

# Vote 26

## Housing

### Budget summary

R thousand	2008/09				2009/10	2010/11
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	126 509	123 542	–	2 967	171 706	181 385
Housing Policy Research and Planning	105 542	103 609	1 000	933	174 817	183 731
Housing Delivery Support	182 926	181 195	–	1 731	233 396	243 088
Housing Development Finance	10 171 546	89 083	10 080 581	1 882	12 151 728	14 670 447
<b>Total expenditure estimates</b>	<b>10 586 523</b>	<b>497 429</b>	<b>10 081 581</b>	<b>7 513</b>	<b>12 731 647</b>	<b>15 278 651</b>
Executive authority	Minister of Housing					
Accounting officer	Director-General of Housing					
Website address	www.housing.gov.za					

### 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.*

### Programme purposes, objectives and measures

#### Programme 1: Administration

**Purpose:** Provide strategic leadership, and administrative and management as well as legal support services to the department.

#### Programme 2: Housing Policy Research and Planning

**Purpose:** Develop and promote national sustainable human settlements and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing policies and programmes. Provide integrated business information.

#### Objectives and measures:

- Improve quality and equity in the provision of housing by developing policy and legislation and providing planning frameworks and models over the MTEF period.
- Improve performance management information and data relating to housing planning and delivery by managing and implementing the following information systems and databases: the housing subsidy system (HSS), the national housing database and the monitoring and evaluation system, increasing the percentage of critical data fields captured in the HSS, for example.
- Improve information on the housing sector by publishing regular research and impact analyses on the performance of the housing programme.

### **Programme 3: Delivery Support**

**Purpose:** Provide implementation and delivery support, build capacity, liaise and communicate with stakeholders and manage intergovernmental and international relations for housing and human settlement programmes.

#### **Objectives and measures:**

- Improve the delivery value chain by providing development support to provinces and municipalities, providing capacity support, and monitoring and facilitating municipal accreditation to decrease the turnaround time from project to units.
- Implement the social contract to improve collective capacities, create partnerships, and improve consumer education by providing sector support, intergovernmental and stakeholder management and communication to increase number of call centre queries concluded.
- Facilitate rental and social housing uptake and accelerate People's Housing Process programmes by providing regulatory and implementation support resulting in more rental and social housing and People's Housing Process units.
- Facilitate integrated mixed income settlements by providing implementation and oversight for priority projects to increase private sector investment in affordable housing.

### **Programme 4: Housing Development Finance**

**Purpose:** Fund national housing and human settlement development programmes in terms of the Housing Act (1997). Provide financial, grant and housing institutions management. Manage all matters provided for by the Home Loan and Mortgage Disclosure Act (2000).

#### **Objectives and measures:**

- Improve the expenditure efficiency of provinces on housing delivery, measured by total spending as a percentage of funds transferred, by providing financial and grant management support for the integrated housing and human settlement development grant and business planning and reporting support.
- Oversee entities reporting to the Minister of Housing by ensuring that all entities receive unqualified audit reports from the auditor-general, to engender legal compliance and improve governance and delivery on mandates against financial and performance targets.
- Improve access to housing finance and facilitate a single housing market by monitoring trends in housing investment and facilitating the approval of credit linked subsidies to decrease complaints relating to the Home Loan and Mortgage Disclosure Act.

### **Strategic overview: 2004/05 – 2010/11**

The Department of Housing aims to meet government's constitutional responsibility of ensuring that every South African has access to permanent housing that provides secure tenure, privacy, protection from the elements, and access to basic services. Among the key challenges faced by the housing sector are inadequate intergovernmental co-ordination for accelerated delivery, specifically in relation to the capacity of provinces and local government to deliver on national priorities, and the lack of capacity to monitor and evaluate the implementation of the housing subsidy system.

#### **Key policy developments**

Since 2004, government has intensified its housing delivery programme in an endeavour to deal with the housing backlog. The Breaking New Ground comprehensive plan for the creation of sustainable human settlements, approved in 2004, is being implemented through the informal settlement upgrading programme, which provides for the phased, area based development of services and housing. It includes funding for social and economic amenities as well as for community participation and project management as an integral part of

projects. With at least one project in each province, the living conditions of about 103 000 households in informal settlements are expected to improve.

A new integrated residential development programme aimed at promoting sustainable and integrated human settlement has been developed and incorporated into the new housing code to be published in 2007/08. The programme promotes the economic, social and spatial integration of communities, as well as improved urban efficiency.

The Social Housing Bill (2006), which aims to promote a sustainable social housing environment and regulate the social housing sector by establishing the Social Housing Regulatory Authority, has been introduced to Parliament. Cabinet approved the Housing Amendment Bill (2006) and the Rental Housing Bill (1999) for public comment in 2007.

Regulations to bring into effect the Home Loan and Mortgage Disclosure Act (2000) have been developed and approved by the housing MinMEC. The regulations will be finalised during 2008.

Having identified provincial and municipal capacity constraints as a barrier to accelerating housing delivery, the department will provide provinces and municipalities with support in housing project planning, management and implementation. The Housing Development Agency Bill (2007) has been drafted and approved by Cabinet and will be introduced to Parliament early in 2008. The bill establishes the Housing Development Agency, which will act as a facilitator and developer where provinces or municipalities do not have enough capacity to deliver houses. The agency will also act as a project manager and be able to acquire, manage and hold land for housing development.

