8: Human Settlements*.

7.1 Key assumptions

The department applied the following broad assumptions when compiling the budget:

- All inflation related increases are based on CPI projections.
- The department's budget for *Compensation of employees* shows low growth of 1.2 per cent in 2025/26 and 3.6 per cent in 2026/27 mainly due to the carry-through effects of the 2024/25 MTEF budget cuts. This growth is not sufficient to provide for the carry-through costs of the 2024 wage agreement, the 1.5 per cent pay progression, as well as possible wage increases over the MTEF. The growth in the outer year of the MTEF is largely in line with inflation. The department is not planning on filling any posts over the MTEF, and posts that become vacant in-year will be assessed for criticality and affordability. The allocation over the MTEF will be reviewed in-year.
- Note that National Treasury allocated additional funds of R1.076 million in 2025/26, R1.137 million in 2026/27 and R1.191 million in 2027/28 in respect of conditional grants, towards funding the gap of the 2025 wage agreement that departments were told to budget for (4.6 per cent) versus the amount that was agreed to at the bargaining council (5.5 per cent). These funds could not be allocated to *Compensation of employees* due to the limitation of 5 per cent allowed for OPSCAP in terms of DORA and were thus allocated to *Transfers and subsidies to: Households*. This will be reviewed in-year.

7.2 Amendments to provincial and equitable share funding: 2023/24 to 2025/26 MTEF

Table 8.5 shows amendments to provincial and equitable share funding received over the 2023/24, 2024/25 and 2025/26 MTEF periods, and excludes conditional grant funding. The carry-through amounts for the outer year (i.e. 2027/28) are based on the incremental percentage used in the 2025/26 MTEF.

Table 8.5 : Summary of amendments to provincial and equitable share allocations for the 2023/24 to 2025/26 MTEF

R thousand	2023/24	2024/25	2025/26	2026/27	2027/28
2023/24 MTEF period	51	3 134	1 589	1 661	1 735
Cost of living adjustment carry-through (3%)	5 272	5 245	5 305	5 544	5 793
PES data update and own revenue reductions	(5 221)	(2 111)	(3 716)	(3 883)	(4 058)
2024/25 MTEF period		(15 738)	(15 551)	(16 645)	(17 394)
Fiscal consolidation reduction by National Treasury		(15 738)	(15 551)	(16 645)	(17 394)
2025/26 MTEF period			-	-	-
Total	51	(12 604)	(13 962)	(14 984)	(15 659)

In the 2023/24 MTEF, the following adjustments were made:

- The department's equitable share was increased by R5.272 million, R5.245 million, R5.305 million over the MTEF, with carry-through, in respect of the carry-through costs of the 3 per cent cost of living adjustment allocated to *Compensation of employees* in all four programmes.
- The department's equitable share was reduced by R5.221 million, R2.111 million and R3.716 million over the MTEF, with carry-through. These reductions relate to the equitable share reduction as a result of the annual updates of the data that informs the PES formula, as well as reductions in the province's own revenue baseline. These budget cuts were implemented proportionately under Programmes 1 and 4 against *Compensation of employees*.

In the 2024/25 MTEF, the following adjustments were made:

- The department's equitable share was reduced by R15.738 million in 2024/25, R15.551 million in 2025/26 and R16.645 million in 2026/27, due to fiscal consolidation budget cuts made by National Treasury. These were implemented across all programmes against various economic categories.

In the 2025/26 MTEF, the department received no additional funding, nor were any further fiscal consolidation budget cuts made.

7.3 Summary by programme and economic classification

The budget structure of Vote 8 conforms to the uniform budget and programme structure prescribed for the Human Settlements sector. Tables 8.6 and 8.7 provide a summary of the Vote's payments and budgeted estimates over the MTEF, by programme and economic classification, respectively.

The HSDG allocation was reduced by R268.696 million in 2024/25, R302.425 million in 2025/26 and R268.828 million in 2026/27 in respect of budget cuts implemented by National Treasury over the 2024/25 MTEF, and these cuts still impact the trends over the MTEF. These cuts were effected against *Transfers and subsidies to: Provinces and municipalities*, *Transfers and subsidies to: Households* and to a lesser extent *Compensation of employees* in Programme 3, as well as *Transfers and subsidies to: Departmental agencies and accounts* in Programme 4. The number of units, sites and housing opportunities across all projects were reduced significantly as a result of these budget cuts. Furthermore, the department restricted the filling of posts to only critical and affordable posts.

The ISUPG allocation was reduced by R228.646 million in 2024/25, R354.021 million in 2025/26 and R691.933 million in 2026/27 in respect of budget cuts implemented by National Treasury over the 2024/25 MTEF. These cuts were effected against *Transfers and subsidies to: Households* and to a lesser extent *Compensation of employees* and *Goods and services* in Programme 3.

Table 8.6 : Summary of payments and estimates by programme: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	271 188	279 448	271 281	264 879	291 114	291 114	283 916	296 398	309 736
2. Housing Needs, Research and Planning	17 638	20 118	21 009	19 379	19 379	19 379	21 183	22 800	23 826
3. Housing Development	3 257 678	3 580 364	3 650 721	3 088 581	3 358 175	3 358 175	3 054 408	2 792 215	2 939 239
4. Housing Asset Management	166 701	182 698	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Total	3 713 205	4 062 628	4 103 222	3 529 676	3 819 391	3 819 391	3 549 877	3 260 087	3 407 411

Table 8.7 : Summary of provincial payments and estimates by economic classification: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	509 546	556 284	588 056	540 216	608 928	608 798	557 650	554 917	574 014
Compensation of employees	351 414	351 831	360 003	354 959	363 791	363 661	368 132	381 289	398 854
Goods and services	158 132	204 453	228 053	185 257	245 137	245 137	189 518	173 628	175 160
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 179 929	3 497 175	3 501 556	2 974 483	3 196 351	3 196 481	2 977 840	2 694 279	2 824 668
Provinces and municipalities	70 636	137 006	134 992	39 661	49 661	49 661	68 741	86 023	86 030
Departmental agencies and accounts	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 942 592	3 177 573	3 206 353	2 777 985	2 995 967	2 996 097	2 718 729	2 459 582	2 604 028
Payments for capital assets	23 700	9 153	13 610	14 977	14 112	14 112	14 387	10 891	8 729
Buildings and other fixed structures	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Machinery and equipment	15 045	7 855	12 023	6 977	6 112	6 112	8 287	8 391	8 729
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	30	16	-	-	-	-	-	-	-
Total	3 713 205	4 062 628	4 103 222	3 529 676	3 819 391	3 819 391	3 549 877	3 260 087	3 407 411

Programme 1 caters for services, such as providing strategic leadership, co-ordination and management of strategies, as well as the administration of the department. This programme caters for items, such as leasing of office accommodation, property payments, etc. The programme reflects a fluctuating trend over the seven-year period. The decrease from 2022/23 to 2023/24 was mainly due to the budget cuts effected against this programme in the 2021/22 MTEF which were higher in 2023/24. The further decrease from 2023/24 to the 2024/25 Main Appropriation was due to the portion of the 2024/25 MTEF budget cuts effected against this sub-programme. The increase from the 2024/25 Main to Adjusted Appropriation was due to the once-off additional allocation to the department from funds which were held in the PRF in respect of the KZN Housing Fund to cater for spending pressures against costs for shared services that are centralised in this programme, which are also utilised by the KZN Housing Fund (R2.800 million), as well as an amount of R20.635 million, which was allocated back to the department from the department's own revenue collected in 2024/25 from various sources, as mentioned, to cater for the shortfall of implementing the unfunded 2024 wage agreement, spending pressures resulting from the payment of accruals from 2023/24 in respect of operating leases due to delays in the receipt of invoices from DOPWI in 2023/24 and audit costs: external in respect of the 2023/24 audit, as well as budget pressures resulting from the carry-through impact of budget cuts implemented in the 2021/22 MTEF, and further budget cuts over the 2024/25 MTEF, as well as unanticipated staff exit costs. The decrease in 2025/26 is attributable to the high base in 2024/25 as a result of the once-off allocation, as mentioned. The department is not planning to fill any posts over the MTEF as a result of the carry-through impact of the 2024/25 MTEF budget cuts. The increasing trend over the two outer years of the 2024/25 MTEF is inflationary and provides for the management of office accommodation, training and development, IT related functions, etc. for the entire department.

Programme 2 reflects an increasing trend from 2021/22 to 2023/24. The high increase in 2022/23 was mainly due to spending in relation to the appointed Director: Transversal Programmes who was appointed in 2022/23 and reprioritisation was undertaken from Programme 1. Also contributing to the increase was additional funding allocated by National Treasury against *Compensation of employees* towards the carry-through costs of the 2021 wage agreement. The decrease from 2023/24 to 2024/25 was due to the fiscal consolidation budget cuts of R1.416 million effected against this programme over the 2024/25 MTEF. This programme provides platforms for various stakeholders to discuss, draft and inform human settlement policies, and also provides for the identification of any skills gaps in the major stakeholders that are an integral part of the housing delivery chain, including municipalities, traditional leaders and institutions, emerging contractors, youth and women. The programme shows high growth of 9.3 per cent in 2025/26 and 7.6 per cent in 2026/27 mainly due to the reprioritisation to this programme to cater for the carry-through costs of the Director: Research post filled in 2024/25, as well as items such as computer services, travel and subsistence and training and development due to the department adopting a zero-based budgeting approach in this programme over the MTEF which resulted in more funds required for certain items in *Goods and services*. The outer year of the MTEF shows inflationary growth of 4.5 per cent in line with National Treasury Guidelines.

Programme 3 shows an increasing trend from 2021/22 to 2023/24. The spending in 2022/23 and 2023/24 takes into account funds of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of funds ring-fenced within the HSDG to address the October 2019 to January 2022 flood disasters, and this partly explains the significant decrease in the 2024/25 Main Appropriation. The decrease is further explained by the large portion of the conditional grant and equitable share budget cuts of R366.117 million in 2024/25, R562.995 million in 2025/26 and R991.895 million in 2026/27 being implemented against this programme in respect of the department's capital housing projects over the MTEF. The increase from the 2024/25 Main to Adjusted Appropriation was mainly due to the amount of R263.741 million approved for roll-over by National Treasury from 2023/24 to 2024/25 against the HSDG in respect of funding of R474.974 million allocated in 2023/24 to address the October 2019 to January 2022 flood disasters and these funds were ring-fenced within the HSDG. These funds were under-spent but committed at the end of 2023/24, as mentioned. Further contributing to the increase was the virement from Programme 4 to cater for several budget pressures under this programme. This largely explains the negative growth of 9 per cent in 2025/26. The decrease over the MTEF is also attributable to the reprioritisation undertaken from this programme to cater for budget pressures in Programmes 1 and 4, as mentioned. Furthermore, the decrease over the MTEF is in line with the significantly low growth in conditional grant allocations as a result of the

carry-through impact of the 2024/25 MTEF budget cuts effected against the department's HSDG and ISUPG. The increase on the outer year of the MTEF is largely inflationary, with minimal increases over the MTEF against the conditional grants for the 2025 wage agreement, as explained.

Programme 4 (which comprises the KZN Housing Fund) reflects a fluctuating trend from 2021/22 to 2023/24. The decrease from 2022/23 to 2023/24 was largely due to the in-year fiscal consolidation budget cuts of R11.394 million effected against this programme, as well as reprioritisation of funds to cater for operating leases against *Goods and services* in Programme 1. The decrease from 2023/24 to the 2024/25 Main Appropriation was largely due to a portion of the budget cuts in the amount of R9.637 million in 2024/25 being implemented against this programme. The decrease from the 2024/25 Main to the Adjusted Appropriation was due to a reprioritisation of funds from this programme to *Transfers and subsidies to: Households* in Programme 3 in relation to savings realised on municipal services' costs which resulted from the transfer of the Oribi Village property to the Msunduzi Municipality in line with the department's target to dis-establish the KZN Housing Fund by 31 March 2025. The significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken to this programme to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock where the department is ready to commence with the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.

Compensation of employees reflects a fairly steady increase from 2021/22 to 2023/24. The decrease from 2023/24 to the 2024/25 Main Appropriation can be attributed to the 2024/25 MTEF budget cuts of R23.103 million in 2024/25, R17.674 million in 2025/26 and R12.627 million in 2026/27 effected against this category, relating to both the equitable share and conditional grants. The increase from the 2024/25 Main to Adjusted Appropriation was due to a virement undertaken to this category, as well as once-off additional funding allocated from the department's own revenue from various sources, to cater for the costs of implementing the unfunded 2024 wage agreement. The department has a total of 72 vacant posts, including Construction Project Managers, Directors, Deputy Directors, Assistant Directors, Control Works Inspectors, Senior Administrative Officers and Administration Officers, among others, but the department has placed an internal moratorium on filling posts due to the carry-through impact of the 2024/25 MTEF budget cuts and the budget pressures experienced by the department from the carry-through costs of the unfunded 2024 wage agreement. The department is not planning on filling any posts over the MTEF, and posts that become vacant in-year will be assessed for criticality and affordability. The MTEF shows low growth of 1.2 per cent in 2025/26 and 3.6 per cent in 2026/27 mainly due to the carry-through effects of the 2024/25 MTEF budget cuts. This growth is not sufficient to provide for the carry-through costs of the 2024 wage agreement, the 1.5 per cent pay progression, as well as possible wage increases over the MTEF. The growth on the outer year of the MTEF increases largely in line with inflation, with minimal increases over the MTEF against the conditional grants for the 2025 wage agreement, as explained. The allocation against this category will be reviewed in-year.

Goods and services reflects an increase from 2021/22 to 2023/24. The decrease from 2023/24 to the 2024/25 Main Appropriation is partly attributable to the high base in 2023/24 as a result of the carry-through impact of the 2021/22 MTEF budget cuts which were higher in 2023/24, as well as the payment of accruals from 2022/23 in respect of audit costs: external, computer services, operating leases and fleet services, among others, the implementation of the National Housing Needs Register in various municipalities, as well as Community Outreach Programmes in respect of the implementation of housing projects. This is part of the OPSCAP allocation within the ISUPG as per the conditions of DORA that allow the department to use up to 5 per cent of its ISUPG budget for administrative expenses. The decrease is also attributable to the 2024/25 MTEF budget cuts effected against this category. The increase from the 2024/25 Main to the Adjusted Appropriation is attributable to the once-off additional allocation to the department from funds which were held in the PRF in respect of the KZN Housing Fund to cater for spending pressures against costs for shared services that are centralised in Programme 1 which are also utilised by the KZN Housing Fund (R2.800 million), as well as a portion of the funds allocated back to the department from the

department's own revenue collected in 2024/25 from various sources, as mentioned, to cater for spending pressures resulting from the payment of accruals from 2023/24 in respect of operating leases due to delays in the receipt of invoices from DOPWI in 2023/24 and audit costs: external in respect of the 2023/24 audit, as well as budget pressures resulting from the carry-through impact of budget cuts implemented in the 2021/22 MTEF, and further budget cuts over the 2024/25 MTEF. The decrease over the 2025/26 MTEF is attributable to the high base in 2024/25 as a result of the once-off allocation, as mentioned. The decrease is also attributable to the reprioritisation undertaken from this category, as mentioned. The MTEF provides mainly for the management of office accommodation, training and development, IT related functions, etc. for the entire department, the implementation of the anti-land invasion strategy and the one per cent allocation of the HSDG for the management of catalytic projects by the Housing Development Agency (HDA).

