**MEDIA STATEMENT**

**POOR ACHIEVEMENT OF TARGETS REQUIRES URGENT INTERVENTION AT THE HOUSING DEVELOPMENT AGENCY AND ESTATE AGENCY BOARD**

**Parliament, Wednesday, 19 October 2022** – The Portfolio Committee on Human Settlements is extremely concerned by the low number of targets achieved by the Housing Development Agency (HDA) and the Estate Agency Affairs Board/Property Practitioners Regulatory Authority (EAAB). This undermines their critical mandates, which are supposed to drive the property development and regulation of property practitioners environment. The committee today received updates on annual performance at the HDA, the EAAB and the Community Schemes Ombud Service (CSOS).

At the HDA, the entity achieved only 29 per cent of the targets set for the financial year. This highlights the inexplicable substandard performance that does not show value for money for the investment made in it. The under-performance includes the delivery of only 2 451 housing units out of a planned 5 020 units, and 2 806 service sites of the planned 5 598. This is concerning in the context of the current dire squalor in which the majority of South Africans live.

The committee acknowledges that this poor performance is directly related to the instability at senior management level within the HDA. However, the committee welcomes moves by the new board to stabilise management and governance at the institution. In line with this, the committee welcomes the appointment of the CEO and CFO, who will assume responsibility for ensuring that the HDA is functional and delivers on its mandate. The committee is therefore reassured that performance targets will receive attention, evidenced by the 61 per cent of targets achieved in the first quarter of the 2022/23 financial year.

At the EAAB, the committee recognised challenges brought about by the transition from the Estate Agency Board to the Property Practitioners Regulatory Authority, which might have had an adverse impact on attaining targets. Nonetheless, the committee remains of the view that the transition was know of in advance and clear planning was necessary to ensure a seamless transition.

The committee finds it incomprehensible that the EAAB failed to place 2 000 youths in internships with real estate industry hosts through the One Learner One Estate Agent programme. This is concerning in the context of South Africa’s high unemployment rate and the transformation drive in the property sector. The EAAB’s seven targets achieved out of 21, representing only 33 per cent, is also a concern.

The committee highlighted two important areas requiring urgent attention, namely resolving technological challenges to allow more property practitioners to be licenced and the reestablishment of the disciplinary committee to ensure compliance and implementation of consequence management. Furthermore, the committee emphasised the need to enhance women’s participation in the industry.

The committee also called for the urgent development and implementation of the audit action plan to deal with matters raised by the Auditor-General. A progress report on this action plan must be tabled before the committee regularly so that the committee can assess its impact.

Regarding the CSOS, the committee welcomed the 82 per cent of targets achieved and the clearing of the dispute resolution backlog. The committee also welcomed the assurance that mechanisms are in place to ensure that the turnaround time for resolving disputes is controlled.

Nonetheless, the committee also called on the CSOS management to remedy the high vacancy rate, which was emphasised as a contributor to the non-implementation of 18 per cent of targets. Also, the committee urged CSOS to urgently implement all audit action plans to ensure that a clean audit is attained.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON HUMAN SETTLEMENTS. MS MACHWENE SEMENYA.**

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