### **Recent achievements**

A framework for an inclusionary housing policy for South Africa has been completed, aimed at restructuring and integrating cities at a racial and socioeconomic level. Inclusionary housing requires that a portion of all new housing developments accommodate low and middle income housing.

Capacity building initiatives to assist provinces and municipalities to implement national housing programmes have also been prioritised. Funding and project management support have been provided to 21 municipalities to accelerate and support the accreditation of municipalities and the alignment of integrated development and housing planning at the local level.

The department signed a memorandum of understanding with the Federation of the Urban and Rural Poor and Slum Dwellers International to contribute to eradicating informal settlements through promoting community driven housing initiatives and interventions. The partnership facilitates provincial co-operation, technical assistance and support for community driven housing projects.

The expansion and restructuring of the department has been driven by the continuous review of the current housing delivery framework and modelling of the delivery value chain to achieve the best results for housing beneficiaries. Improved monitoring and evaluation capacity will enable the department to assess the impact of the housing programmes, capture the benefits of the changes in the environment and promote best practices. The co-ordination of all relevant role-players in monitoring at the national and provincial levels aims to improve the quality of houses delivered. In addition, the implementation support function has been substantially strengthened to assist provinces and municipalities to accelerate housing delivery and ensure intended beneficiaries are well informed to make housing choices and appreciate the value of the assets and opportunities created.

The community residential units (CRU) programme aims to facilitate the provision of secure, stable rental tenure for lower income persons. The programme, which was approved by the housing MinMec, provides a coherent framework for dealing with the many different forms of existing public sector residential accommodation. The CRU programme will target low income persons and households earning below R3 500 a month, who are not able to be accommodated in the formal private rental and social housing market. The programme seeks to support the development of affordable rental stock.

In an attempt to maximise delivery through the annual housing funding allocation, a policy shift was introduced with effect from April 2007: the subsidy may only be used for the construction of houses and not for municipal infrastructure. Funding for municipal engineering services must be obtained from other sources such as the municipal infrastructure grant. The housing subsidy funding will only fund internal municipal engineering services for greenfield developments as a last resort.

A new minimum standard for subsidy houses has been established: 40 square meters with two bedrooms, dining room, lounge, and bathroom with separate toilet and shower. This will ensure an improved standard of comfort and privacy for subsidy beneficiaries. The housing subsidy programme has also been extended by allowing households earning between R3 501 and R7 000 a month to qualify for subsidies linked to mortgage finance from the private financial sector.

Inter and intra-governmental co-ordination and planning alignment are critical to housing delivery as the function spans all three spheres of government. To this end, a planning instrument which streamlines provincial housing development planning processes and merges them with the strategic provincial plans was approved. A model to support local planning for housing through the integrated municipal planning process has also been approved and is currently being implemented.

The department aims to make significant inroads into the housing backlog through upgrading informal settlements, rolling out affordable rental housing to accommodate migrants, building the delivery capacity of all three spheres of government, broadening access to housing credit and providing quality sustainable human settlements.

The Financial Services Charter's implementation process was promoted and is being monitored in accordance with the objectives of the comprehensive plan for developing sustainable human settlements, Breaking New Ground, to ensure access to housing finance by low to medium income households.

## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of houses completed and in process of completion	217 348	252 834	271 219	220 204	226 471	242 916	265 330
Number of units completed in rental programme	-	-	-	-	900	1 500	2 300
Number of individual credit linked subsidies approved	1 509	614	907	572	700	850	1 000
Number of beneficiaries approved in the People's Housing Process	45 027	37 090	32 426	11 117	12 500	13 000	13 500
Number of municipalities provided with capacity development to support accreditation	-	-	3	18	18	18	18
Number of sector impact publications	-	-	-	-	4	4	4
Turnaround time for projects to units (months)	37-48	37-48	37-48	37-48	37-48	37-48	37-48

## Expenditure estimates

Table 26.1 Housing

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
R thousand								
1. Administration	66 449	78 440	107 686	122 419	122 419	126 509	171 706	181 385
2. Housing Policy Research and Planning	52 392	69 488	65 357	77 979	59 602	105 542	174 817	183 731
3. Housing Delivery Support	136 986	88 977	70 080	143 926	143 926	182 926	233 396	243 088
4. Housing Development Finance	4 552 596	5 011 848	6 922 839	8 638 034	7 754 957	10 171 546	12 151 728	14 670 447
<b>Total</b>	<b>4 808 423</b>	<b>5 248 753</b>	<b>7 165 962</b>	<b>8 982 358</b>	<b>8 080 904</b>	<b>10 586 523</b>	<b>12 731 647</b>	<b>15 278 651</b>
Change to 2007 Budget estimate				104 750	(796 704)	1 172	202 838	1 998 099