In respect of *Transfers and subsidies*:

- *Provinces and municipalities* reflects an increase from 2021/22 to 2022/23, with a slight decrease in 2023/24, mainly in relation to the operational costs of accredited municipalities, as well as transfers to the eThekweni Metro for the CRU programme which was re-aligned to the agreement entered into by the department and the eThekweni Metro to transfer funds for the CRU programme in respect of the Thokoza and Donnelly CRUs. The significant decrease from 2023/24 to the 2024/25 Main Appropriation was due to an agreement with the eThekweni Metro which expired by the end of 2023/24. The increase from the 2024/25 Main to the Adjusted Appropriation was to cater for spending pressures in respect of operational costs for accredited municipalities. The significant increase in 2025/26, as well as the fluctuations over the MTEF relate to the resumption of transfers to the eThekweni Metro to cater mainly for the hostel redevelopment programme in terms of a new agreement. The MTEF also caters for operational costs for accredited municipalities such as the eThekweni Metro, and the KwaDukuza, Newcastle, Msunduzi, Ray Nkonyeni, uMhlathuze and Alfred Duma Municipalities.
- *Departmental agencies and accounts* relates to transfers to the KZN Housing Fund and to the HDA. Funding in respect of the KZN Housing Fund was moved to this category in line with an A-G finding in the 2013/14 audit. There is a fluctuating trend from 2021/22 to 2023/24. The decrease from 2022/23 to 2023/24 was largely due to the in-year fiscal consolidation budget cuts of R11.394 million effected against this category, as well as reprioritisation of funds to cater for operating leases against *Goods and services* in Programme 1. The decrease from 2023/24 to the 2024/25 Main Appropriation was largely due to a portion of the budget cuts in the amount of R9.637 million in 2024/25 being implemented against this category. The decrease from the 2024/25 Main to the Adjusted Appropriation was due to a reprioritisation of funds from this category to *Transfers and subsidies to: Households* in Programme 3 in relation to savings realised on municipal services' costs which resulted from the transfer of the Oribi Village property to the Msunduzi Municipality in line with the department's target to dis-establish the KZN Housing Fund by 31 March 2025. The significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken to this programme to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock which are ready to commence the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.
- *Households* shows a steady increase from 2021/22 to 2023/24, largely in respect of the HSDG, as the bulk of the housing programmes are budgeted for within this category. The spending in 2022/23 and 2023/24 takes into account funds of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of funds ring-fenced within the HSDG to address the October 2019 to January 2022 flood disasters, and this partly explains the significant decrease in the 2024/25 Main Appropriation. The decrease is further explained by the large portion of the conditional grant and equitable share budget cuts of R366.117 million in 2024/25, R562.995 million in 2025/26 and R991.895 million in 2026/27 being implemented against this category in respect of the department's capital housing projects over the MTEF. The increase from the 2024/25 Main to Adjusted Appropriation was due to the amount of

R263.741 million approved to be rolled over by National Treasury from 2023/24 to 2024/25 against the HSDG in respect of funding of R474.974 million allocated in 2023/24 to address the October 2019 to January 2022 flood disasters and these funds were ring-fenced within the HSDG. These funds were under-spent but committed at the end of 2023/24, as mentioned. The increase was also due to a virement undertaken from *Departmental agencies and accounts* to cater for the re-alignment of housing projects to the new subsidy quantum. This largely explains the negative growth in 2025/26. The decrease over the MTEF is also attributable to the reprioritisation undertaken against this category to cater for the budget pressures in Programme 4. Furthermore, the decrease over the MTEF is in line with the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts effected against the conditional grants. Included in the MTEF allocations for this category is additional funding of R1.076 million in 2025/26, R1.137 million in 2026/27 and R1.191 million in 2027/28 allocated by National Treasury to conditional grants that have a personnel element towards funding the gap of the 2025 wage agreement, as explained. These funds could not be allocated to *Compensation of employees* due to the limitation of 5 per cent allowed for OPSCAP in terms of DORA. This will be reviewed in-year.

Buildings and other fixed structures relates to the Social and Economic Amenities programme. The spending from 2021/22 to 2023/24 was in respect of the Emfihlweni and Sonkombo community hall projects. The fluctuating trend against this category is in line with progress made in these projects annually. The 2025/26 MTEF allocations cater for the anticipated completion of the Sonkombo community hall in 2025/26. The 2025/26 MTEF allocations also cater for the Townview community hall project which will be resumed in 2025/26 and is anticipated to be completed in 2026/27. There is no allocation in the outer year of the MTEF as both these projects are anticipated to be completed by 2026/27.

Machinery and equipment shows a fluctuating trend from 2021/22 to 2024/25 due to its cyclical nature. The decrease in 2022/23 relates to the non-purchase of tools of trade due to internal delays in filling vacant posts. The increase in 2023/24 was to cater for spending pressures due to the purchase of two main servers for the Pietermaritzburg and Durban offices and 60 desktops. The decrease in 2024/25 was due to the implementation of cost-cutting measures in an effort to curb the budget pressures experienced by the department. The significant increase in 2025/26 is due to the low base in 2024/25, as well as the reprioritisation undertaken to this category to cater for the purchase of vehicles, office equipment and furniture over the MTEF. There is inflationary growth over the two outer years of the MTEF.

Payments for financial assets relates to the write-off of staff debts in 2021/22 and 2022/23.

7.4 Summary of conditional grants payments and estimates

Tables 8.8 and 8.9 provide a summary of the conditional grant payments and budgeted estimates over the period by conditional grant name and economic classification. The historical figures in Table 8.8 reflect actual spending per grant, and should not be compared to Table 8.1, which represent the actual receipts.

The department has three grants over the 2025/26 MTEF, namely the HSDG, EPWP Integrated Grant for Provinces and the ISUPG. The EPWP Integrated Grant for Provinces receives funding up to 2025/26, while the HSDG and the ISUPG receive funding over the MTEF. Details are given in *Annexure – Vote 8: Human Settlements*. The department's main funding relates to the HSDG, which aims to promote the provision of low income housing using different programmes such as project linked subsidies, IRDP, rural housing subsidies, ISU programme, social housing, etc.

Table 8.8 : Summary of conditional grants payments and estimates by name

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24		2024/25		2025/26	2026/27	2027/28
Human Settlements Development grant	2 455 018	2 574 884	2 894 167	2 507 919	2 771 660	2 771 660	2 599 445	2 633 105	2 752 176
EPWP Integrated Grant for Provinces	7 149	6 499	6 921	6 331	6 331	6 331	5 243	-	-
Provincial Emergency Housing grant	106 392	318 283	23 849	-	-	-	-	-	-
Informal Settlements Upgrading Part. Grant for Prov.	714 375	724 592	733 188	597 069	597 069	597 069	508 883	170 985	178 718
Total	3 282 934	3 624 258	3 658 125	3 111 319	3 375 060	3 375 060	3 113 571	2 804 090	2 930 894

Table 8.9 : Summary of conditional grants payments and estimates by economic classification

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	142 755	140 156	201 625	159 412	206 976	206 976	159 040	138 942	139 328
Compensation of employees	92 562	89 808	98 518	98 184	103 290	103 290	105 206	106 510	111 078
Goods and services	50 193	50 348	103 107	61 228	103 686	103 686	53 834	32 432	28 250
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 130 638	3 483 050	3 453 535	2 942 855	3 159 032	3 159 032	2 947 379	2 661 596	2 790 514
Provinces and municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Departmental agencies and accounts	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 933 985	3 209 449	3 202 036	2 777 460	2 992 920	2 992 920	2 718 152	2 458 978	2 603 396
Payments for capital assets	9 541	1 052	2 965	9 052	9 052	9 052	7 152	3 552	1 052
Buildings and other fixed structures	8 655	-	1 587	8 000	8 000	8 000	6 100	2 500	-
Machinery and equipment	886	1 052	1 378	1 052	1 052	1 052	1 052	1 052	1 052
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 282 934	3 624 258	3 658 125	3 111 319	3 375 060	3 375 060	3 113 571	2 804 090	2 930 894

The HSDG shows a fluctuating trend over the seven-year period. The increase in 2022/23 was due to an additional allocation of R397.705 million in respect of a disaster allocation under the HSDG, which was under-spent by R360.340 million due to delays caused by the April 2022 flood disaster, as mentioned. The increase in 2023/24 was also attributable to the additional allocation of R474.974 million in respect of a disaster allocation under the HSDG, which was under-spent by R263.741 million. The increase from the 2024/25 Main to Adjusted Appropriation was due to the amount of R263.741 million approved for roll-over by National Treasury in respect of the disaster allocation ring-fenced within the HSDG, as mentioned. This partly explains the significant decrease in 2025/26. Further contributing to the decrease over the MTEF is the carry-through effect of the 2024/25 MTEF budget cuts of R268.696 million in 2024/25, R302.425 million in 2025/26 and R268.828 million in 2026/27. The growth in 2026/27 is low at 1.3 per cent while the outer year of the MTEF shows growth of 4.5 per cent in line with inflation. The department will continue to adjust targets in terms of the numbers of units, sites and housing opportunities across all projects to align with the available budget. Included in the MTEF allocations for this grant is additional funding of R863 000 in 2025/26, R926 000 in 2026/27 and R970 000 in 2027/28 allocated by National Treasury towards funding the gap of the 2025 wage agreement, as explained.

The department receives funding in respect of the EPWP Integrated Grant for Provinces for skills development programmes, such as training, mentors, acquiring tools and payment of stipends. The allocation for the EPWP Integrated Grant for Provinces is based on the previous year's achievements and is not allocated beyond 2025/26, at this stage. In-year fiscal consolidation budget cuts of R748 000 were implemented by National Treasury. This grant allocation increased to R9.624 million in 2024/25 due to the incentive nature of the grant and improved compliance with reporting requirements, but was reduced by R3.293 million by National Treasury in order to provide funding for the Presidential Employment Stimulus, hence the reduction from 2023/24. This grant sees a further reduction to R5.243 million in 2025/26. Included in this amount is an allocation of R16 000 towards funding the gap of the 2025 wage agreement, as explained.

The department received an allocation of R106.392 million through the PEHG in the 2021/22 Adjustments Estimate in terms of Government Gazette No. 44 593. In this regard, the department made an application for disaster funding following Tropical Cyclone Eloise in February 2021. This allocation was for the provision of TRUs for 1 592 affected households. This grant received R325.764 million in the 2022/23 Adjustments Estimate and a further R16.368 million during the Second Adjustments Estimate following the April 2022 flood disaster, and these funds were for the provision of TRUs, as well as TEAs. These funds were not fully spent at the end of 2022/23, and R23.849 million relating to the refurbishment and operational costs of the Montclair Lodge TEA was rolled over to 2023/24, as explained. The roll-over allocation was fully spent at the end of 2023/24.

The department received R714.375 million in respect of the ISUPG for the first time in 2021/22. In-year fiscal consolidation budget cuts of R89.313 million were implemented by National Treasury in 2023/24. This decrease was offset to an extent by the roll-over of R32.276 million received. The decreasing trend from 2024/25 was due to the budget cuts of R228.646 million in 2024/25, R354.021 million in 2025/26 and R691.933 million in 2026/27 implemented by National Treasury against this grant. The growth in the outer year of the MTEF is inflationary. The department will continue to adjust targets in terms of the numbers of units, sites and housing opportunities across all projects to align with the available budget. Included in the MTEF allocations for this grant is additional funding of R197 000 in 2025/26, R211 000 in 2026/27 and R221 000 in 2027/28 allocated by National Treasury towards funding the gap of the 2025 wage agreement, as explained.

The conditional grant allocations against *Compensation of employees* relate to the HSDG and the ISUPG, in line with DORA, which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes to enhance service delivery. This category caters for contract posts budgeted for under the OPSCAP allocation within the HSDG and ISUPG. These posts are filled on a contractual basis as they are linked to projects. These posts include Project Construction Managers, Community Development Practitioner, etc. The decrease in 2022/23 was due to delays in filling posts. This category shows inflationary growth of 4.6 per cent in 2025/26, negative growth of 2.4 per cent in 2026/27 and is kept constant in the outer year. The low growth over the MTEF is due to the carry-through impact of the 2024/25 MTEF budget cuts of R8.939 million in 2024/25 and R3.056 million in 2025/26 implemented against this category. The department is not planning to fill any posts over the MTEF, and posts that become vacant will be assessed for criticality and affordability. The growth over the MTEF will be reviewed in the next budget process.

Goods and services reflects a fluctuating trend over the seven year period, in line with the OPSCAP allocation under the HSDG, as well as the ISUPG from 2023/24. The 2024/25 MTEF provides for the management of catalytic projects, the anti-land invasion strategy, etc. The reduction over the MTEF is in line with the reduction of the HSDG and ISUPG as a result of the carry-through impact of the 2024/25 MTEF budget cuts, which affects the OPSCAP funding. This category includes fees for the management of catalytic projects. The historic budget cuts result in a reduction in funding for professionals and consultants in the built environment.

In respect of *Transfers and subsidies*:

- *Provinces and municipalities* reflects an increase from 2021/22 to 2022/23, with a slight decrease in 2023/24, mainly in relation to the operational costs of accredited municipalities, as well as transfers to the eThekweni Metro for the CRU programme which was re-aligned to the agreement entered into by the department and the eThekweni Metro to transfer funds for the CRU programme in respect of the Thokoza and Donnelly CRUs. The significant decrease from 2023/24 to the 2024/25 Main Appropriation was due to an agreement with the eThekweni Metro, which expired by the end of 2023/24. The increase from the 2024/25 Main to the Adjusted Appropriation was to cater for spending pressures in respect of operational costs for accredited municipalities. The significant increase in 2025/26, as well as the fluctuations over the MTEF relate to the resumption of transfers to the eThekweni Metro to cater mainly for the hostel redevelopment programme in terms of a new agreement. The MTEF also caters for operational costs for accredited municipalities such as the eThekweni Metro, and the KwaDukuza, Newcastle, Msunduzi, Ray Nkonyeni, uMhlathuze and Alfred Duma Municipalities.
- *Departmental agencies and accounts* relates to transfers to the KZN Housing Fund and to the HDA. There is a fluctuating trend from 2021/22 to 2023/24. The decrease from 2022/23 to 2023/24 was largely due to the in-year fiscal consolidation budget cuts of R11.394 million effected against this category, as well as reprioritisation of funds to cater for operating leases against *Goods and services* in Programme 1. The decrease from 2023/24 to the 2024/25 Main Appropriation was largely due to a portion of the budget cuts in the amount of R9.637 million in 2024/25 being implemented against this category. The decrease from the 2024/25 Main to the Adjusted Appropriation was due to a reprioritisation of funds from this category to *Households* in Programme 3 in relation to savings realised on municipal services' costs, which resulted from the transfer of the Oribi Village property to the Msunduzi Municipality in line with the department's target to dis-establish the KZN Housing Fund by 31 March 2025. The

significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken to this programme to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock where the department is ready to commence with the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.

