

Vote 28

Housing

2006/07				
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 860 883	7 333 726	-	472 843
<i>of which:</i>				
Current payments	373 512	262 307	(111 205)	-
Transfers and subsidies	6 483 438	7 065 891	-	582 453
Payments for capital assets	3 933	5 528	-	1 595
Executive authority	Minister of Housing			
Accounting officer	Director-General of Housing			

Aim

The aim of the Department of Housing is to determine, finance, promote, co-ordinate, communicate and monitor the implementation of policy for housing and human settlements.

Changes to programme purposes and measurable objectives

There were no changes to programme purposes or measurable objectives.

Adjusted Estimates of National Expenditure 2006

Table 28.1: Housing

2006/07							
Programme							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	99 668	-	-	1 500	623	2 123	101 791
2. Policy, Planning and Research	26 112	-	-	-	-	-	26 112
3. Programme Management	69 893	-	-	-	-	-	69 893
4. Housing Sector Performance and Equity	196 564	-	-	110 000	-	110 000	306 564
5. Housing Development Funding	6 468 646	372 000	16 206	(111 500)	84 014	360 720	6 829 366
Total	6 860 883	372 000	16 206	-	84 637	472 843	7 333 726
Economic classification							
Current payments	373 512	-	-	(111 205)	-	(111 205)	262 307
Compensation of employees	99 981	-	-	(13 431)	-	(13 431)	86 550
Goods and services	273 531	-	-	(97 774)	-	(97 774)	175 757

Table 28.1: Housing (continued)

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
Transfers and subsidies	6 483 438	372 000	16 206	110 233	84 014	582 453	7 065 891
Provinces and municipalities	6 350 159	372 000	16 206	(15)	84 014	472 205	6 822 364
Departmental agencies and accounts	133 206	-	-	110 233	-	110 233	243 439
Foreign governments and international organisations	73	-	-	-	-	-	73
Households	-	-	-	15	-	15	15
Payments for capital assets	3 933	-	-	972	623	1 595	5 528
Machinery and equipment	3 933	-	-	972	623	1 595	5 528
Total	6 860 883	372 000	16 206	-	84 637	472 843	7 333 726

Details of adjustments to Estimates of National Expenditure 2006

Rollovers – R372 million

Programme 5: Housing Development Funding

R372 million was rolled over for the N2 Gateway project in Cape Town.

Unforeseeable and unavoidable expenditure – R16,206 million

Programme 5: Housing Development Funding

R16,206 million has been provided for housing following floods in the Cape Winelands, Overberg, Eden, and Central Karoo municipal districts.

Virements

Table 28.2: Details on virements per programme and economic classification

Programme / Economic classification	R thousand		Motivation
	From	To	
1. Administration	(33)	1 533	
Current payments	(18)	1 129	
Compensation of employees	(18)	-	Savings are due to vacant posts.
Goods and services	-	1 129	Funds shifted from goods and services (in programme 5) will be used to partially fund a media campaign on the N2 gateway project.
Transfers and subsidies	(15)	15	
Provinces and municipalities	(15)	-	Savings arose because RSC levies have been phased out since June 2006.
Households	-	15	Funds shifted from provinces and municipalities (in this programme) will be used for gifts and donations.
Payments for capital assets	-	389	
Machinery and equipment	-	389	Funds shifted from goods and services (in this programme and programme 5) will be used to buy computer equipment.

Table 28.2: Details on virements per programme and economic classification (continued)

Programme / Economic classification	R thousand		Motivation
	From	To	
2. Policy, Planning and Research	(280)	280	
Current payments	(280)	23	
Compensation of employees	(280)	-	Savings are due to vacant posts, ranging from planner to clerk posts. Funds shifted from compensation of employees (in this programme) will be used for compiling and tabling legislation.
Goods and services	-	23	
Payments for capital assets	-	257	
Machinery and equipment	-	257	Funds shifted from compensation of employees (in this programme) will be used to buy computer equipment.
3. Programme Management	(9 465)	9 465	
Current payments	(9 465)	9 406	
Compensation of employees	(9 465)	-	Savings are due to vacant additional DDG and chief director posts, expected to be filled towards the end of the financial year. Funds shifted from compensation of employees (in this programme) will be used for the capacity building programme.
Goods and services	-	9 406	
Payments for capital assets	-	59	
Machinery and equipment	-	59	Funds shifted from compensation of employees (in this programme) will be used to buy computer equipment.
4. Housing Sector Performance and Equity	(3 668)	113 668	
Current payments	(3 668)	3 188	
Compensation of employees	(3 668)	-	Savings are due to vacant posts, ranging from deputy director to clerk posts. A drive is currently underway to fill these posts, and appointments have been made. Funds shifted from compensation of employees (in this programme) will be used for supporting the provincial departments.
Goods and services	-	3 188	
Transfers and subsidies	-	110 233	
Departmental agencies and accounts	-	110 233	Funds shifted from goods and services (in programme 5) will be transferred to the Social Housing Foundation to manage the interim social housing programme while the Social Housing Regulatory Authority is being created.
Payments for capital assets	-	247	
Machinery and equipment	-	247	Funds shifted from compensation of employees (in this programme) will be used to buy computer equipment.
5. Housing Development Funding	(111 520)	20	
Current payments	(111 520)	-	
Goods and services	(111 520)	-	Savings of R1,52 million arose because maintenance on the housing debtor system required less consultant and special services. R110 million was shifted for social housing due to the delay in creating the Social Housing Regulatory Authority.
Payments for capital assets	-	20	
Machinery and equipment	-	20	Funds shifted from goods and services (in this programme) will be used to buy computer equipment.
Total for vote	(124 966)	124 966	

Other adjustments – R84,637 million

Use of funds in emergency situations in terms of section 16 of the Public Finance Management Act

Programme 5: Housing Development Funding

R84,014 million has been provided for constructing 2 000 subsidised houses in the Taung district in North West, which experienced floods during the year.