Table 26.1 Housing (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08		2008/09	2009/10	2010/11
<b>Economic classification</b>								
<b>Current payments</b>	<b>148 375</b>	<b>224 773</b>	<b>254 068</b>	<b>377 175</b>	<b>348 798</b>	<b>497 429</b>	<b>669 820</b>	<b>706 101</b>
Compensation of employees	50 449	62 288	76 475	108 973	104 037	133 625	200 193	212 574
Goods and services	97 830	162 385	177 550	268 202	244 761	363 804	469 627	493 527
<i>of which:</i>								
<i>Communication</i>	3 704	5 205	5 143	6 980	5 276	5 648	7 750	8 215
<i>Computer services</i>	2 696	31 195	39 920	38 063	22 867	53 928	56 549	60 961
<i>Consultants, contractors and special services</i>	31 593	59 013	61 074	126 132	126 132	145 251	201 026	207 443
<i>Inventory</i>	7 477	4 976	4 850	10 621	6 571	9 314	12 878	13 650
<i>Maintenance, repairs and running costs</i>	10 978	–	2 800	1 000	1 000	4 690	1 933	2 165
<i>Operating leases</i>	6 320	6 837	7 940	8 053	7 493	8 660	9 550	10 521
<i>Travel and subsistence</i>	10 826	19 601	20 607	30 885	30 885	38 919	43 674	46 294
<i>Audit fees</i>	1 285	2 374	4 151	3 721	3 721	3 177	3 540	3 965
Financial transactions in assets and liabilities	96	100	43	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>4 650 741</b>	<b>5 017 009</b>	<b>6 907 689</b>	<b>8 601 112</b>	<b>7 728 035</b>	<b>10 081 581</b>	<b>12 058 263</b>	<b>14 569 698</b>
Provinces and municipalities	4 589 286	4 868 217	6 677 860	8 342 946	7 649 869	9 852 842	11 730 823	14 222 672
Departmental agencies and accounts	60 915	148 254	229 437	257 166	77 166	227 739	326 440	346 026
Public corporations and private enterprises	355	1	–	–	–	–	–	–
Foreign governments and international organisations	65	69	73	1 000	1 000	1 000	1 000	1 000
Non-profit institutions	–	–	74	–	–	–	–	–
Households	120	468	245	–	–	–	–	–
<b>Payments for capital assets</b>	<b>9 307</b>	<b>6 971</b>	<b>4 205</b>	<b>4 071</b>	<b>4 071</b>	<b>7 513</b>	<b>3 564</b>	<b>2 852</b>
Machinery and equipment	8 817	6 869	3 952	3 958	3 958	7 313	2 511	2 798
Software and other intangible assets	490	102	253	113	113	200	1 053	54
<b>Total</b>	<b>4 808 423</b>	<b>5 248 753</b>	<b>7 165 962</b>	<b>8 982 358</b>	<b>8 080 904</b>	<b>10 586 523</b>	<b>12 731 647</b>	<b>15 278 651</b>

## Expenditure trends

The department's budget is dominated by transfer payments. These are included in the *Housing Development Finance* programme and are made to provinces and various housing support institutions. Between 2004/05 and 2007/08, expenditure grew substantially, from R4.8 billion to R9 billion, at an average annual rate of 23.2 per cent. Transfers that grew at an average annual rate of 22.7 per cent over the same period are mainly for the integrated housing and human settlement development grant for provinces.

Over the medium term, spending is expected to grow substantially, from R9 billion in 2007/08 to R15.3 billion in 2010/11, at an average annual rate of 19.4 per cent. This is due to increases in the transfers to provinces under the integrated housing and human settlement development grant. Included in the conditional grant to provinces are amounts earmarked for the implementation of the national pilot projects: the N2 Gateway project in the Cape Town metropolitan area (R300 million in 2008/09, R400 million in 2009/10 and R500 million in 2010/11). In addition, R808 million is provided for the implementation of the social housing programme at R196 million for 2008/09, R297 million for 2009/10 and R314.8 million for 2010/11.

The increase in spending in the *Administration, Housing Policy, Research and Planning*, and *Housing Delivery Support* programmes is largely attributable to provisions made for the department to improve its service delivery capacity, particularly for support to provinces, implementation of special projects and monitoring the implementation of the housing programme.

Additional allocations included in the 2007 Budget included R300 million in 2007/08, R1.1 billion in 2008/09 and R1.3 billion in 2009/10 for the integrated housing and human settlement conditional grant. In the

2008 Budget an additional R200 million in 2009/10 and R2 billion in 2010/11 have been added to the grant to provide for informal settlement upgrading and the alignment of the grant with input price increases. As part of the government wide efficiency initiative, the department has identified savings of R35.6 million over the MTEF period. With improved administrative systems allowing for more effective management of the programmes in the department, savings of R7.3 million in 2008/09, R10.8 million in 2009/10, and R17.5 million in 2010/11 in goods and services across all programmes have been identified.

## Infrastructure spending

### *Infrastructure transfers to other spheres, agencies and departments*

The upgrading of informal settlements programme focuses on addressing the specific development requirements of informal settlements. It provides for adequate funding for community participation facilitation, emergency basic services installation, town planning and permanent municipal engineering services provision. Provision is also made for project management services to ensure the effective implementation and conclusion of these difficult projects. Spending on municipal services is expected to decrease from R2.7 billion in 2004/05 to R619 million in 2010/11 at an average annual rate of 21.7 per cent as the subsidy focus shifts from the provision of services to the construction of the top structure.

### *Infrastructure/fixed installations to households*

The integrated residential development programme aims to holistically address all the needs of a community or area and enable municipalities to develop a fully fledged sustainable residential township. It also facilitates the provision of municipal engineering services to all the land use stands in the township and housing construction for qualifying beneficiaries. The residential stands are allocated to qualifying beneficiaries to build houses and the remaining stands are sold to households that fall outside of the housing subsidy target. The business and commercial stands are disposed of at market prices and the income generated is ploughed back into new housing development initiatives. The services component represents 28.8 per cent of the total subsidy, while the house cost represents 71.2 per cent. With more weight being placed in the construction of the top structure in the housing subsidy, infrastructure transfers to households is expected to increase to R13.6 billion in 2010/11, at an average annual rate of 60.4 per cent over the MTEF period.