It should be noted that the 2024/25 Main Appropriation against this category under the HSDG does not balance to the Main Appropriation in Table 8.14, as the budget against the HSDG in Programme 4 was inadvertently over-stated by R630 000, while the budget against *Compensation of employees* (under the OPSCAP allocation) in Programme 3 was inadvertently under-stated by the same amount in the 2024/25 EPRE. As a result, a shift was undertaken in the 2024/25 Adjustments Estimate from this category to *Compensation of employees* in order to correct the budget. This shift was effected against this table only, as this was correctly captured in Table 8.14.

- *Households* shows a fluctuating trend from 2021/22 to 2023/24, largely in respect of the HSDG, as the bulk of the housing programmes are budgeted for within this category. The spending in 2022/23 and 2023/24 takes into account funds of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of funds ring-fenced within the HSDG to address the October 2019 to January 2022 flood disasters, and this partly explains the significant decrease in the 2024/25 Main Appropriation. The decrease is further explained by the large portion of the 2024/25 MTEF budget cuts of R384.228 million in 2024/25 and R596.635 million in 2025/26 and R917.037 million in 2026/27 in respect of both the HSDG and the ISUPG being implemented against this category in respect of the department's capital housing projects over the MTEF. The increase from the 2024/25 Main to Adjusted Appropriation was due to the amount of R263.741 million approved for roll-over by National Treasury from 2023/24 to 2024/25 against the HSDG in respect of funding of R474.974 million allocated in 2023/24 to address the October 2019 to January 2022 flood disasters, as mentioned. The increase was also due to a virement undertaken from *Departmental agencies and accounts* to cater for the re-alignment of housing projects to the new subsidy quantum. This largely explains the negative growth in 2025/26. The decrease over the MTEF is also attributable to the reprioritisation undertaken against this category to cater for the budget pressures in Programme 4. Furthermore, the decrease over the MTEF is in line with the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts effected against the conditional grants. Included in the MTEF allocations for this category is additional funding of R1.076 million in 2025/26, R1.137 million in 2026/27 and R1.191 million in 2027/28 allocated by National Treasury to conditional grants that have a personnel element towards funding the gap of the 2025 wage agreement, as explained. These funds could not be allocated to *Compensation of employees* due to the limitation of 5 per cent allowed for OPSCAP in terms of DORA. This will be reviewed in-year.
- *Buildings and other fixed structures* relates to the Social and Economic Amenities programme. The spending from 2021/22 to 2023/24 was in respect of the Emfihlweni and Sonkombo community hall projects. The fluctuating trend against this category is in line with progress made on these projects annually. The 2025/26 MTEF allocations cater for the anticipated completion of the Sonkombo community hall in 2025/26. The 2025/26 MTEF allocations also cater for the Townview community hall project, which will be resumed in 2025/26 and is anticipated to be completed in 2026/27. There is no allocation in the outer year of the MTEF as both these projects are anticipated to be completed by 2026/27.
- *Machinery and equipment* provides for the purchase of furniture and equipment for employees funded from the HSDG. The allocations over the MTEF are kept constant, and will be reviewed in the next budget process.

7.5 Summary of infrastructure payments and estimates

Table 8.10 presents a summary of infrastructure payments and estimates by infrastructure category. Detailed information on infrastructure is given in the 2025/26 ECE.

Table 8.10 : Summary of provincial infrastructure payments and estimates by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Existing infrastructure assets	-	-	-	-	-	-	-	-	-
Maintenance and repair: Current	-	-	-	-	-	-	-	-	-
Upgrades and additions: Capital	-	-	-	-	-	-	-	-	-
Refurbishment and rehabilitation: Capital	-	-	-	-	-	-	-	-	-
New infrastructure assets: Capital	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Infrastructure transfers	3 144 625	3 118 240	3 462 726	2 941 739	3 205 480	3 205 480	2 946 865	2 661 443	2 790 360
Infrastructure transfers: Current	45 505	51 847	49 178	39 471	49 471	49 471	48 591	45 864	45 864
Infrastructure transfers: Capital	3 099 120	3 066 393	3 413 548	2 902 268	3 156 009	3 156 009	2 898 274	2 615 579	2 744 496
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	27 343	27 014	25 372	36 101	45 211	45 211	36 487	37 370	38 593
Non infrastructure¹	122 508	150 422	186 893	155 249	155 249	155 249	155 363	140 147	140 534
Total	3 303 131	3 296 974	3 676 578	3 141 089	3 413 940	3 413 940	3 144 815	2 841 460	2 969 487
<i>Capital infrastructure</i>	3 107 775	3 067 691	3 415 135	2 910 268	3 164 009	3 164 009	2 904 374	2 618 079	2 744 496
<i>Current infrastructure</i>	72 848	78 861	74 550	75 572	94 682	94 682	85 078	83 234	84 457

1. *Non infrastructure* is a stand-alone item, and is therefore excluded from *Capital infrastructure* and *Current infrastructure*, but is included in the overall total

The category *New infrastructure assets: Capital* relates to the Social and Economic Amenities programme. The spending from 2021/22 to 2023/24 was in respect of the Emfihlweni and Sonkombo community hall projects. The fluctuating trend against this category is in line with progress made on these projects annually. The 2025/26 allocation caters for the anticipated completion of the Sonkombo community hall. The 2025/26 MTEF allocations also cater for the Townview community hall project, which will be resumed in 2025/26 and is anticipated to be completed in 2026/27. There is no allocation in the outer year of the MTEF as both these projects are anticipated to be completed by 2026/27.

The category *Infrastructure transfers: Current* relates to the operational costs of accredited municipalities, such as the eThekweni Metro, and the KwaDukuza, Newcastle, Msunduzi, Ray Nkonyeni, uMhlathuze and Alfred Duma Municipalities. These costs were previously recorded against *Infrastructure transfers: Capital* but, after assessment, the department established that the funds are current in nature. This category reflects an increase from 2021/22 to 2022/23, with a slight decrease in 2023/24. The significant decrease from 2023/24 to the 2024/25 Main Appropriation was due to a portion of the 2024/25 budget cuts against the HSDG implemented against this category. The 2025/26 MTEF allocation reflects a decrease in 2025/26 and 2026/27, due to the low growth against the HSDG as a result of the carry-through impact of the 2024/25 MTEF budget cuts, with the outer year growing in line with inflation. Operational costs are paid based on the percentage spent by municipalities and are therefore difficult to accurately budget for, therefore, these allocations will be revised in-year.

Infrastructure transfers: Capital comprises transfers relating to capital projects for housing development, including upgrading of informal settlements, rural intervention and CRUs, etc. funded by the conditional grants. This shows a steady increase from 2021/22 to 2023/24, largely in respect of the HSDG, as the bulk of the housing programmes are budgeted for within this category. The spending in 2022/23 and 2023/24 takes into account funds of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of funds ring-fenced within the HSDG to address the October 2019 to January 2022 flood disasters, and this partly explains the significant decrease in the 2024/25 Main Appropriation. The decrease is further explained by the large portion of the conditional grant and equitable share budget cuts of R366.117 million in 2024/25, R562.995 million in 2025/26 and R991.895 million in 2026/27 being implemented against this category in respect of the department's capital housing projects over the MTEF. The increase from the 2024/25 Main to Adjusted Appropriation was due to the amount of R263.741 million approved to be roll-over by National Treasury from 2023/24 to 2024/25 against the HSDG, as explained. These funds were under-spent but committed at the end of 2023/24, as mentioned. This largely explains the significant decrease in 2025/26. The decrease over the MTEF is also in line with the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts effected against the conditional grants. The 2025/26 MTEF caters for the rectification of post-1994 houses, the enrolment of housing projects with the National Home Builders Registration Council (NHBC), the

redevelopment of old hostels to CRUs, the construction of new CRU projects, the servicing of several sites under the informal settlements upgrade programme and the rural subsidy programme, among others.

The category *Infrastructure: Leases* relates to the operational leases for office accommodation leased by the department. The increase from the 2024/25 Main to Adjusted Appropriation was due to once-off additional funds that were held in the PRF in respect of the KZN Housing Fund and departmental own revenue to cater for the spending pressures due to the payment of 2023/24 accruals in respect of operating leases for office buildings. This explains the decrease in 2025/26. The increase over the MTEF is inflationary.

The category *Non infrastructure* caters for items such as operational costs which are not related to infrastructure, including advertising, communication, etc. The increase in 2023/24 related to *Compensation of employees* in respect of the appointment of professionals in the Built Environment to assist with project identification and assessments, social facilitation, and quality assurance for the flood disasters. The 2025/26 MTEF caters for operational costs such as advertising, communication, etc., and the decrease is in line with the low growth against the HSDG as a result of the carry-through impact of the 2024/25 MTEF significant budget cuts against the HSDG.

7.6 Summary of Public Private Partnerships – Nil

7.7 Transfers to public entities (listed i.t.o. Schedule 3 of the PFMA) and other entities

Table 8.11 shows transfers made by the department to public entities that are listed in terms of Schedule 3 of the PFMA, as well as transfers to other entities. The department funds the KZN Housing Fund which is in the process of being dis-established by 31 March 2025. This is an unlisted public entity in terms of Section 47(2) of the PFMA. These allocations were previously made from all categories within Programme 4 but, following an A-G finding, are now made from *Transfers and subsidies to: Departmental agencies and accounts*.

Table 8.11 : Summary of departmental transfers to other entities

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
	Transfers to public entities	-	-	-	-	-	-	-	-	-
	Transfers to other entities	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
	KZN Housing Fund	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
	Total	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610

With regard to the KZN Housing Fund, there is a fluctuating trend from 2021/22 to 2023/24. The decrease from 2022/23 to 2023/24 was largely due to the in-year fiscal consolidation budget cuts of R11.394 million effected against this category, as well as reprioritisation of funds to cater for operating leases against *Goods and services* in Programme 1. The decrease from 2023/24 to the 2024/25 Main Appropriation was largely due to a portion of the budget cuts amounting to R9.637 million in 2024/25 being implemented against this category. The decrease from the 2024/25 Main to the Adjusted Appropriation was due to a reprioritisation of funds from this category to *Transfers and subsidies to: Households* in Programme 3 in relation to savings realised on municipal services' costs which resulted from the transfer of the Oribi Village property to the Msunduzi Municipality in line with the department's target to dis-establish the KZN Housing Fund by 31 March 2025. The significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken to this category to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock where the department is ready to commence with the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.

7.8 Transfers to local government

Tables 8.12 and 8.13 illustrate departmental transfers to local government by category and by grant type, respectively.

Transfers to local government exclude funds in respect of motor vehicle licences. These funds will not be transferred to any municipality and, hence, the amounts are not reflected in Tables 8.12 and 8.13.

Details of these transfers are presented in the *Annexure – Vote 8: Human Settlements*.

Table 8.12 : Summary of departmental transfers to local government by category

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Category A	39 520	108 057	102 673	13 230	14 729	11 720	37 172	55 172	55 172
Category B	30 985	28 790	32 205	26 241	34 742	37 751	31 419	30 692	30 692
Category C	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864

Table 8.13 : Summary of departmental transfers to local government by grant name

R thousand	Sub-programme	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
		2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Accredited municipalities	3.2 Financial Intervention	45 505	86 847	49 178	39 471	49 471	49 471	48 591	45 864	45 864
CRU programme	3.4 Social & Rental Intervention	25 000	50 000	85 700	-	-	-	20 000	40 000	40 000
Total		70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864

Transfers to municipalities relate to the CRU programme (Categories A and B) and operational costs of the accredited municipalities (Categories A and B).

Category A: The CRU programme provides a coherent approach to dealing with different forms of public residential accommodation. It enables the department to provide secure and stable rental tenure for lower income persons in good locations, and forms the basis for transition to the formal housing market. The significant decrease from 2023/24 to the 2024/25 Main Appropriation was due to an agreement with the eThekweni Metro which expired at the end of 2023/24. The increase from the 2024/25 Main to the Adjusted Appropriation was to cater for spending pressures in respect of operational costs for accredited municipalities. The significant increase in 2025/26, as well as the fluctuations over the MTEF relate to the resumption of transfers to the eThekweni Metro to cater mainly for the hostel redevelopment programme in terms of a new agreement.

Categories A and B: The department provides for operational costs of accredited municipalities including the eThekweni Metro, and the KwaDukuza, Newcastle, Msunduzi, Ray Nkonyeni, uMhlathuze and Alfred Duma Municipalities.

7.9 Transfers and subsidies

Table 8.14 provides a summary of transfers and subsidies per programme, as discussed below.

It should be noted that in the 2024/25 *EPRE*, the budget for *Transfers and subsidies to: Households* under Programme 3 within the HSDG was inadvertently under-stated by R1 000. As a result, the Main Appropriation for this category does not balance to the Main Appropriation as per Table 8.7, 8.9 and 8.22. In the 2024/25 Adjustments Estimate, a shift was undertaken in this table only against Programme 3 to correct the budget against the HSDG. This was correctly captured in Tables 8.7, 8.9 and 8.22, hence the shift was effected only in this table.