Self-financing expenditure

Programme 1: Administration

When the minister was transferred to the Department of Justice and Constitutional Development her assets were transferred with her, including a vehicle for which the Department of Housing was

refunded R532 883. The present minister's car was in an accident and was auctioned for R90 000. These funds were transferred to the National Revenue Fund and will be used to defray expenditure on new cars for the minister.

Expenditure 2005/06 and preliminary expenditure 2006/07

Table 28.3: Housing

Programme	2005/06				2006/07		
	Expenditure outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2005 - Sep 2005	Apr 2005 - Mar 2006	Apr 05 - Mar 06 % of adjusted appropriation	Adjusted appropriation	Apr 2006 - Sep 2006	% change 05/06 - 06/07 Apr - Sep
1. Administration	97 074	44 012	101 949	105,0	101 791	49 489	12,4
2. Policy, Planning and Research	24 634	12 000	20 116	81,7	26 112	6 826	(43,1)
3. Programme Management	95 061	22 308	76 781	80,8	69 893	6 198	(72,2)
4. Housing Sector Performance and Equity	174 016	53 782	200 827	115,4	306 564	67 180	24,9
5. Housing Development Funding	4 881 724	2 587 372	4 849 300	99,3	6 829 366	3 365 068	30,1
Total	5 272 509	2 719 474	5 248 973	99,6	7 333 726	3 494 761	28,5
Current payments	249 712	71 244	225 145	90,2	262 307	79 018	10,9
Compensation of employees	93 761	29 289	62 288	66,4	86 550	36 614	25,0
Goods and services	155 951	41 955	162 757	104,4	175 757	42 372	1,0
Financial transactions in assets and liabilities	-	-	100	-	-	32	(100,0)
Transfers and subsidies	5 017 836	2 645 181	5 016 857	100,0	7 065 891	3 414 816	29,1
Provinces and municipalities	4 898 347	2 602 057	4 868 065	99,4	6 822 364	3 362 324	29,2
Departmental agencies and accounts	118 958	42 979	148 254	124,6	243 439	52 208	21,5
Foreign governments and international organisations	69	-	69	100,0	73	77	(100,0)
Public corporations and private enterprises	411	1	1	0,2	-	-	(100,0)
Non-profit institutions	-	-	-	-	-	75	(100,0)
Households	51	144	468	917,6	15	132	(8,3)
Payments for capital assets	4 961	3 049	6 971	140,5	5 528	927	(69,6)
Machinery and equipment	4 961	3 019	6 869	138,5	5 528	846	(72,0)
Software and other intangible assets	-	30	102	-	-	81	170,0
Total	5 272 509	2 719 474	5 248 973	99,6	7 333 726	3 494 761	28,5

Selected expenditure trends for the first half of the 2006/07 financial year

Expenditure in the first six months of 2006/07 was R3,5 billion, or 47,7 per cent of the adjusted appropriation of R7,3 billion for the year as whole.

Expenditure in the first six months of 2006/07 has increased by 28,5 per cent compared to the same period of the previous financial year. The main increases are a result of transfers made by the *Housing Development Funding* programme to the integrated housing and human settlement development grant and by the *Housing Sector Performance and Equity* programme to public entities.

Summary of changes to transfers and subsidies, and conditional grants

Table 28.4: Summary of changes to transfers and subsidies per programme

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
1. Administration	110	-	-	-	-	-	110
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	110	-	-	(15)	-	(15)	95
Regional Service Councils levies	110	-	-	(15)	-	(15)	95
Households							
Other transfers							
Current	-	-	-	15	-	15	15
Gifts and donations	-	-	-	15	-	15	15
4. Housing Sector Performance and Equity	133 261	-	-	110 233	-	110 233	243 494
Departmental agencies and accounts							
Entities							
Current	133 206	-	-	110 233	-	110 233	243 439
Social Housing Foundation	19 205	-	-	110 233	-	110 233	129 438
5. Housing Development Funding	6 349 949	372 000	16 206	-	84 014	472 220	6 822 169
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	6 349 949	372 000	16 206	-	84 014	472 220	6 822 169
Integrated Housing and Human Settlement Development Grant	6 349 949	372 000	16 206	-	84 014	472 220	6 822 169
Total	6 483 438	372 000	16 206	110 233	84 014	582 453	7 065 891

Table 28.5: Summary of changes to conditional grants: Provinces¹

2006/07							
R thousand	Main appropriation	Additional appropriation				Total additional appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable /unavoidable	Virement	Other adjustments		
6. Housing Development Funding							
Integrated Housing and Human Settlement Development Grant	6 349 949	372 000	16 206	-	84 014	472 220	6 822 169
Total	6 349 949	372 000	16 206	-	84 014	472 220	6 822 169

¹ Main appropriation detail provided in the Division of Revenue Act, 2006