### **Alternative building technologies for low income housing**

Given the magnitude of the housing backlog in South Africa, alternatives to conventional building methods are being explored by the Gauteng provincial housing department. Two projects to complement the standard brick and mortar construction method and assist in fast-tracking housing delivery are being piloted in Johannesburg.

#### **Polycon bricks**

Nomzamo is an informal settlement in Soweto consisting of 468 serviced stands. A polycon brick, manufactured partly from a polystyrene aggregate, is being used here to construct houses. The polycon brick costs approximately 25 per cent less to manufacture than a normal brick and because it weighs less, houses get constructed more quickly.

#### **Prefabricated concrete panels**

Kaalfontein is an informal settlement consisting of 858 serviced stands. Here, prefabricated concrete panels are being used as walls. On site work is limited to assembling the panels, and a 40 square meter house can be completed in 2 days. There are cost savings in labour and time. Quality is controlled in the factory during the fabrication process, and electrical and plumbing piping are cast into the panels. Jobs are created in the factory and on site.

Both the polycon brick and the prefabricated concrete panels are innovations developed in South Africa.

## Departmental receipts

Departmental receipts are mainly derived from financial transactions in the form of recovery of loans and advances. These include interest earned on housing subsidies and sales of goods and services. In 2004/05, the department had receipts of R5.8 million, due to the closure of the South African Housing Trust. Due to increased recovery of loans provided, receipts in 2005/06 and 2006/07 were above expectations.

Table 26.2 Departmental receipts

R thousand	Audited outcome			Estimate	Medium-term receipts estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Departmental receipts</b>	<b>5 782</b>	<b>945</b>	<b>1 870</b>	<b>508</b>	<b>661</b>	<b>682</b>	<b>723</b>
Sales of goods and services produced by department	67	100	111	63	120	125	133
Interest, dividends and rent on land	3	8	739	4	66	72	76
Sales of capital assets	5 464	–	–	–	–	–	–
Financial transactions in assets and liabilities	248	837	1 020	441	475	485	514
<b>Total</b>	<b>5 782</b>	<b>945</b>	<b>1 870</b>	<b>508</b>	<b>661</b>	<b>682</b>	<b>723</b>

## Programme 1: Administration

**Purpose:** Provide strategic leadership, and administrative and management as well as legal support services to the department.

### Expenditure estimates

Table 26.3 Administration

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Minister <sup>1</sup>	791	843	5 030	951	1 019	1 072	1 127
Management	5 631	12 947	31 108	37 724	56 791	69 535	73 695
Corporate Services	53 707	57 813	64 846	75 711	60 039	91 549	96 042
Property Management	6 320	6 837	6 702	8 033	8 660	9 550	10 521
<b>Total</b>	<b>66 449</b>	<b>78 440</b>	<b>107 686</b>	<b>122 419</b>	<b>126 509</b>	<b>171 706</b>	<b>181 385</b>
Change to 2007 Budget estimate				6 000	(3 322)	85	(1 070)

1. Payable as from 1 April 2007. Salary: R761 053. Car allowance: R190 262.

### Economic classification

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Current payments</b>	<b>60 317</b>	<b>75 296</b>	<b>104 020</b>	<b>121 722</b>	<b>123 542</b>	<b>168 792</b>	<b>179 355</b>
Compensation of employees	21 956	27 646	48 364	51 039	51 313	66 713	70 574
Goods and services	38 265	47 550	55 613	70 683	72 229	102 079	108 781
<i>of which:</i>							
Communication	2 423	3 657	4 276	4 616	2 781	5 245	5 560
Computer services	1 182	6 861	–	3 526	2 926	3 476	3 685
Consultants, contractors and special services	6 181	5 997	3 194	15 696	19 930	17 933	19 009
Inventory	700	884	4 012	3 282	2 145	3 796	4 024
Maintenance, repairs and running costs	9 131	–	2 800	1 000	1 706	1 933	2 165
Operating leases	6 320	6 837	7 867	8 033	8 660	9 550	10 521
Travel and subsistence	6 768	11 429	18 114	13 081	15 977	20 271	21 487
Financial transactions in assets and liabilities	96	100	43	–	–	–	–
<b>Transfers and subsidies</b>	<b>190</b>	<b>123</b>	<b>266</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	70	87	22	–	–	–	–
Households	120	36	244	–	–	–	–
<b>Payments for capital assets</b>	<b>5 942</b>	<b>3 021</b>	<b>3 400</b>	<b>697</b>	<b>2 967</b>	<b>2 914</b>	<b>2 030</b>
Machinery and equipment	5 701	2 919	3 235	697	2 767	1 914	2 030
Software and other intangible assets	241	102	165	–	200	1 000	–
<b>Total</b>	<b>66 449</b>	<b>78 440</b>	<b>107 686</b>	<b>122 419</b>	<b>126 509</b>	<b>171 706</b>	<b>181 385</b>

## Expenditure trends

Expenditure increased from R66.4 million in 2004/05 to R122.4 million in 2007/08, at an average annual rate of 22.6 per cent. This is mainly because new functions were introduced into the programme in 2005/06 including: special investigations, internal audit and international relations. Also, the housing framework legislation unit was moved to this programme from the previous *Policy, Planning and Research* programme. Expenditure continues to grow over the MTEF period, rising to R181.4 million in 2010/11 at an average annual growth rate of 14 per cent. Goods and services are also set to rise significantly, from R70.7 million in 2007/08 to R108.8 million in 2010/11, an average annual increase of 15.5 per cent. From 1 April 2006, costs for leases and accommodation charges were devolved from the Department of Public Works to individual departments and the department received the following amounts: R8 million in 2007/08, R8.7 million in 2008/09, R9.5 million in 2009/10 and R10.5 million in 2010/11. Expenditure has been adjusted for the previous financial years.