Table 8.14 : Summary of transfers and subsidies by programme and main category

R thousand	Audited Outcome			Main	Adjusted	Revised	Medium-term Estimates		
	2021/22	2022/23	2023/24	Appropriation	Appropriation	Estimate	2025/26	2026/27	2027/28
1. Administration	2 600	3 337	2 596	715	1 983	1 983	727	763	798
Provinces and municipalities	132	159	114	190	190	190	150	159	166
Motor vehicle licences	132	159	114	190	190	190	150	159	166
Households	2 468	3 178	2 482	525	1 793	1 793	577	604	632
Staff exit costs	1 399	2 551	1 660	-	1 268	1 268	-	-	-
Donations	609	498	-	-	-	-	-	-	-
Bursaries	460	129	822	525	525	525	577	604	632
2. Housing Needs, Research and Planning	678	130	182	-	99	99	-	-	-
Households	678	130	182	-	99	99	-	-	-
Staff exit costs	678	130	182	-	99	99	-	-	-
3. Housing Development	3 009 950	3 311 112	3 338 567	2 816 930	3 043 546	3 043 676	2 786 743	2 544 842	2 689 260
Provinces and municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Op. costs for accredited municipalities (HSDG)	44 516	86 847	49 178	39 471	49 471	49 471	48 591	45 864	45 864
CRU programme (HSDG)	25 000	50 000	85 700	-	-	-	20 000	40 000	40 000
Rates and taxes for Sec. 21 properties (HSDG)	989	-	-	-	-	-	-	-	-
Households	2 939 445	3 174 265	3 203 689	2 777 459	2 994 075	2 994 205	2 718 152	2 458 978	2 603 396
Staff exit costs	2 057	713	1 016	-	1 155	1 152	-	-	-
Claims against the state	3	2	-	-	-	3	-	-	-
Staff exit costs (HSDG)	170	120	1 019	154	254	254	154	154	154
Staff exit costs (ISUPG)	-	-	19	-	-	130	-	-	-
Donations (equitable share)	-	2 275	-	-	-	-	-	-	-
EPWP Integrated Grant for Provinces	1 864	2 491	2 832	632	632	632	360	-	-
EPWP job creation programme (equitable share)	-	-	475	-	-	-	-	-	-
Informal Sett. Upgrading Part. Grant for Prov.	709 707	724 592	699 299	597 069	567 216	567 216	483 449	162 446	169 793
Provincial Emergency Housing grant	106 392	341 132	23 849	-	-	-	-	-	-
Human Settlements Development grant	2 119 252	2 102 940	2 475 180	2 179 604	2 424 818	2 424 818	2 234 189	2 296 378	2 433 449
of which:									
FLISP	30 612	30 104	22 644	23 591	26 657	26 657	24 266	24 286	24 286
Rectification of RDP stock	156 447	211 128	-	173 871	147 565	147 565	141 094	152 760	152 760
IRDP	410 370	337 982	346 590	404 613	405 159	405 159	458 153	570 543	596 728
Rural subsidy communal land right	1 245 250	1 229 948	1 301 380	1 316 762	1 364 527	1 364 527	1 341 746	1 263 717	1 340 985
Others	276 573	293 778	804 566	260 767	480 910	480 910	268 930	285 072	318 690
4. Housing Asset Management	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Departmental agencies and accounts	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Equitable share	40 553	38 634	43 590	31 543	34 082	34 082	29 734	31 920	33 356
Human Settlements Development grant	126 148	143 962	116 621	125 294	116 641	116 641	160 636	116 754	101 254
Total	3 179 929	3 497 175	3 501 556	2 974 482	3 196 351	3 196 481	2 977 840	2 694 279	2 824 668

With regard to Programme 1:

- Provinces and municipalities* relates to motor vehicle licence fees. The decrease in 2025/26 is largely attributable to the reprioritisation undertaken from this category due to a historical over-budgeting as evidenced by a low spending trend.
- Households* pertains to staff exit costs, donations and bursaries paid to external students in qualifications, such as Civil Engineering, Construction Management, Town and Regional Planning, Geographic and Environmental Studies, etc. The increase from the 2024/25 Main to the Adjusted Appropriation was to cater for unanticipated staff exit costs, from the once-off re-allocation of the department's own revenue collected in 2024/25 from various sources, as mentioned. The 2025/26 MTEF allocations cater for external bursaries, which include the payment of institutional fees, meals and accommodation.

With regard to Programme 2:

- Households* from 2021/22 to 2024/25 relates to staff exit costs. This category is not budgeted for over the 2025/26 MTEF due to its uncertain nature.

With regard to Programme 3:

- Provinces and municipalities* reflects an increase from 2021/22 to 2022/23, with a slight decrease in 2023/24 in relation to the operational costs of accredited municipalities, as well as transfers to the eThekweni Metro for the CRU programme which was re-aligned to the agreement entered into by the department and the eThekweni Metro to transfer funds for the CRU programme in respect of the Thokoza and Donnelly CRUs. The significant decrease from 2023/24 to the 2024/25 Main Appropriation was due to an agreement with the eThekweni Metro that expired at the end of 2023/24. The increase from the 2024/25 Main to the Adjusted Appropriation caters for spending pressures in

respect of operational costs for accredited municipalities. The significant increase in 2025/26, as well as the fluctuations over the MTEF relate to the resumption of transfers to the eThekweni Metro to cater mainly for the hostel redevelopment programme in terms of a new agreement. The MTEF also caters for operational costs for accredited municipalities such as the eThekweni Metro, and the KwaDukuza, Newcastle, Msunduzi, Ray Nkonyeni, uMhlathuze and Alfred Duma Municipalities.

- *Households* shows a steady increase from 2021/22 to 2023/24, largely in respect of the HSDG, as the bulk of the housing programmes are budgeted for within this category. The spending in 2022/23 and 2023/24 takes into account funds of R397.705 million in 2022/23 and R474.974 million in 2023/24 in respect of funds ring-fenced within the HSDG to address the October 2019 to January 2022 flood disasters, and this partly explains the significant decrease in the 2024/25 Main Appropriation. The decrease is further explained by the large portion of the conditional grant and equitable share budget cuts of R366.117 million in 2024/25, R562.995 million in 2025/26 and R991.895 million in 2026/27 being implemented against this category in respect of the department's capital housing projects over the MTEF. The increase from the 2024/25 Main to Adjusted Appropriation was due to the amount of R263.741 million approved for roll-over by National Treasury from 2023/24 to 2024/25 against the HSDG, as explained. This largely explains the significant decrease in 2025/26. The decrease over the MTEF is also attributable to the reprioritisation undertaken against this category to cater for the budget pressures in Programme 4. Furthermore, the decrease over the MTEF is in line with the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts effected against the conditional grants. Included in the MTEF allocations for this category is additional funding of R1.076 million in 2025/26, R1.137 million in 2026/27 and R1.191 million in 2027/28 allocated by National Treasury to conditional grants that have a personnel element towards funding the gap of the 2025 wage agreement, as mentioned.

With regard to *Departmental agencies and accounts*, there is a fluctuating trend from 2021/22 to 2023/24. The decrease from 2022/23 to 2023/24 was largely due to the in-year fiscal consolidation budget cuts of R11.394 million effected against this category, as well as reprioritisation of funds to cater for operating leases in Programme 1. The decrease from 2023/24 to the 2024/25 Main Appropriation was largely due to a portion of the budget cuts in the amount of R9.637 million in 2024/25 being implemented against this category. The decrease from the 2024/25 Main to the Adjusted Appropriation was due to a reprioritisation of funds from this category to *Households* in Programme 3 in relation to savings realised on municipal services' costs, as explained. The significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken to this category to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock where the department is ready to commence with the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.

8. Programme description

The services rendered by this department are categorised under four programmes, which conform to the uniform budget and programme structure for the Human Settlements sector. The payments and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Human Settlements*.

8.1 Programme 1: Administration

The purpose of this programme is to identify and eliminate bottle-necks, as well as continuously improve the flow of financial, administrative and management information. This programme also:

- Provides overall strategic leadership, coordination, and management of strategies towards the achievement of sustainable human settlements for all people in the province.

- Administer the department in line with good governance practice.
- Formulate and/or review policies and strategies in line with legal prescripts and national and provincial priorities.

This programme plays a vital function to ensure that the administrative support functions to support core delivery programmes are effectively provided.

Tables 8.15 and 8.16 reflect a summary of payments and estimates for the period 2021/22 to 2027/28.

Table 8.15 : Summary of payments and estimates by sub-programme: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Corporate Services	271 188	279 448	271 281	264 879	291 114	291 114	283 916	296 398	309 736
Total	271 188	279 448	271 281	264 879	291 114	291 114	283 916	296 398	309 736

Table 8.16 : Summary of payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	254 638	269 518	258 282	258 705	284 172	284 172	276 134	288 296	301 261
Compensation of employees	152 674	149 206	148 755	142 253	148 603	148 603	151 147	158 236	165 386
Goods and services	101 964	120 312	109 527	116 452	135 569	135 569	124 987	130 060	135 875
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	2 600	3 337	2 596	715	1 983	1 983	727	763	798
Provinces and municipalities	131	159	114	190	190	190	150	159	166
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 469	3 178	2 482	525	1 793	1 793	577	604	632
Payments for capital assets	13 950	6 585	10 403	5 459	4 959	4 959	7 055	7 339	7 677
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	13 950	6 585	10 403	5 459	4 959	4 959	7 055	7 339	7 677
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	-	-	-	-	-	-
Total	271 188	279 448	271 281	264 879	291 114	291 114	283 916	296 398	309 736

The Corporate Services sub-programme caters for services, such as providing strategic leadership, co-ordination and management of strategies, as well as the administration of the department. This sub-programme caters for items, such as leasing of office accommodation, property payments, etc. The sub-programme reflects a fluctuating trend over the seven-year period. The increase from the 2024/25 Main to Adjusted Appropriation was due to the once-off additional allocation to the department from funds which were held in the PRF in respect of the KZN Housing Fund to cater for spending pressures against costs for shared services that are centralised in this programme, which are also utilised by the KZN Housing Fund (R2.800 million), as well as an amount of R20.635 million, which was allocated back to the department from the department's own revenue collected in 2024/25 from various sources, as mentioned, to cater for the shortfall of implementing the unfunded 2024 wage agreement, spending pressures resulting from the payment of accruals from 2023/24 in respect of operating leases due to delays in the receipt of invoices from DOPWI in 2023/24 and audit costs: external in respect of the 2023/24 audit, as well as budget pressures resulting from the carry-through impact of budget cuts implemented in the 2021/22 MTEF, and further budget cuts over the 2024/25 MTEF, as well as unanticipated staff exit costs. The decrease in 2025/26 is attributable to the high base in 2024/25 as a result of the once-off allocation, as mentioned. The department is not planning to fill any posts over the MTEF as a result of the carry-through impact of the 2024/25 MTEF budget cuts. The increasing trend over the two outer years of the 2025/26 MTEF is inflationary and provides for the management of office accommodation, training and development, IT related functions, etc. for the entire department.

Compensation of employees shows a decrease from 2023/24 to the 2024/25 Main Appropriation due to the 2024/25 fiscal consolidation budget cuts effected against this category. The increase from the 2024/25 Main

to the Adjusted Appropriation was due to the portion of the once-off allocation of R3.550 million from the department's own revenue collected in 2024/25 from various sources, as mentioned, as well as the virement from Programme 3 to cater for the shortfall of implementing the unfunded 2024 wage agreement. The department does not plan to fill any posts over the MTEF due to the carry-through impact of historic budget cuts implemented in the 2021/22, 2023/24 and 2024/25 MTEF periods. The MTEF shows low growth of 1.7 per cent in 2025/26, inflationary growth of 4.7 per cent in 2026/27 and 4.5 per cent in 2027/28. This growth is not sufficient to provide for the carry-through costs of the 2024 unfunded wage agreement despite the reprioritisation undertaken, the 1.5 per cent pay progression and possible wage increments, as per National Treasury guidelines. The allocation against this category will be reviewed in-year.

Goods and services shows an increase from the 2024/25 Main to Adjusted Appropriation due to the once-off additional allocation to the department from funds which were held in the PRF in respect of the KZN Housing Fund to cater for spending pressures against costs for shared services that are centralised in this programme which are also utilised by the KZN Housing Fund (R2.800 million), as well as a portion of the funds allocated back to the department from the department's own revenue collected in 2024/25 from various sources, as mentioned, to cater for spending pressures resulting from the payment of accruals from 2023/24 in respect of operating leases due to delays in the receipt of invoices from DOPWI in 2023/24 and audit costs: external in respect of the 2023/24 audit, as well as budget pressures resulting from historic budget cuts. The decrease in 2025/26 is attributable to the high base in 2024/25 as a result of the once-off allocation, as mentioned. The growth over the two outer years of the MTEF is largely in line with inflation. The MTEF provides mainly for the management of office accommodation, training and development, IT related functions, etc. for the entire department.

With regard to *Transfers and subsidies*:

- *Provinces and municipalities* relates to motor vehicle licences for the department's entire fleet. The decrease in 2025/26 is largely attributable to the reprioritisation undertaken from this category due to a historical over-budgeting as evidenced by a low spending trend.
- The fluctuating trend against *Households* is explained in Section 7.9.

Machinery and equipment relates to the purchase and replacement of motor vehicles, computer equipment, and office furniture. The fluctuating trend over the seven-year period is due to the cyclical nature of the replacement of computer equipment and office furniture. The MTEF provides for the purchase of departmental motor vehicles, computer equipment, etc.

Payments for financial assets relates to the write-off of staff debts.

Service delivery measures: Administration

Table 8.17 reflects the main service delivery measures pertaining to Programme 1.

Table 8.17 : Service delivery measures: Administration

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2024/25	2025/26	2026/27	2027/28
Corporate Services						
1.1	Improved Organisational efficiency to promote an agile, capable and ethical and developmental department	• % of approved Human Resource plan implemented	100%	20%	40%	60%
		• No. of ICT Governance Framework performance reports submitted	4	4	4	4
		• % implementation of the approved internal audit plan	100%	100%	100%	100%
		• % of invoices paid within 30 days of receipt	100%	100%	100%	100%
		• % implementation of the approved audit improvement plan	100%	100%	100%	100%
		• Annual Performance Information management report submitted	1	1	1	1
		• % of the awards of the approved Procurement Plan	100%	80%	90%	100%
		• % of the Organisational Functionality Assessment Improvement Plan implemented	25%	25%	25%	25%
		• % of Financial Disclosures submitted by Senior Management Services by the 30th of April of each year	New	100%	100%	100%

8.2 Programme 2: Housing Needs, Research and Planning

The purpose of this programme is to develop tools to guide the department's investment decisions and to provide policy and support to the housing delivery process. In addition, the programme provides for the facilitation and integration of housing sector planning, alignment of the housing budget with the current and future housing needs, and the capacitation of housing stakeholders for housing delivery through mentorship and training.

Tables 8.18 and 8.19 illustrate payments and budgeted estimates from 2021/22 to 2027/28.

Table 8.18 : Summary of payments and estimates by sub-programme: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	527	489	548	548	548	548	566	595	625
2. Policy	3 444	3 730	4 073	4 051	4 164	4 164	4 331	4 553	4 770
3. Planning	4 103	4 785	5 183	5 079	5 079	5 079	6 763	7 392	7 710
4. Research	9 564	11 114	11 205	9 701	9 588	9 588	9 523	10 260	10 721
Total	17 638	20 118	21 009	19 379	19 379	19 379	21 183	22 800	23 826

Table 8.19 : Summary of payments and estimates by economic classification: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	16 888	19 988	20 809	19 379	19 280	19 280	21 183	22 800	23 826
Compensation of employees	15 312	17 877	18 216	16 512	16 771	16 771	17 846	18 611	19 493
Goods and services	1 576	2 111	2 593	2 867	2 509	2 509	3 337	4 189	4 333
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	678	130	182	-	99	99	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	678	130	182	-	99	99	-	-	-
Payments for capital assets	45	-	18	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	45	-	18	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	27	-	-	-	-	-	-	-	-
Total	17 638	20 118	21 009	19 379	19 379	19 379	21 183	22 800	23 826

The budget for the sub-programme: Administration over the 2025/26 MTEF provides for administration of services, managing personnel, financial administration and the co-ordination and monitoring of housing needs, research and planning and shows an increasing trend over the MTEF.

The sub-programme: Policy provides for creating platforms for various stakeholders for discussing, drafting and informing human settlement policies, programmes, innovation and technology, and mainly consists of *Compensation of employees* and the operational costs of the staff within the component. These include policies, such as the environmental management policy, policy guideline for the Accreditation of Community Resource Organisations, etc. The MTEF allocations grow in line with inflation.

The sub-programme: Planning provides for the facilitation and integration of housing sector planning in all sectors, such as local and district municipalities, as well as other departments such as COGTA, DOT and DOE, to name a few, in order to align the department's budget with current and future housing needs. The sub-programme further provides technical and professional support to municipalities in the review of their housing sector plans, IDPs and spatial development plans, to ensure alignment to the NDP and PGDS. Furthermore, the sub-programme is responsible for maintaining a pipeline of potential projects identified through an engagement process with municipalities, and for conducting feasibility studies to determine suitability. At project level, the sub-programme identifies and manages the planning activities and studies of all human settlements projects, such as environmental, geotechnical, bulk infrastructure, social aspects,

land legal and town planning. The allocations over the 2025/26 MTEF grow largely in line with inflation, and cater for the operational costs of staff within the Planning component.

The sub-programme: Research provides for the identification of any skills gaps in the major stakeholders that are an integral part of the housing delivery chain, including municipalities, traditional leaders and institutions, emerging contractors, youth and women. The sub-programme includes planned capacity building initiatives to ensure broader participation of key stakeholders in the delivery of sustainable human settlements. The budget over the 2025/26 MTEF caters for the implementation of capacity building programmes, such as the training of traditional leaders and housing consumers, as well as beneficiary training for communities (i.e. training communities on their rights in housing, such as what type of housing they qualify for).

Compensation of employees shows growth of 6.4 per cent in 2025/26, 4.3 per cent in 2026/27 and 4.7 per cent in 2027/28 and caters for the carry-through costs of filled posts and the carry-through impact of the unfunded 2024 wage agreement, the 1.5 per cent pay progression and the possible wage increases over the MTEF. The allocation against this category will be reviewed in-year.

Goods and services shows a significant increase over the 2025/26 MTEF due to the requirement to pay for BBBEE verification which was previously paid for by EDTEA. This is estimated at approximately R1 million per annum over the MTEF, with verifications to be undertaken on a quarterly basis each year. The increasing trend also caters for inflationary adjustments relating to operational costs such as computer services and travel and subsistence. The category continues to make provision for capacity building programmes relating to housing consumer and Councillor training over the 2025/26 MTEF.

Transfers and subsidies to: Households relates to staff exit costs.

Machinery and equipment relates to the purchase of office furniture, and there are no allocations over the MTEF as this is not an annual requirement.

Service delivery measures: Housing Needs, Research and Planning

Table 8.20 reflects the main service delivery measures pertaining to Programme 2. Note that there are no current generic measures for this sector, but the department is largely following the sector measures from previous years. The department has added two new indicators under Planning in 2025/26, and this is indicated by “New” in the 2024/25 Estimated performance column.

Table 8.20 : Service delivery measures: Housing Needs, Research and Planning

Outputs		Performance indicators	Estimated performance	Medium-term targets			
			2024/25	2025/26	2026/27	2027/28	
Planning							
1.1	Transformed Human settlements in rural and urban environments	• No. of UISP Phase 1 (pre-feasibility) projects completed	New	10	6	6	
		• No. of UISP Phase 2 (planning) projects completed	New	5	6	6	
		• Approved multi-year housing development plan reviewed annually	1	1	1	1	
		• No. of municipalities provided with technical support	43	43	43	43	
		• No. of human settlements development projects approved for planning (Stage 1)	20	15	10	10	
		• No. of catalytic projects in planning phase	3	3	3	3	
		• No. of hectares of land procured/proclaimed	150	150	150	150	
		• No. of UISP projects in Phase 1 (pre-feasibility)	15	10	6	6	
		• No. of UISP projects in Phase 2 (planning)	83	61	26	21	
		• % of investment of the total Human Settlements allocation in PDAs	10%	8%	7%	7%	
Administration							
1.2	Transformed human settlements in rural and urban environments	• No. of individuals provided with human settlements consumer education	5 000	6 000	6 000	6 000	
Research							
1.3	Transformed human settlements in rural and urban environments	• No. of reports developed in terms of approved research studies	2	2	2	2	

8.3 Programme 3: Housing Development

This programme is responsible for the implementation and monitoring of housing delivery within all districts including the eThekweni Metro, through various subsidy mechanisms in terms of national and provincial policies. This programme has a number of projects at various stages of implementation within each municipality. It is also expected to achieve certain key strategic objectives for the department through implementation of projects using various subsidy instruments.

Programme 3 is the core function of the department and serves to promote effective and efficient human settlements delivery through various housing subsidy instruments. Its focus is to achieve targets, which contribute to the national priority targets. This programme also plays a fundamental role towards the realisation of the department's mission and vision. The housing programmes implemented by this programme include: FLISP, Enhanced People's Housing Process (EPHP), UISP, IRDP, Emergency Housing and OSS, as well as Social and Rental Housing, CRUs, Rectification/Rehabilitation (Post-1994), Military Veterans' Housing Programme, social and economic amenities, Consolidation and Rural Housing Programmes.

Programme 3 consists of the bulk of the HSDG, the remainder of which falls under Programme 4. As such, this programme is aligned to the conditional grant business plan, which contains a list of all projects to be implemented. This programme is significantly impacted on by any fluctuations in the HSDG allocation. This programme also includes the EPWP Integrated Grant for Provinces, PEHG and the ISUPG.

Tables 8.21 and 8.22 illustrate a summary of payments and budgeted estimates from 2021/22 to 2027/28.

Table 8.21 : Summary of payments and estimates by sub-programme: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	95 572	93 380	101 347	102 556	99 756	99 756	101 473	104 879	109 599
2. Financial Interventions	427 063	620 891	370 781	461 694	453 596	464 453	445 546	418 130	416 056
3. Incremental Interventions	1 291 624	1 399 663	1 665 716	1 020 393	1 283 769	1 272 912	978 664	776 789	810 320
4. Social and Rental Interventions	198 170	236 482	211 497	187 042	156 527	156 527	186 979	228 700	262 279
5. Rural Intervention	1 245 249	1 229 948	1 301 380	1 316 896	1 364 527	1 364 527	1 341 746	1 263 717	1 340 985
Total	3 257 678	3 580 364	3 650 721	3 088 581	3 358 175	3 358 175	3 054 408	2 792 215	2 939 239

Table 8.22 : Summary of payments and estimates by economic classification: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	238 020	266 778	308 965	262 132	305 476	305 346	260 333	243 821	248 927
Compensation of employees	183 428	184 748	193 032	196 194	198 417	198 287	199 139	204 442	213 975
Goods and services	54 592	82 030	115 933	65 938	107 059	107 059	61 194	39 379	34 952
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3 009 950	3 311 112	3 338 567	2 816 931	3 043 546	3 043 676	2 786 743	2 544 842	2 689 260
Provinces and municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 939 445	3 174 265	3 203 689	2 777 460	2 994 075	2 994 205	2 718 152	2 458 978	2 603 396
Payments for capital assets	9 705	2 466	3 189	9 518	9 153	9 153	7 332	3 552	1 052
Buildings and other fixed structures	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Machinery and equipment	1 050	1 168	1 602	1 518	1 153	1 153	1 232	1 052	1 052
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	8	-	-	-	-	-	-	-
Total	3 257 678	3 580 364	3 650 721	3 088 581	3 358 175	3 358 175	3 054 408	2 792 215	2 939 239

The sub-programme: Administration provides for administration of human settlement development projects, managing of personnel and financial administration. The sub-programme reflects low growth in 2025/26 and an increasing trend over the 2025/26 MTEF. The growth over the MTEF caters for inflationary

increases, and possible wage increases. The 2025/26 MTEF allocations are impacted by the carry-through of the historic budget cuts effected against this sub-programme.

The Financial Interventions sub-programme provides for financial support to procure services relating to housing delivery, such as the NHBRC, FLISP, rectification of post-1994 houses, EPWP programme with the conditional grant, as well as OPSCAP, among others, and these are catered for over the MTEF. The subsidy instruments implemented under this sub-programme include, among others, the procurement of land for housing development, the operational costs for accredited municipalities, project home enrolment fees with the NHBRC, OPSCAP within the HSDG, implementation of the anti-land invasion strategy, etc. The decreasing trend over the 2025/26 MTEF is due to the reprioritisation undertaken from this category due to savings realised from unspent balances on housing projects under the Rectification of pre-1994 RDP stock, such as Ifafa, Glebe, Nibela and Macambini, which are anticipated to be completed at the end of 2024/25. The allocations over the 2025/26 MTEF are also affected by the carry-through of a portion of the historic conditional grant budget cuts. The department is not planning to fill posts over the MTEF, and posts that become vacant will be assessed for criticality and affordability. The 2025/26 MTEF also caters for the implementation of the new initiative under FLISP where the department will partner with financial institutions to assist homeowners who have existing bonds with the bank. These homeowners have either lost their jobs due or have become pensioners or deceased estates, and are finding it difficult to service their home loans. The department will implement this initiative over a 3-year period and will allocate R27.795 million per annum over the MTEF.

The Incremental Interventions sub-programme contributes towards ensuring sustainable human settlements. The subsidy instruments implemented include the ISU programme, IRDP, emergency housing assistance, etc. The significant decrease over the MTEF is mainly due to the high base in 2024/25 as a result of a roll-over allocation of R263.741 million in respect of funds that were ring-fenced within the HSDG in respect of the flood disasters. The decrease is also due to the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts effected against conditional grants. The department will continue to align its targets for the number of units constructed and sites serviced, as well as hostels upgraded and rehabilitated to the available budget over the MTEF. The 2025/26 MTEF caters mainly for the servicing of several sites under the informal settlements upgrade programme and the IRDP, including the Dannhauser Stage 3, JBC Phase 1, Steve Biko Phase 2, Empangeni IRDP and Dalton Cool Air housing projects, among others.

The sub-programme: Social and Rental Interventions provides for the CRU programme which aims to create a sustainable, affordable and secure rental housing option for households. Over the 2025/26 MTEF, the major focus area in the CRU programme continues to be on the redevelopment of old hostels to CRUs and the construction of new CRU projects. In 2025/26, the department is planning to build a total of 303 new CRU units, as well as various hostel refurbishment projects as part of the hostel upgrading programme. The 303 new CRU units are made up of 150 units in Newcastle, 45 units in Greater Kokstad, and 30 units in Johannes Phumani Phungula, 20 in Umvoti and 58 in eThekweni. The growth over the 2025/26 MTEF is affected by the carry-through of historic budget cuts. The significant growth in 2025/26 is partly due to the 2024/25 MTEF budget cut being lower in 2025/26, as well as the transfers to the eThekweni Metro in respect of the Thokoza and Donnelly Road CRUs, which was not provided for in 2024/25 due to the expiry of the agreement signed with the eThekweni Metro in 2023/24. The department will continue to align its targets for the number of units produced to the available budget over the MTEF.

The sub-programme: Rural Intervention provides for housing needs that are implemented utilising the rural housing subsidy, which entails extending the benefits of the housing subsidy scheme to those individuals living in areas referred to as rural areas where they enjoy functional security of tenure to the land they occupy as opposed to legal security of tenure. This land is normally in rural areas, belongs to the state and is governed by traditional authorities. The projects that are budgeted for over the 2025/26 MTEF include projects with current contractual commitments, projects which contribute to medium to high density development (e.g. Breaking New Ground) that promote integrated development, as well as projects that benefit the elderly, military veterans, people living with disabilities and child headed households. All new contracts for housing unit projects will be critically assessed in order to determine the urgency and needs thereof. Where urgent intervention is required, the OSS programme is then used to fast track the delivery of houses. The allocations over the MTEF also cater for rural housing projects, as well as OSS, and include

uBuhlebonzinyathi, Zungu Rural, Mhambuma, Matimatolo Phase 2, Kwambila and Mpunkunyoni rural housing projects, among others. The growth over the MTEF is negative, with positive growth of 6.1 per cent in the outer year of the MTEF. This is in line with the significantly low growth in conditional grant allocations as a result of the carry-through impact of the 2024/25 MTEF budget cuts. The department will continue to align its targets for the number of units produced to the available budget over the MTEF.

The fluctuations against *Compensation of employees* in this programme can mainly be attributed to posts funded by the HSDG and ISUPG, in line with DORA, which allows for a portion (up to 5 per cent) of the conditional grant funding to be used for administrative purposes to enhance service delivery. This category shows low growth of 0.4 per cent in 2025/26 partly due to anticipated staff exits, including retirements and contract terminations, as well as the impact of the 2024/25 MTEF budget cuts against the department's conditional grants. The two outer years of the MTEF show lower than inflation growth of 2.7 per cent in 2026/27 and inflationary growth of 4.7 per cent in 2027/28. This growth is not sufficient to provide for the carry-through costs of the 2024 wage agreement despite the reprioritisation undertaken, the 1.5 per cent pay progression, as well as possible wage increases over the MTEF as per National Treasury guidelines. The department is not planning to fill posts over the 2025/26 MTEF, and posts that become vacant will be assessed for criticality and affordability. The allocation over the MTEF will be reviewed in-year.

Goods and services provides for operational costs of officials, implementation of the anti-land invasion strategy, as well as a portion of the EPWP Integrated Grant for Provinces allocation. The EPWP Integrated Grant for Provinces is not allocated beyond 2025/26, at this stage. The department allocates 1 per cent of the HSDG for the management of catalytic projects by HDA. The significant decrease in 2025/26 is attributable to the high base in 2024/25 due to the shift to this category, as mentioned. This category shows a decreasing trend over the 2025/26 MTEF and provides for the management of catalytic projects, land invasion strategy, etc.

With regard to *Transfers and subsidies*:

- The fluctuating trend against *Provinces and municipalities* is explained in Section 7.9.
- *Households* is explained in detail in Section 7.9.

Buildings and other fixed structures is mainly related to the Social and Economic Amenities programme, as explained under Section 7.5 under *New infrastructure assets: Capital*.

Machinery and equipment includes the purchase of office furniture and equipment, as well as vehicles.

Service delivery measures: Housing Development

Table 8.23 reflects the main service delivery measures pertaining to Programme 3.

Note that there are currently no generic measures for this sector. However, the department is largely following the sector measures from the previous years when there were still sector-specific measures. Some of the outputs have changed to ensure alignment with the department's 2025/26 APP. It is noted that the targets listed in Table 8.23 are aligned to the latest draft 2025/26 APP. The department has added six new indicators in 2025/26.