## Programme 2: Housing Policy, Research and Planning

**Purpose:** Develop and promote national sustainable human settlements and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing policies and programmes. Provide integrated business information.

- *Management*.
- *Policy Development* develops and promotes national sustainable human settlement and housing policies.
- *Research* initiates, undertakes and manages research on housing and human settlements.
- *Monitoring and Evaluation* monitors, evaluates and assesses the impact and appropriateness of national housing policy and programmes.
- *Information Management* provides integrated business information and maintains national housing databases and information systems.
- *Contributions* contributes to the Habitat Foundation to support the work of the United Nations Human Settlement Programme (UN Habitat).
- *Human Settlement Planning* manages human settlement planning processes and supports the implementation of human settlement and housing development frameworks.

## Expenditure estimates

**Table 26.4 Housing Policy Research and Planning**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Management	2 770	1 820	1 088	2 749	2 215	3 388	3 591
Policy Development	17 360	15 409	7 055	11 061	10 259	22 064	23 367
Research	4 951	4 972	2 812	7 280	6 909	18 198	19 374
Monitoring and Evaluation	7 755	6 649	6 186	5 928	12 145	37 452	39 724
Information Management	19 491	40 569	48 143	49 961	64 072	79 670	82 620
Contributions	65	69	73	1 000	1 000	1 000	1 000
Housing Settlement Planning	–	–	–	–	8 942	13 045	14 055
<b>Total</b>	<b>52 392</b>	<b>69 488</b>	<b>65 357</b>	<b>77 979</b>	<b>105 542</b>	<b>174 817</b>	<b>183 731</b>
Change to 2007 Budget estimate				(12 000)	(5 138)	3 595	2 227



Table 26.4 Housing Policy Research and Planning (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Economic classification</b>							
<b>Current payments</b>	<b>50 224</b>	<b>67 498</b>	<b>64 971</b>	<b>74 896</b>	<b>103 609</b>	<b>173 549</b>	<b>182 450</b>
Compensation of employees	13 073	15 086	8 159	26 069	27 952	48 602	51 627
Goods and services	37 151	52 412	56 812	48 827	75 657	124 947	130 823
<i>of which:</i>							
Communication	916	850	336	784	986	943	1 000
Computer services	126	23 495	39 408	32 275	47 000	48 544	51 595
Consultants, contractors and special services	16 758	13 032	13 282	3 795	8 900	47 570	48 665
Inventory	2 789	1 625	174	2 186	1 090	3 291	3 488
Maintenance, repairs and running costs	1 005	–	–	–	975	–	–
Travel and subsistence	2 510	4 930	1 344	4 892	8 279	9 000	9 540
<b>Transfers and subsidies</b>	<b>104</b>	<b>232</b>	<b>98</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>	<b>1 000</b>
Provinces and municipalities	39	163	25	–	–	–	–
Foreign governments and international organisations	65	69	73	1 000	1 000	1 000	1 000
<b>Payments for capital assets</b>	<b>2 064</b>	<b>1 758</b>	<b>288</b>	<b>2 083</b>	<b>933</b>	<b>268</b>	<b>281</b>
Machinery and equipment	1 815	1 758	288	2 083	933	265	281
Software and other intangible assets	249	–	–	–	–	3	–
<b>Total</b>	<b>52 392</b>	<b>69 488</b>	<b>65 357</b>	<b>77 979</b>	<b>105 542</b>	<b>174 817</b>	<b>183 731</b>

### Expenditure trends

Expenditure has increased from R52.4 million in 2004/05 to R78 million in 2007/08, an average annual rate of 14.2 per cent. The increase is due to new units for information management, programme monitoring, industry and market analysis, established during the department's restructuring process. This led to increases in expenditure on compensation of employees, which increases at average annual rate of 25.9 per cent, and goods and services, which increases at an average annual rate of 9.5 per cent over the same period.

Over the medium term, the budget grows at an average annual rate of 33.1 per cent, from R78 million in 2007/08 to R183.7 million in 2010/11. This is mainly due to a new subprogramme, *Human Settlement Planning*, that was created to improve and co-ordinate the planning regime. Spending in the subprogramme grows from R8.9 million in 2008/09 to R14 million in 2010/11.

### Programme 3: Housing Delivery Support

**Purpose:** Provide implementation and delivery support, build capacity, liaise and communicate with stakeholders and manage intergovernmental and international relations for housing and human settlement programmes.

- *Management.*
- *Service Delivery Support* provides support to provinces and municipalities to implement housing and human settlements projects and upgrade informal settlements.
- *Rental Housing and People's Housing Process* manages the implementation of the social and rental housing programme and the People's Housing Process.
- *Stakeholder Management* manages and facilitates liaison and collaboration with non-governmental sector stakeholders.
- *Intergovernmental and International Relations* manages and co-ordinates interdepartmental, intergovernmental and international relations and co-operation.
- *Capacity Development* builds capacity for housing administration and delivery in municipalities and provinces and promotes sustainable housing delivery and community empowerment.

- *Priority Projects* is responsible for managing priority housing and human settlement projects.
- *Communication* is responsible for internal and external housing communication.