Table 8.23 : Service delivery measures: Housing Development

Outputs		Performance indicators	Estimated performance	Medium-term targets		
			2024/25	2025/26	2026/27	2027/28
Financial Interventions						
1.1	Increased access to adequate housing through various programmes	• No. of subsidies disbursed to households in the affordable market	400	450	450	500
		• % of expenditure incurred for rectification of post 1994 housing units	New	6.8%	9%	8.6%
Incremental Interventions						
1.2	Increased access to adequate housing through various programmes	• No. of IRDP serviced sites delivered	423	400	502	463
		• No. of UISP serviced sites delivered	982	1 446	1118	1 146
		• No. of MVHP houses (units) delivered	100	100	100	125
		• No. of IRDP houses (units) delivered	1 279	1 407	1 372	1 503

Table 8.23 : Service delivery measures: Housing Development

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2024/25	2025/26	2026/27	2027/28	
	No. of houses (units) delivered through the consolidation subsidy programme	138	123	86	30	
	No. of title deeds registered	2 885	2 467	5 939	5 789	
	No. of informal settlements upgraded to phase 3 of the Upgrading of Informal Settlements Programme (UISP)	2	2	2	2	
Social and Rental Interventions						
1.3	Increased access to adequate housing through various programmes	No. of CRUs delivered	270	255	255	245
		No. of social housing projects endorsed for SHRA approval	New	2	2	2
		No. of Provincial Steering Committee (PSC) engagements held for the Social Housing Programme	New	4	4	4
Rural Interventions						
1.4	Increased access to adequate housing through various programmes	No. of houses (units) delivered through the OSS Intervention for vulnerable groups	870	1 273	982	1 028
		No. of rural houses (units) delivered	4 559	4 992	4 625	4 649
Financial Interventions						
1.5	Strengthened economic transformation of the human settlements sector	No. of designated group companies trained	170	120	100	90
		No. of designated group companies allocated with work	New	50	40	30
		No. of designated group individuals trained	New	1 000	-	-
		No. of initiatives commemorating designated groups	New	3	3	3
		No. of work opportunities created through EPWP aligned projects	5 900	5 800	5 700	5 600
		No. of FTEs achieved through EPWP aligned projects	1 700	1 600	1 500	1 400
		No. of person's days of work created through EPWP aligned projects	391 000	368 000	345 000	322 000
		No. of EPWP beneficiaries provided with accredited training	260	250	240	230

8.4 Programme 4: Housing Asset Management

This programme is responsible for the management and effective disposal of pre-1994 Housing Fund properties to qualifying beneficiaries in terms of the Enhanced Extended Discount Benefit Scheme (EEDBS), as well as the devolution of vacant land to municipalities in terms of Section 15 of the Housing Act 107 of 1997. The National Minister of Human Settlements has however, issued a proclamation of the completion date of 31 March 2025 for the Housing Fund's pre-1994 stock, by which all pre-1994 stock properties must be transferred to the rightful beneficiaries and where applicable the devolution of vacant land to municipalities. Therefore, EEDBS and the programme for the devolution of properties will be phased out. The department will however continue with the following programmes:

Pre-1994 Rectification

The policy intent for the Rectification of pre-1994 residential properties is to facilitate the improvement of state properties with specific focus on:

- The improvement of municipal engineering services where inappropriate levels of service were delivered.
- The renovations and/or upgrading or the complete reconstruction of dwellings that are severely structurally compromised, and that are regarded as inappropriate for transfer into ownership of the beneficiary or unfit for human habitation, thus posing a threat to the health and safety of the inhabitants.

In addition, the removal of asbestos is strictly regulated by the Asbestos Abatement Regulations, 2020 and in accordance with the Occupational Health and Safety Act (Act No. 85 of 1993). The pre-1994 Rectification programme therefore also includes the removal of asbestos and the rehabilitation of the housing units to National Building norms and standards in the current projects.

Maintenance Programme

While this programme is also being phased out in light of the Ministerial proclamation, the department will continue to prioritise to resolve the outstanding maintenance issues over the 2025/26 MTEF.

It must be noted that *Transfers and subsidies to: Departmental agencies and accounts* relates to transfers to the KZN Housing Fund. Funding in respect of the KZN Housing Fund is accounted for against this category, due to compliance with an A-G finding and GRAP requirements. The 2025/26 MTEF allocations take into account the activities undertaken by the department to meet the target to dis-establish the KZN Housing Fund by 31 March 2025. However, the department does not anticipate that this target will be met by 31 March 2025, and allocations over the MTEF will be reviewed as progress is made on the dis-establishment of the KZN Housing Fund.

Tables 8.24 and 8.25 give a summary of payments and budgeted estimates pertaining to this programme. The overall MTEF allocation shows the effects of the implementation of the EEDBS policy, as explained in greater detail below.

Table 8.24 : Summary of payments and estimates by sub-programme: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
1. Administration	40 553	38 736	43 590	31 543	34 082	34 082	29 734	31 920	33 356
2. Sale and Transfer of Housing Properties	57 509	67 149	65 848	57 113	46 156	46 156	27 000	-	-
3. Housing Properties Maintenance	68 639	76 813	50 773	68 181	70 485	70 485	133 636	116 754	101 254
Total	166 701	182 698	160 211	156 837	150 723	150 723	190 370	148 674	134 610

Table 8.25 : Summary of payments and estimates by economic classification: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	102	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	102	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	166 701	182 698	160 211	156 837	150 723	150 723	190 370	148 674	134 610

The sub-programme: Administration provides for the management of Ex-Natal Provincial Administration and Own Affairs stock, and shows a fluctuating trend over the seven-year period. The decrease in 2025/26 is partly attributable to the high base in 2024/25 due to the once-off allocation, as well as the reprioritisation undertaken from this sub-programme as a result of vacant funded posts largely as a result of staff exits in line with the target to dis-establish the KZN Housing Fund by 31 March 2025, as mentioned. The growth over the two outer years of the MTEF largely caters for inflationary increases.

The sub-programme: Sale and Transfer of Housing Properties provides for the transfer of rental housing stock to qualifying beneficiaries, such as low income earners, in terms of the EEDBS. The sub-programme shows a decreasing trend over the 2025/26 MTEF in line with the target to dis-establish the KZN Housing Fund by 31 March 2025. In this regard, the department is not anticipating to meet this target, and the allocation in 2025/26 caters for the government properties that still remain and are not anticipated to be transferred to municipalities and beneficiaries by the end of 2024/25. There are no allocations over the two outer years of the MTEF due to the anticipated phasing out of this sub-programme upon the dis-establishment of the KZN Housing Fund. The allocation over the MTEF will be reviewed in the next budget process, considering progress made on the dis-establishment of the KZN Housing Fund.

The sub-programme: Housing Properties Maintenance provides for the co-ordination of the maintenance of departmental rental housing stock and rectification of units built prior to 1994. The significant increase in 2025/26 is mainly attributable to the reprioritisation undertaken from Programme 3 and the Sale and Transfers of Properties sub-programme within Programme 4 to cater for the maintenance of government properties that have not yet been transferred to municipalities and beneficiaries, the Rehabilitation of pre-1994 stock where the department is ready to commence with the second phase in 2025/26, as well as to cater for the Colita and Fodderville Rectification project which was previously delayed by historic budget cuts, as mentioned. This reprioritisation was much lower in 2026/27, hence the significant decrease in the two outer years of the MTEF. The 2025/26 MTEF provides for the resolution of outstanding maintenance issues and the rectification of units built prior to 1994. The allocations over the MTEF will be reviewed as progress is made on these programmes, as well as on the target to dis-establish the KZN Housing Fund.

Service delivery measures: Housing Asset Management

Table 8.26 reflects the main service delivery measures pertaining to Programme 4. It should be noted that the targets listed in Table 8.26 are aligned to the latest draft 2025/26 APP. In light of the target to dis-establish the KZN Housing Fund by 31 March 2025, the department will no longer be planning and reporting on the following output indicators:

- No. of rental units sold to beneficiaries.
- No. of debtors reduced.
- No. of land parcels devolved to municipalities for human settlements development.

Table 8.26 : Service delivery measures: Housing Asset Management

Outputs	Performance indicators	Estimated performance	Medium-term targets			
		2024/25	2025/26	2026/27	2027/28	
1.1 Increased access to adequate housing through various programmes	• No. of rental units maintained	200	100	-	-	
	• No. of units rectified for pre-1994 stock	200	150	150	150	

9. Other programme information

9.1 Personnel numbers and costs

Table 8.27 provides detail of the department's approved establishment and personnel numbers, per level and programme, as well as a breakdown of employees' dispensation classification.

The personnel numbers show an increasing trend from 2021/22 to 2022/23. The fluctuating trend over the 2025/26 MTEF relates to fluctuations against the OPSCAP allocation within the HSDG and ISUPG, as there are contract posts budgeted for under the OPSCAP allocation within the HSDG. These posts were filled on a contractual basis as they are linked to projects. The department did not provide for growth for these posts over the MTEF. The allocations over the MTEF only partially provide for the 1.5 per cent pay progression, the carry-through of the unfunded 2024 wage agreement, as well as possible wage increases.

The department has a total of 31 vacant posts as per the approved organisational structure, including Director: Inland Region, Senior Administration Officers, Construction Project Manager, Deputy Director: Fleet Services, Assistant Director: Facilities, Administration Officers, Deputy Director: Administration Support, and Control Works Inspector, among others, and these posts will not be filled due to the carry-through effects of the 2024/25 MTEF budget cuts being implemented against *Compensation of employees*. The department is considering removing and merging some of the lower level posts that may become vacant over the MTEF, such as Drivers, Administration Clerks and Assistant Directors, among others, where possible. The department has since removed some posts where contracts expired and were not renewed in 2024/25 due to the impact of historical budget cuts.

Table 8.27 : Summary of departmental personnel numbers and costs by component

	Actual Outcome						Revised Estimate		Medium-term Estimate						Average annual growth over MTEF		
	2021/22		2022/23		2023/24		2024/25		2025/26		2026/27		2027/28		2024/25 - 2027/28		
	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Filled posts	Addit. posts	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers nos ¹	Costs	Pers. growth rate	Costs growth rate	% Costs of Total
R thousands																	
Salary level																	
1 – 7	216	73 905	232	81 811	221	69 679	147	14	161	67 278	167	71 202	167	74 333	1.2%	5.9%	19.4%
8 – 10	246	157 108	271	148 042	281	167 788	229	-	229	158 512	224	154 913	224	160 887	(0.7%)	2.1%	42.7%
11 – 12	58	68 352	63	67 576	68	68 967	89	-	89	89 989	90	93 338	90	95 559	0.4%	3.1%	24.8%
13 – 16	34	41 329	35	41 756	32	43 411	24	1	25	34 951	25	38 676	25	40 449	0.0%	6.3%	10.3%
Other	39	10 720	60	12 646	66	10 158	49	16	65	12 931	48	10 003	48	10 121	(9.6%)	(7.8%)	2.9%
Total	593	351 414	661	351 831	668	360 003	538	31	569	363 661	554	368 132	554	381 289	(0.9%)	3.1%	100.0%
Programme																	
1. Administration	292	152 674	333	149 206	345	148 755	247	23	270	148 603	265	151 147	265	158 236	(0.6%)	3.6%	41.3%
2. Housing Needs, Research and Planning	22	15 312	28	17 877	28	18 216	23	-	23	16 771	21	17 846	21	18 611	(3.0%)	5.1%	4.8%
3. Housing Development	279	183 428	300	184 748	295	193 032	268	8	276	198 287	268	199 139	268	204 442	(1.0%)	2.6%	53.9%
4. Housing Asset Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	593	351 414	661	351 831	668	360 003	538	31	569	363 661	554	368 132	554	381 289	(0.9%)	3.1%	100.0%
Employee dispensation classification																	
PSA appointees not covered by OSDs	488	301 128	540	301 902	563	318 287	433	31	464	324 452	449	313 670	449	324 322	(1.1%)	1.5%	86.4%
Legal Professionals	8	6 456	8	6 456	8	6 740	8	-	8	6 740	8	7 042	8	7 697	-	4.5%	1.9%
Social Services Professions	11	3 655	11	3 655	11	3 816	11	-	11	3 816	11	3 987	11	4 170	-	4.5%	1.1%
Engineering Professions and related	41	27 615	36	36 747	11	15 653	11	-	11	16 830	11	27 341	11	28 599	-	21.1%	6.6%
Educators and related professionals	6	1 840	6	1 840	6	1 921	7	-	7	1 921	7	2 618	7	2 738	-	14.2%	0.7%
Others such as interns, EPWP, learnerships,	39	10 720	60	12 331	69	13 586	68	-	68	9 902	68	13 474	68	14 094	-	14.1%	3.4%
Total	593	351 414	661	351 831	668	360 003	538	31	569	363 661	554	368 132	554	381 289	(0.9%)	3.1%	100.0%

1. Personnel numbers includes all filled posts together with those posts additional to the approved establishment

The contract workers relate to the appointment of staff, such as Quantity Surveyors, Planners, and Project Construction Managers, with the technical skills required to oversee various aspects of housing projects who are appointed on a contract basis, as and when required.

9.2 Training

Table 8.28 gives a summary of departmental spending and information on training. The amounts reflected relate mainly to project management, secretarial, financial management and computer training courses for staff. The department is required by the Skills Development Act to budget at least 1 per cent of its salary expense for staff training. The department abides by this, exceeding the 1 per cent requirement in most years. The trend over the MTEF is based on number of personnel to be trained.

The department's main training programme relates to the EPWP job creation initiative where beneficiaries are employed under the EPWP to assist in construction sites of different housing projects and are paid stipends while acquiring skills such as brick laying, among others. The department's training programmes also includes the Siyakha Incubation Programme which offers training and skills development for emerging contractors on the built environment. Other training programmes are determined by requests from staff on their annual personal development plans, and includes Excel and Word courses, among others. The fluctuation in numbers is mainly attributable to the EPWP training under Programme 3 to align with the available budget. The department will review the 2025/26 MTEF budget in-year.

Table 8.28 : Information on training: Human Settlements

	Actual Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
R thousand									
Number of staff	593	661	668	569	569	569	554	554	554
Number of personnel trained	208	410	960	450	450	450	354	354	354
of which									
Male	65	129	463	150	150	150	104	104	104
Female	143	281	497	300	300	300	250	250	250
Number of training opportunities	28	30	40	37	37	37	40	42	44
of which									
Tertiary	2	1	7	5	5	5	7	9	11
Workshops	1	15	5	4	4	4	5	5	5
Seminars	1	1	2	2	2	2	2	2	2
Other	24	13	26	26	26	26	26	26	26
Number of bursaries offered	13	21	12	12	12	12	12	12	12
Number of interns appointed	33	32	39	20	20	20	20	20	20
Number of learnerships appointed	20	15	28	20	20	20	20	20	20
Number of days spent on training	573	434	1 093	480	480	480	600	600	600
Payments on training by programme									
1. Administration	603	726	492	1 375	1 460	1 460	1 579	1 651	1 730
2. Housing Needs, Research and Planning	-	-	-	481	481	481	833	1 046	1 082
3. Housing Development	994	12 182	14 615	3 062	5 984	5 732	3 540	20	20
4. Housing Asset Management	-	-	-	-	-	-	-	-	-
Total	1 597	12 908	15 107	4 918	7 925	7 673	5 952	2 717	2 832

ANNEXURE – VOTE 8: HUMAN SETTLEMENTS

Table 8.A: Details of departmental receipts: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes	-	-	-	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sale of goods and services other than capital assets	368	361	325	402	402	402	407	409	411
Sale of goods and services produced by department (excluding capital assets)	368	361	324	402	402	402	407	409	411
Sale by market establishments	172	361	324	173	173	173	175	176	177
Administrative fees	-	-	-	-	-	-	-	-	-
Other sales	196	-	-	229	229	229	232	233	234
Of which									
Commission Insurance	186	-	-	212	212	212	215	216	217
Sale of tender documents	-	-	-	17	17	17	17	17	17
Other	10	-	-	-	-	-	-	-	-
Sale of scrap, waste, arms and other used current goods (excluding capital assets)	-	-	1	-	-	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	8	16	204	23	23	3 600	24	25	26
Interest	8	16	204	23	23	3 600	24	25	26
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sale of capital assets	3 651	925	1 726	774	774	774	809	815	820
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	3 651	925	1 726	774	774	774	809	815	820
Transactions in financial assets and liabilities	2 664	4 332	14 894	1 937	1 937	18 325	2 024	2 117	2 212
Total	6 691	5 634	17 149	3 136	3 136	23 101	3 264	3 366	3 469

Table 8.B: Payments and estimates by economic classification: Human Settlements

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	509 546	556 284	588 056	540 216	608 928	608 798	557 650	554 917	574 014
Compensation of employees	351 414	351 831	360 003	354 959	363 791	363 661	368 132	381 289	398 854
Salaries and wages	309 285	312 707	321 872	315 594	323 926	323 796	329 154	339 637	354 867
Social contributions	42 129	39 124	38 131	39 365	39 865	39 865	38 978	41 652	43 987
Goods and services	158 132	204 453	228 053	185 257	245 137	245 137	189 518	173 628	175 160
Administrative fees	1 009	1 231	3 129	1 196	2 989	2 989	1 945	1 168	1 187
Advertising	3 097	3 863	11 766	2 821	5 323	5 323	3 026	2 116	2 279
Minor assets	2 927	793	732	639	453	453	367	287	297
Audit cost: External	5 868	8 592	7 339	7 033	8 833	8 833	8 866	9 232	9 657
Bursaries: Employees	287	393	125	160	160	160	176	185	194
Catering: Departmental activities	3 106	5 339	9 400	3 613	5 751	5 871	1 594	167	200
Communication (G&S)	1 987	1 941	2 078	2 159	2 159	2 159	2 000	2 112	2 208
Computer services	21 860	27 675	20 756	27 796	36 866	36 866	31 055	32 570	34 524
Cons & prof sev: Business and advisory services	2 415	8 134	22 948	8 779	4 002	4 281	12 013	3 721	3 721
Infrastructure and planning	30 673	28 525	12 318	31 188	13 103	12 494	19 442	20 301	16 119
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	2 377	1 499	4 334	2 691	1 982	1 982	2 545	2 672	2 795
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	2 965	4 624	8 602	3 087	6 623	6 855	3 324	318	333
Agency and support / outsourced services	-	71	811	-	788	788	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	5 903	8 206	9 955	9 423	9 423	9 423	10 145	10 755	11 215
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 983	1 785	2 243	1 431	611	1 318	281	129	129
Consumable: Stationery, printing and office supplies	913	1 334	1 334	1 598	1 540	1 540	1 310	1 293	1 413
Operating leases	29 146	28 738	27 518	36 101	45 211	45 211	39 004	40 097	41 445
Rental and hiring	3 613	4 324	7 221	1 626	4 280	4 280	1 000	-	-
Property payments	21 161	38 816	39 457	26 009	74 474	73 623	31 676	28 585	29 017
Transport provided: Departmental activity	386	907	2 329	500	1 703	1 747	500	-	-
Travel and subsistence	11 342	13 687	17 698	11 713	10 265	10 595	13 109	14 519	14 885
Training and development	1 597	12 908	15 107	4 918	7 925	7 673	5 305	2 717	2 832
Operating payments	517	1 068	853	776	673	673	835	684	710
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 179 929	3 497 175	3 501 556	2 974 483	3 196 351	3 196 481	2 977 840	2 694 279	2 824 668
Provinces and municipalities	70 636	137 006	134 992	39 661	49 661	49 661	68 741	86 023	86 030
Provinces	131	159	114	190	190	190	150	159	166
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	131	159	114	190	190	190	150	159	166
Municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 942 592	3 177 573	3 206 353	2 777 985	2 995 967	2 996 097	2 718 729	2 459 582	2 604 028
Social benefits	4 305	3 514	3 896	154	2 776	2 903	154	154	154
Other transfers to households	2 938 287	3 174 059	3 202 457	2 777 831	2 993 191	2 993 194	2 718 575	2 459 428	2 603 874
Payments for capital assets	23 700	9 153	13 610	14 977	14 112	14 112	14 387	10 891	8 729
Buildings and other fixed structures	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Buildings	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	15 045	7 855	12 023	6 977	6 112	6 112	8 287	8 391	8 729
Transport equipment	3 976	769	430	747	747	761	1 500	1 533	1 604
Other machinery and equipment	11 069	7 086	11 593	6 230	5 365	5 351	6 787	6 858	7 125
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	30	16	-	-	-	-	-	-	-
Total	3 713 205	4 062 628	4 103 222	3 529 676	3 819 391	3 819 391	3 549 877	3 260 087	3 407 411

Table 8.C: Payments and estimates by economic classification: Administration

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	254 638	269 518	258 282	258 705	284 172	284 172	276 134	288 296	301 261
Compensation of employees	152 674	149 206	148 755	142 253	148 603	148 603	151 147	158 236	165 386
Salaries and wages	129 365	127 121	128 322	121 802	126 862	126 862	129 527	135 223	141 036
Social contributions	23 309	22 085	20 433	20 451	21 741	21 741	21 620	23 013	24 350
Goods and services	101 964	120 312	109 527	116 452	135 569	135 569	124 987	130 060	135 875
Administrative fees	390	405	721	220	220	220	249	262	274
Advertising	1 971	1 966	2 491	1 528	1 113	1 113	2 026	2 108	2 271
Minor assets	2 103	637	235	262	262	262	159	171	179
Audit cost: External	5 868	8 592	7 339	7 033	8 833	8 833	8 866	9 232	9 657
Bursaries: Employees	287	393	125	160	160	160	176	185	194
Catering: Departmental activities	2 893	4 669	1 359	60	60	60	60	64	67
Communication (G&S)	1 987	1 934	2 078	2 148	2 148	2 148	2 000	2 112	2 208
Computer services	21 860	27 675	20 213	27 796	36 866	36 866	30 776	32 220	34 161
Cons & prof sev: Business and advisory services	141	74	75	75	75	75	13	17	17
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	682	1 464	4 068	2 447	1 982	1 982	2 545	2 672	2 795
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	1 469	2 279	1 474	194	307	307	308	318	333
Agency and support / outsourced services	-	71	811	-	788	788	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	5 523	7 671	9 234	8 921	8 921	8 921	9 545	10 009	10 469
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	192	424	141	204	204	204	99	110	114
Consumable: Stationery, printing and office supplies	863	1 231	1 274	1 489	1 454	1 454	1 154	1 231	1 350
Operating leases	29 146	28 738	27 518	36 101	45 211	45 211	39 004	40 097	41 445
Rental and hiring	3 613	4 324	1 057	-	-	-	-	-	-
Property payments	17 763	21 011	21 139	22 500	21 566	21 566	20 629	21 793	22 545
Transport provided: Departmental activity	386	907	371	-	-	-	-	-	-
Travel and subsistence	3 707	4 174	6 551	3 287	3 287	3 287	4 972	5 134	5 366
Training and development	603	726	492	1 375	1 460	1 460	1 579	1 651	1 730
Operating payments	517	947	761	652	652	652	827	674	700
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 600	3 337	2 596	715	1 983	1 983	727	763	798
Provinces and municipalities	131	159	114	190	190	190	150	159	166
Provinces	131	159	114	190	190	190	150	159	166
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	131	159	114	190	190	190	150	159	166
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 469	3 178	2 482	525	1 793	1 793	577	604	632
Social benefits	1 400	2 551	1 660	-	1 268	1 268	-	-	-
Other transfers to households	1 069	627	822	525	525	525	577	604	632
Payments for capital assets	13 950	6 585	10 403	5 459	4 959	4 959	7 055	7 339	7 677
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	13 950	6 585	10 403	5 459	4 959	4 959	7 055	7 339	7 677
Transport equipment	3 976	769	430	747	747	761	1 500	1 533	1 604
Other machinery and equipment	9 974	5 816	9 973	4 712	4 212	4 198	5 555	5 806	6 073
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	-	-	-	-	-	-
Total	271 188	279 448	271 281	264 879	291 114	291 114	283 916	296 398	309 736

Table 8.D: Payments and estimates by economic classification: Housing Needs, Research and Planning

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	16 888	19 988	20 809	19 379	19 280	19 280	21 183	22 800	23 826
Compensation of employees	15 312	17 877	18 216	16 512	16 771	16 771	17 846	18 611	19 493
Salaries and wages	13 089	14 567	15 361	14 238	14 497	14 497	15 322	15 939	16 665
Social contributions	2 223	3 310	2 855	2 274	2 274	2 274	2 524	2 672	2 828
Goods and services	1 576	2 111	2 593	2 867	2 509	2 509	3 337	4 189	4 333
Administrative fees	94	59	126	133	130	130	66	83	87
Advertising	21	8	-	-	-	-	-	-	-
Minor assets	39	5	16	5	-	-	45	56	58
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	331	982	912	872	872	102	103	133
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	279	350	363
Cons & prof sev: Business and advisory services	249	398	152	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	89	23	2	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	2	63	27	51	43	43	34	45	46
Operating leases	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 082	1 218	1 281	1 270	976	976	1 970	2 496	2 554
Training and development	-	-	-	481	481	481	833	1 046	1 082
Operating payments	-	6	7	15	7	7	8	10	10
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	678	130	182	-	99	99	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	678	130	182	-	99	99	-	-	-
Social benefits	678	130	182	-	99	99	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	45	-	18	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	45	-	18	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	45	-	18	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	27	-	-	-	-	-	-	-	-
Total	17 638	20 118	21 009	19 379	19 379	19 379	21 183	22 800	23 826

Table 8.E: Payments and estimates by economic classification: Housing Development

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	238 020	266 778	308 965	262 132	305 476	305 346	260 333	243 821	248 927
Compensation of employees	183 428	184 748	193 032	196 194	198 417	198 287	199 139	204 442	213 975
Salaries and wages	166 831	171 019	178 189	179 554	182 567	182 437	184 305	188 475	197 166
Social contributions	16 597	13 729	14 843	16 640	15 850	15 850	14 834	15 967	16 809
Goods and services	54 592	82 030	115 933	65 938	107 059	107 059	61 194	39 379	34 952
Administrative fees	525	767	2 282	843	2 639	2 639	1 630	823	826
Advertising	1 105	1 889	9 275	1 293	4 210	4 210	1 000	8	8
Minor assets	785	151	481	372	191	191	163	60	60
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	213	339	7 059	2 641	4 819	4 939	1 432	-	-
Communication (G&S)	-	7	-	11	11	11	-	-	-
Computer services	-	-	543	-	-	-	-	-	-
Cons & prof sev: Business and advisory services	2 025	7 662	22 721	8 704	3 927	4 206	12 000	3 704	3 704
Infrastructure and planning	30 673	28 525	12 318	31 188	13 103	12 494	19 442	20 301	16 119
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	1 695	35	266	244	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	1 496	2 345	7 128	2 893	6 316	6 548	3 016	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	380	535	721	502	502	502	600	746	746
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 702	1 338	2 100	1 227	407	1 114	182	19	15
Consumable: Stationery, printing and office supplies	48	40	33	58	43	43	122	17	17
Operating leases	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	6 164	1 626	4 280	4 280	1 000	-	-
Property payments	3 398	17 805	18 318	3 509	52 908	52 057	11 047	6 792	6 472
Transport provided: Departmental activity	-	-	1 958	500	1 703	1 747	500	-	-
Travel and subsistence	6 553	8 295	9 866	7 156	6 002	6 332	6 167	6 889	6 965
Training and development	994	12 182	14 615	3 062	5 984	5 732	2 893	20	20
Operating payments	-	115	85	109	14	14	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 009 950	3 311 112	3 338 567	2 816 931	3 043 546	3 043 676	2 786 743	2 544 842	2 689 260
Provinces and municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipalities	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 939 445	3 174 265	3 203 689	2 777 460	2 994 075	2 994 205	2 718 152	2 458 978	2 603 396
Social benefits	2 227	833	2 054	154	1 409	1 536	154	154	154
Other transfers to households	2 937 218	3 173 432	3 201 635	2 777 306	2 992 666	2 992 669	2 717 998	2 458 824	2 603 242
Payments for capital assets	9 705	2 466	3 189	9 518	9 153	9 153	7 332	3 552	1 052
Buildings and other fixed structures	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Buildings	8 655	1 298	1 587	8 000	8 000	8 000	6 100	2 500	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 050	1 168	1 602	1 518	1 153	1 153	1 232	1 052	1 052
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	1 050	1 168	1 602	1 518	1 153	1 153	1 232	1 052	1 052
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	3	8	-	-	-	-	-	-	-
Total	3 257 678	3 580 364	3 650 721	3 088 581	3 358 175	3 358 175	3 054 408	2 792 215	2 939 239

Table 8.F: Payments and estimates by economic classification: Programme 4: Housing Asset Management

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
Current payments	-	-	-	-	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages	-	-	-	-	-	-	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	-	-	-	-	-	-	-	-	-
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Minor assets	-	-	-	-	-	-	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	-	-	-	-	-	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	-	-	-	-	-	-	-
Cons & prof sev: Business and advisory services	-	-	-	-	-	-	-	-	-
Infrastructure and planning	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	-	-	-	-	-	-	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	-	-	-	-	-	-	-	-	-
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving transfers	166 701	182 596	160 211	156 837	150 723	150 723	190 370	148 674	134 610
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	102	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	102	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	102	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	166 701	182 698	160 211	156 837	150 723	150 723	190 370	148 674	134 610

Table 8.G : Payments and estimates by economic classification: Conditional grants