## Expenditure estimates

**Table 26.5 Housing Delivery Support**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
Management	–	–	–	2 000	2 170	3 000	3 300
Service Delivery Support	–	–	–	2 000	5 732	6 512	7 163
Rental Housing and People's Housing Process	4 421	6 040	4 531	11 987	10 293	18 012	18 518
Stakeholder Management	–	–	2 669	2 000	7 330	8 478	9 326
Intergovernmental and International Relations	–	39 272	20 286	55 379	63 320	66 776	68 808
Capacity Development	3 512	5 559	21 377	26 767	18 572	50 751	53 820
Priority Projects	117 140	25 909	1 864	3 256	4 999	6 055	6 442
Phasing Out of Subsidy Programmes	355	1	–	–	–	–	–
Communication	11 558	12 196	19 353	40 537	70 510	73 812	75 711
<b>Total</b>	<b>136 986</b>	<b>88 977</b>	<b>70 080</b>	<b>143 926</b>	<b>182 926</b>	<b>233 396</b>	<b>243 088</b>
Change to 2007 Budget estimate				(4 000)	21 118	(7 425)	(11 652)

### Economic classification

	20 228	62 685	69 799	143 501	181 195	233 269	242 818
<b>Current payments</b>							
Compensation of employees	8 514	10 524	11 413	16 569	29 016	37 589	39 943
Goods and services	11 714	52 161	58 386	126 932	152 179	195 680	202 875
<i>of which:</i>							
Communication	240	461	278	828	1 024	705	747
Computer services	4	1	–	398	50	447	474
Consultants, contractors and special services	3 345	36 432	44 103	100 327	71 601	115 106	118 012
Inventory	3 540	1 959	170	3 084	5 132	3 241	3 435
Maintenance, repairs and running costs	2	–	–	–	1 162	–	–
Operating leases	–	–	–	20	–	–	–
Travel and subsistence	1 041	1 917	1 149	7 692	10 640	8 188	8 679
<b>Transfers and subsidies</b>	<b>115 913</b>	<b>24 886</b>	<b>82</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	115 558	24 453	7	–	–	–	–
Public corporations and private enterprises	355	1	–	–	–	–	–
Non-profit institutions	–	–	74	–	–	–	–
Households	–	432	1	–	–	–	–
<b>Payments for capital assets</b>	<b>845</b>	<b>1 406</b>	<b>199</b>	<b>425</b>	<b>1 731</b>	<b>127</b>	<b>270</b>
Machinery and equipment	845	1 406	199	425	1 731	127	270
<b>Total</b>	<b>136 986</b>	<b>88 977</b>	<b>70 080</b>	<b>143 926</b>	<b>182 926</b>	<b>233 396</b>	<b>243 088</b>

### Details of major transfers and subsidies

<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Capital</b>	<b>115 540</b>	<b>24 396</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Human settlement and redevelopment grant	115 540	24 396	–	–	–	–	–

## Expenditure trends

Expenditure declined from R137 million in 2004/05 to R70 million 2006/07 and then increased to R143.9 million in 2007/08. This is due to the phasing out of the human settlement redevelopment programme in 2005/06. The human settlement redevelopment programme allocation was consolidated into the integrated housing and human settlement development grant in the *Housing Development Finance* programme. This resulted in transfers decreasing from R115.6 million in 2004/05 to R24.7 million in 2005/06.

Expenditure increases from R143.9 million in 2007/08 to R243 million in 2010/11, at an average annual rate of 19.1 per cent. The increase is seen in the *Capacity Development* subprogramme and is mainly due to improved capacity for providing service delivery support to the housing sector. Expenditure on contractors, consultants and special services increased by 127 per cent between 2006/07 and 2007/08, while provision for communication activities has also increased significantly to ensure appropriate information reaches the public and stakeholders. This results in an increase in expenditure on the goods and services item from R126.9 million in 2007/08 to R202.9 million in 2010/11, at an average annual growth rate of 16.9 per cent.

## Programme 4: Housing Development Finance

**Purpose:** Fund national housing and human settlement development programmes in terms of the Housing Act (1997). Provide financial, grant and housing institutions management. Manage all matters provided for by the Home Loan and Mortgage Disclosure Act.

- *Management.*
- *Financial and Funds Management* provides overall financial and grant management services.
- *Housing Institutions and Funding Mobilisation* monitors the performance of housing institutions and identifies and analyses and monitors housing finance investment opportunities.
- *Housing Equity* aims to eradicate discrimination and unfair practices in granting or denying access to housing finance.
- *Contributions* make contributions to the housing institutions.
- *Integrated Housing and Human Settlement Development Grant* reflects the conditional grant allocation that is transferred to provinces.