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24		2024/25		2025/26	2026/27	2027/28
Current payments	142 755	140 156	201 625	159 412	206 976	206 976	159 040	138 942	139 328
Compensation of employees	92 562	89 808	98 518	98 184	103 290	103 290	105 206	106 510	111 078
Salaries and wages	91 612	89 008	97 898	96 184	101 290	101 290	104 771	106 075	110 643
Social contributions	950	800	620	2 000	2 000	2 000	435	435	435
Goods and services	50 193	50 348	103 107	61 228	103 686	103 686	53 834	32 432	28 250
Administrative fees	268	520	1 541	461	1 697	2 157	1 172	300	300
Advertising	1 061	240	9 267	1 240	3 322	4 047	1 000	-	-
Minor assets	539	105	140	105	105	105	-	-	-
Audit cost: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	3	162	6 542	2 633	4 311	4 756	1 432	-	-
Communication (G&S)	-	-	-	-	-	-	-	-	-
Computer services	-	-	543	-	-	139	-	-	-
Cons & prof sev: Business and advisory services	2 025	5 523	21 007	8 704	8 903	7 481	12 000	3 704	3 704
Infrastructure and planning	30 673	18 219	12 318	31 188	13 103	11 890	19 442	20 301	16 119
Laboratory services	-	-	-	-	-	-	-	-	-
Legal services	1 695	244	266	244	-	121	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Contractors	1 469	2 429	5 736	2 893	6 516	6 871	3 016	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (incl. govt motor transport)	380	502	721	502	502	502	600	746	746
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Chemicals, fuel, oil, gas, wood and coal	-	-	-	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medcas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 378	704	770	1 160	367	503	180	-	-
Consumable: Stationery, printing and office supplies	29	28	5	-	-	-	-	-	-
Operating leases	-	-	-	-	-	-	-	-	-
Rental and hiring	-	-	6 164	1 626	4 030	4 233	1 000	-	-
Property payments	3 398	9 442	18 318	3 509	49 951	49 951	8 047	3 509	3 509
Transport provided: Departmental activity	-	-	1 958	500	1 603	1 678	-	-	-
Travel and subsistence	3 773	3 563	5 499	3 292	3 292	3 692	3 292	3 872	3 872
Training and development	502	8 558	12 312	3 062	5 984	5 560	2 653	-	-
Operating payments	-	109	-	109	-	-	-	-	-
Venues and facilities	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	3 130 638	3 483 050	3 453 535	2 942 855	3 159 032	3 159 032	2 947 379	2 661 596	2 790 514
Provinces and municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 933 985	3 209 449	3 202 036	2 777 460	2 992 920	2 992 920	2 718 152	2 458 978	2 603 396
Social benefits	170	154	1 038	154	254	254	154	154	154
Other transfers to households	2 933 815	3 209 295	3 200 998	2 777 306	2 992 666	2 992 666	2 717 998	2 458 824	2 603 242
Payments for capital assets	9 541	1 052	2 965	9 052	9 052	9 052	7 152	3 552	1 052
Buildings and other fixed structures	8 655	-	1 587	8 000	8 000	8 000	6 100	2 500	-
Buildings	8 655	-	1 587	8 000	8 000	8 000	6 100	2 500	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	886	1 052	1 378	1 052	1 052	1 052	1 052	1 052	1 052
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	886	1 052	1 378	1 052	1 052	1 052	1 052	1 052	1 052
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	3 282 934	3 624 258	3 658 125	3 111 319	3 375 060	3 375 060	3 113 571	2 804 090	2 930 894

Estimates of Provincial Revenue and Expenditure

Table 8.H : Payments and estimates by economic classification: Human Settlements Development grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28
Current payments	132 802	135 347	163 664	123 860	171 424	171 424	128 723	130 403	130 403
Compensation of employees	89 892	89 450	85 623	79 031	84 097	84 097	93 943	97 971	102 153
Salaries and wages	88 942	88 650	85 005	78 231	83 297	83 297	93 543	97 571	101 753
Social contributions	950	800	618	800	800	800	400	400	400
Goods and services	42 910	45 897	78 041	44 829	87 327	87 327	34 780	32 432	28 250
Administrative fees	268	402	882	330	1 257	1 257	300	300	300
Advertising	1 061	240	6 915	240	2 322	2 322	-	-	-
Minor assets	24	105	140	105	105	105	-	-	-
Catering: Departmental activities	3	-	4 406	1 100	2 925	2 925	-	-	-
Computer services	-	-	543	-	-	139	-	-	-
Cons & prof sev: Business and advisory services	1 641	5 493	6 917	3 704	3 903	4 456	7 000	3 704	3 704
Infrastructure and planning	30 673	18 219	12 318	30 488	12 403	11 190	19 442	20 301	16 119
Legal services	1 695	244	266	244	-	121	-	-	-
Contractors	-	-	2 812	-	3 402	3 402	-	-	-
Fleet services (incl. govt motor transport)	380	502	721	502	502	502	600	746	746
Consumable supplies	-	370	547	370	-	-	-	-	-
Consumable: Stationery, printing and office supplies	1	-	5	-	-	-	-	-	-
Rental and hiring	-	-	4 386	626	3 030	3 030	-	-	-
Property payments	3 398	9 442	18 318	3 509	49 951	49 951	3 546	3 509	3 509
Transport provided: Departmental activity	-	-	1 361	-	1 103	1 103	-	-	-
Travel and subsistence	3 766	3 561	5 489	3 292	3 292	3 692	3 292	3 872	3 872
Training and development	-	7 210	12 015	210	3 132	3 132	600	-	-
Operating payments	-	109	-	109	-	-	-	-	-
Transfers and subsidies	2 186 527	2 294 523	2 610 917	2 249 083	2 474 543	2 474 543	2 302 934	2 382 396	2 519 467
Provinces and municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Municipalities	70 505	129 639	134 878	39 471	49 471	49 471	68 591	85 864	85 864
Households	2 116 022	2 164 884	2 476 039	2 209 612	2 425 072	2 425 072	2 234 343	2 296 532	2 433 603
Social benefits	170	154	1 019	154	254	154	154	154	154
Other transfers to households	2 115 852	2 164 730	2 475 020	2 209 458	2 424 818	2 424 818	2 234 189	2 296 378	2 433 449
Payments for capital assets	9 541	1 052	2 965	9 052	9 052	9 052	7 152	3 552	1 052
Buildings and other fixed structures	8 655	-	1 587	8 000	8 000	8 000	6 100	2 500	-
Buildings	8 655	-	1 587	8 000	8 000	8 000	6 100	2 500	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	886	1 052	1 378	1 052	1 052	1 052	1 052	1 052	1 052
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	886	1 052	1 378	1 052	1 052	1 052	1 052	1 052	1 052
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	2 328 870	2 430 922	2 777 546	2 381 995	2 655 019	2 655 019	2 438 809	2 516 351	2 650 922

Table 8.I : Payments and estimates by economic classification: Human Settlements Development grant: Programme 4

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28
Current payments	-	-	-	-	-	-	-	-	-
Transfers and subsidies	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Departmental agencies and accounts	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Entities receiving funds	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	126 148	143 962	116 621	125 924	116 641	116 641	160 636	116 754	101 254

Table 8.J : Payments and estimates by economic classification: EPWP Integrated Grant for Provinces: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25	2024/25	2024/25	2025/26	2026/27	2027/28
Current payments	5 285	4 809	4 089	5 699	5 699	5 699	4 883	-	-
Compensation of employees	2 670	358	1 859	-	40	40	-	-	-
Salaries and wages	2 670	358	1 859	-	40	40	-	-	-
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	2 615	4 451	2 230	5 699	5 659	5 659	4 883	-	-
Administrative fees	-	118	130	131	440	440	202	-	-
Catering: Departmental activities	-	162	177	533	386	386	432	-	-
Cons & prof sev: Business and advisory services	-	30	-	-	-	-	-	-	-
Contractors	1 469	2 429	1 401	1 393	1 614	1 916	2 016	-	-
Consumable supplies	609	334	223	790	367	503	180	-	-
Consumable: Stationery, printing and office supplies	28	28	-	-	-	-	-	-	-
Travel and subsistence	7	2	2	-	-	-	-	-	-
Training and development	502	1 348	297	2 852	2 852	2 414	2 053	-	-
Transfers and subsidies	1 864	1 690	2 832	632	632	632	360	-	-
Households	1 864	1 690	2 832	632	632	632	360	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	1 864	1 690	2 832	632	632	632	360	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	7 149	6 499	6 921	6 331	6 331	6 331	5 243	-	-

Table 8.K : Payments and estimates by economic classification: Provincial Emergency Housing grant: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	-	-	-	-	-	-	-	-	-
Transfers and subsidies	106 392	318 283	23 849	-	-	-	-	-	-
Households	106 392	318 283	23 849	-	-	-	-	-	-
Other transfers to households	106 392	318 283	23 849	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	106 392	318 283	23 849	-	-	-	-	-	-

Table 8.L : Payments and estimates by economic classification: ISUPG: Programme 3

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
Current payments	4 668	-	33 872	29 853	29 853	29 853	25 434	8 539	8 925
Compensation of employees	-	-	11 036	19 153	19 153	19 153	11 263	8 539	8 925
Salaries and wages	-	-	11 034	17 953	17 953	17 953	11 228	8 504	8 890
Social contributions	-	-	2	1 200	1 200	1 200	35	35	35
Goods and services	4 668	-	22 836	10 700	10 700	10 700	14 171	-	-
Administrative fees	-	-	529	-	-	460	670	-	-
Advertising	-	-	2 352	1 000	1 000	1 725	1 000	-	-
Minor assets	515	-	-	-	-	-	-	-	-
Catering: Departmental activities	-	-	1 959	1 000	1 000	1 445	1 000	-	-
Cons & prof sev: Business and advisory services	384	-	14 090	5 000	5 000	3 025	5 000	-	-
Infrastructure and planning	-	-	-	700	700	700	-	-	-
Contractors	-	-	1 523	1 500	1 500	1 553	1 000	-	-
Consumable supplies	3 769	-	-	-	-	-	-	-	-
Rental and hiring	-	-	1 778	1 000	1 000	1 203	1 000	-	-
Property payments	-	-	-	-	-	-	4 501	-	-
Transport provided: Departmental activity	-	-	597	500	500	575	-	-	-
Travel and subsistence	-	-	8	-	-	-	-	-	-
Training and development	-	-	-	-	-	14	-	-	-
Transfers and subsidies	709 707	724 592	699 316	567 216	567 216	567 216	483 449	162 446	169 793
Households	709 707	724 592	699 316	567 216	567 216	567 216	483 449	162 446	169 793
Social benefits	-	-	19	-	-	-	-	-	-
Other transfers to households	709 707	724 592	699 297	567 216	567 216	567 216	483 449	162 446	169 793
Payments for capital assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	714 375	724 592	733 188	597 069	597 069	597 069	508 883	170 985	178 718

Table 8.M : Summary of transfers to local government

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
A KZN2000 eThekweni	39 520	108 057	102 673	13 230	14 729	11 720	37 172	55 173	55 172
Total: Ugu Municipalities	2 502	2 749	3 015	2 214	2 714	3 660	2 214	2 214	2 214
B KZN212 uMdoni	-	-	-	-	-	-	-	-	-
B KZN213 uMzumbhe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZN216 Ray Nkonyeni	2 502	2 749	3 015	2 214	2 714	3 660	2 214	2 214	2 214
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	4 546	3 178	4 413	4 429	6 429	8 730	4 429	4 429	4 429
B KZN221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	-	-	-	-	-	-	-	-	-
B KZN224 iMpindle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	4 546	3 178	4 413	4 429	6 429	8 730	4 429	4 429	4 429
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: uThukela Municipalities	1 815	1 503	2 639	1 772	3 772	3 772	3 272	3 272	3 272
B KZN235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZN237 iNkosi Langalibalele	-	-	-	-	-	-	-	-	-
B KZN238 Alfred Duma	1 815	1 503	2 639	1 772	3 772	3 772	3 272	3 272	3 272
C DC23 uThukela District Municipality	-	-	-	-	-	-	-	-	-
Total: uMzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZN241 eNdumeni	-	-	-	-	-	-	-	-	-
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	-	-	-	-	-	-	-	-	-
C DC24 uMzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	16 053	12 121	8 630	11 625	12 626	11 931	9 303	8 575	8 576
B KZN252 Newcastle	16 053	12 121	8 630	11 625	12 626	11 931	9 303	8 575	8 576
B KZN253 eMadlangeni	-	-	-	-	-	-	-	-	-
B KZN254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	-	-	-	-	-	-	-	-	-
B KZN261 eDumbe	-	-	-	-	-	-	-	-	-
B KZN262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZN263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZN265 Nongoma	-	-	-	-	-	-	-	-	-
B KZN266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: uMkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZN271 uMhlabyalingana	-	-	-	-	-	-	-	-	-
B KZN272 Jozini	-	-	-	-	-	-	-	-	-
B KZN275 Inkosi uMtubatuba	-	-	-	-	-	-	-	-	-
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	-	-
C DC27 uMkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: King Cetshwayo Municipalities	4 551	5 091	4 788	4 429	5 429	5 429	4 429	4 429	4 429
B KZN281 uMfolozi	-	-	-	-	-	-	-	-	-
B KZN282 uMhlathuze	4 551	5 091	4 788	4 429	5 429	5 429	4 429	4 429	4 429
B KZN284 uMlalazi	-	-	-	-	-	-	-	-	-
B KZN285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZN286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 King Cetshwayo District Municipality	-	-	-	-	-	-	-	-	-
Total: iLembe Municipalities	1 518	4 148	8 720	1 772	3 772	4 229	7 772	7 772	7 772
B KZN291 Mandeni	-	-	-	-	-	-	-	-	-
B KZN292 KwaDukuza	1 518	4 148	8 720	1 772	3 772	4 229	7 772	7 772	7 772
B KZN293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZN294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 iLembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Harry Gwala Municipalities	-	-	-	-	-	-	-	-	-
B KZN433 Greater Kokstad	-	-	-	-	-	-	-	-	-
B KZN434 Johannes Phumani Phungula	-	-	-	-	-	-	-	-	-
B KZN435 uMzimkhulu	-	-	-	-	-	-	-	-	-
B KZN436 Dr Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala District Municipality	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-
Total	70 505	136 847	134 878	39 471	49 471	49 471	68 591	85 864	85 864

Table 8.N : Transfers to local government - CRU Programme

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24				2025/26	2026/27	2027/28
A KZN2000 eThekweni	25 000	50 000	85 700	-	-	-	20 000	40 000	40 000
Total	25 000	50 000	85 700	-	-	-	20 000	40 000	40 000

Table 8.O : Transfers to local government - Accredited Municipalities

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2021/22	2022/23	2023/24	2024/25			2025/26	2026/27	2027/28
A KZN2000 eThekweni	14 520	58 057	16 973	13 230	14 729	11 720	17 172	15 173	15 172
Total: Ugu Municipalities	2 502	2 749	3 015	2 214	2 714	3 660	2 214	2 214	2 214
B KZN216 Ray Nkonyeni	2 502	2 749	3 015	2 214	2 714	3 660	2 214	2 214	2 214
Total: uMgungundlovu Municipalities	4 546	3 178	4 413	4 429	6 429	8 730	4 429	4 429	4 429
B KZN225 Msunduzi	4 546	3 178	4 413	4 429	6 429	8 730	4 429	4 429	4 429
Total: uThukela Municipalities	1 815	1 503	2 639	1 772	3 772	3 772	3 272	3 272	3 272
B KZN238 Alfred Duma	1 815	1 503	2 639	1 772	3 772	3 772	3 272	3 272	3 272
Total: Amajuba Municipalities	16 053	12 121	8 630	11 625	12 626	11 931	9 303	8 575	8 576
B KZN252 Newcastle	16 053	12 121	8 630	11 625	12 626	11 931	9 303	8 575	8 576
Total: King Cetshwayo Municipalities	4 551	5 091	4 788	4 429	5 429	5 429	4 429	4 429	4 429
B KZN282 uMhlathuze	4 551	5 091	4 788	4 429	5 429	5 429	4 429	4 429	4 429
Total: iLembe Municipalities	1 518	4 148	8 720	1 772	3 772	4 229	7 772	7 772	7 772
B KZN292 KwaDukuza	1 518	4 148	8 720	1 772	3 772	4 229	7 772	7 772	7 772
Total	45 505	86 847	49 178	39 471	49 471	49 471	48 591	45 864	45 864