## Expenditure estimates

**Table 26.6 Housing Development Finance**

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate			
	2004/05	2005/06	2006/07	appropriation	2007/08	2008/09	2009/10	2010/11
R thousand								
Management	55	2 279	1 824	2 749	2 189	3 388	3 591	
Financial and Funds Management	15 687	15 473	11 514	20 529	33 541	64 707	70 206	
Housing Institutions and Funding Mobilisation	633	180	400	10 745	40 117	20 179	21 389	
Housing Equity	1 709	2 182	1 858	3 899	15 118	6 191	6 563	
Contributions	60 915	148 254	229 437	257 166	227 739	326 440	346 026	
Integrated Housing and Human Settlement Development Grant	4 473 597	4 843 480	6 677 806	8 342 946	9 852 842	11 730 823	14 222 672	
<b>Total</b>	<b>4 552 596</b>	<b>5 011 848</b>	<b>6 922 839</b>	<b>8 638 034</b>	<b>10 171 546</b>	<b>12 151 728</b>	<b>14 670 447</b>	
Change to 2007 Budget estimate				114 750	(11 486)	206 583	2 008 594	

Table 26.6 Housing Development Finance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Economic classification</b>							
<b>Current payments</b>	<b>17 606</b>	<b>19 294</b>	<b>15 278</b>	<b>37 056</b>	<b>89 083</b>	<b>94 210</b>	<b>101 478</b>
Compensation of employees	6 906	9 032	8 539	15 296	25 344	47 289	50 430
Goods and services	10 700	10 262	6 739	21 760	63 739	46 921	51 048
<i>of which:</i>							
Communication	125	237	253	752	857	857	908
Computer services	1 384	838	512	1 864	3 952	4 082	5 207
Consultants, contractors and special services	5 309	3 552	495	6 314	44 820	20 417	21 757
Inventory	448	508	494	2 069	947	2 550	2 703
Maintenance, repairs and running costs	840	–	–	–	847	–	–
Operating leases	–	–	73	–	–	–	–
Travel and subsistence	507	1 325	–	5 220	4 023	6 215	6 588
Audit fees	1 285	2 374	4 151	3 721	3 177	3 540	3 965
<b>Transfers and subsidies</b>	<b>4 534 534</b>	<b>4 991 768</b>	<b>6 907 243</b>	<b>8 600 112</b>	<b>10 080 581</b>	<b>12 057 263</b>	<b>14 568 698</b>
Provinces and municipalities	4 473 619	4 843 514	6 677 806	8 342 946	9 852 842	11 730 823	14 222 672
Departmental agencies and accounts	60 915	148 254	229 437	257 166	227 739	326 440	346 026
<b>Payments for capital assets</b>	<b>456</b>	<b>786</b>	<b>318</b>	<b>866</b>	<b>1 882</b>	<b>255</b>	<b>271</b>
Machinery and equipment	456	786	230	753	1 882	205	217
Software and other intangible assets	–	–	88	113	–	50	54
<b>Total</b>	<b>4 552 596</b>	<b>5 011 848</b>	<b>6 922 839</b>	<b>8 638 034</b>	<b>10 171 546</b>	<b>12 151 728</b>	<b>14 670 447</b>

## Details of major transfers and subsidies

Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	4 473 597	4 843 480	6 677 806	8 342 946	9 852 842	11 730 823	14 222 672
Integrated Housing and Human Settlement Development Grant	4 473 597	4 843 480	6 677 806	8 342 946	9 852 842	11 730 823	14 222 672
<b>Current</b>	<b>60 915</b>	<b>148 254</b>	<b>229 437</b>	<b>257 166</b>	<b>227 739</b>	<b>326 440</b>	<b>346 026</b>
National Housing Finance Corporation	–	–	–	1	1	1	1
National Urban Reconstruction and Housing Agency	1 314	22 879	21 000	22 000	–	–	–
People's Housing Partnership Trust	–	5 000	1 000	–	–	–	–
SERVCON Housing Solutions	38 554	42 097	35 000	–	–	–	–
Social Housing Foundation	21 047	20 578	126 455	20 165	21 738	23 129	24 517
Thubelisha Homes	–	57 700	45 982	35 000	10 000	6 310	6 688
Social Housing Regulator	–	–	–	180 000	196 000	297 000	314 820

## Expenditure trends

Expenditure increased at an average annual rate of 23.8 per cent from R4.5 billion in 2004/05 to R8.6 billion in 2007/08. The rise is mainly due to the increase in the integrated housing and human settlement development grant as it channels funds to provinces for providing housing and integrated settlements. The grant is set to grow from R8.3 billion in 2007/08 to R14.2 billion in 2010/11, an average annual increase of 19.5 per cent. Additional allocations for the integrated housing and human settlement grant of R2.2 billion over the MTEF period will improve informal settlement upgrading and the implementation of priority projects; of this amount, R1.4 billion has been specifically allocated towards the N2 Gateway project in Cape Town between 2007/08 and 2010/11. The average annual increase of 32.9 per cent between 2007/08 and 2010/11 in goods and services

makes provisions for contractors, consultants and special services, which increases to R44.8 million to support the establishment of the anticipated Housing Development Agency.

Transfer payments to departmental agencies and accounts, which are seen in the *Contributions* subprogramme, are set to increase from R257.2 million in 2007/08 to R346 million in 2010/11, an average annual increase of 10.4 per cent. This increase includes provision for setting up the Social Housing Regulatory Authority to provide support to social housing institutions to manage affordable rental housing. Other transfers over the medium term are made to the Social Housing Foundation and to Thubelisha Homes. As the unit that monitors trends in housing finance, in terms of the Home Loan and Mortgage Disclosure Act (2000), becomes operational, *Housing Equity* has been created as a separate subprogramme from 2008/09. (It was previously under the *Housing Institutions and Funding Mobilisation* subprogramme.)

## Public entities and other agencies

### National Home Builders Registration Council

Established in terms of the Home Consumer Protection Measures Act (1998), the National Home Builders Registration Council (NHBRC), a schedule 3A public entity in terms of the Public Finance Management Act (1999), provides regulatory control over the home building industry and warranty protection to housing consumers against any failure of the home builder's obligation in terms of the act.

The council regulates the industry by setting ethical and technical standards for home builders, who must be registered and renew their membership annually. It provides a training and capacity building programme to assist home builders achieve and maintain a satisfactory level of technical standards.

Subsidy sector enrolment has been streamlined to increase efficiency and improve turnaround times. On completion of a unit, the home builder provides a completion certificate, and the NHBRC does a final inspection and issues a home enrolment certificate. Subsidy sector enrolment has been streamlined to increase efficiency and improve turnaround times.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08 *	2008/09	2009/10	2010/11
Total number of builders registered	11 396	13 980	15 474	8 733	17 251	17 250	17 600
Number of homes enrolled in non-subsidy sector	53 491	64 641	78 568	37 720	78 568	80 000	81 500
Number of homes enrolled in subsidy sector	8 854	15 089	59 361	11 117	100 000	150 000	200 000
Average number of inspections per house	2.8	3.9	4.6	8	2.1	1.7	1.6

\* Delivery statistics up to September 2007

### Expenditure estimates

Table 26.7 National Home Builders Registration Council

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>427 265</b>	<b>516 114</b>	<b>716 050</b>	<b>715 896</b>	<b>809 829</b>	<b>858 802</b>	<b>910 975</b>
Sale of goods and services other than capital assets	24 648	42 405	30 234	53 250	73 818	81 179	89 275
of which:							
Admin fees	24 352	42 005	29 878	52 830	73 398	80 738	88 812
Sales by market establishments	296	400	356	420	420	441	463
Other non-tax revenue	402 617	473 709	685 816	662 646	736 011	777 623	821 700
<b>Total revenue</b>	<b>427 265</b>	<b>516 114</b>	<b>716 050</b>	<b>715 896</b>	<b>809 829</b>	<b>858 802</b>	<b>910 975</b>

Table 26.7 National Home Builders Registration Council (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Expenses</b>							
<b>Current expense</b>	<b>120 584</b>	<b>189 961</b>	<b>308 671</b>	<b>375 961</b>	<b>459 839</b>	<b>490 149</b>	<b>529 440</b>
Compensation of employees	–	66 640	87 625	169 188	181 017	193 688	207 246
Goods and services	115 213	118 212	217 453	172 497	245 150	281 526	302 899
Depreciation	5 354	5 070	3 560	34 276	33 672	14 935	19 295
Interest, dividends and rent on land	17	39	33	–	–	–	–
<b>Total expenses</b>	<b>120 584</b>	<b>189 961</b>	<b>308 671</b>	<b>375 961</b>	<b>459 839</b>	<b>490 149</b>	<b>529 440</b>
<b>Surplus / (Deficit)</b>	<b>306 681</b>	<b>326 153</b>	<b>407 379</b>	<b>339 935</b>	<b>349 990</b>	<b>368 653</b>	<b>381 535</b>
<b>Balance sheet data</b>							
Carrying value of assets	7 535	7 277	35 853	67 138	67 357	66 244	64 968
<i>of which: Acquisition of assets</i>	<i>3 640</i>	<i>4 821</i>	<i>32 367</i>	<i>65 561</i>	<i>33 891</i>	<i>13 822</i>	<i>18 019</i>
Investments	939 134	1 438 199	1 943 376	2 156 835	2 510 652	2 880 777	3 264 032
Inventory	68	17	125	125	135	145	157
Receivables and prepayments	110 068	78 580	78 430	73 745	53 660	56 653	59 827
Cash and cash equivalents	11 791	16 876	60 421	4 901	5 053	5 217	5 394
<b>Total assets</b>	<b>1 068 596</b>	<b>1 540 949</b>	<b>2 118 205</b>	<b>2 302 744</b>	<b>2 636 857</b>	<b>3 009 036</b>	<b>3 394 378</b>
Capital and reserves	255 497	597 056	995 880	1 319 712	1 669 702	2 038 355	2 419 890
Trade and other payables	55 081	88 465	102 724	56 882	39 734	42 912	46 345
Provisions	758 018	855 428	1 019 601	926 150	927 421	927 769	928 143
<b>Total equity and liabilities</b>	<b>1 068 596</b>	<b>1 540 949</b>	<b>2 118 205</b>	<b>2 302 744</b>	<b>2 636 857</b>	<b>3 009 036</b>	<b>3 394 378</b>

### Expenditure trends

The NHBRC raises revenue from fees for registering home builders and enrolling new houses in its warranty scheme. Total revenue is expected to increase from R716 million in 2007/08 to R911 million in 2010/11 as enrolments increase to an expected 281 000 units in 2010/11. Expenditure over the MTEF period increases to R529 million in 2010/11 from R375 million in 2007/08, as the NHBRC increases its human resources to support and increase the number of houses enrolled. Reserves increase to R2.4 billion in 2010/11 as revenue from enrolment fees grows faster than claims against the warranty scheme.

### Thubelisha Homes

Thubelisha Homes, a schedule 3A public entity, was initially established as a special purpose vehicle to create housing stock for clients of Servcon Housing Solutions. Subsequent to the approval of the Breaking New Ground comprehensive plan, Thubelisha has been repositioned as the lead developer on mega projects and the developer and project manager in the programme to upgrade informal settlements, and to unblock blocked projects and fast-track housing solutions for people living in areas of stress.

Thubelisha's focus areas over the MTEF period include: developing funding models to ensure adequate funding for projects, promoting the sustainability of Thubelisha, and developing an emerging contractor programme to support contractors in the efficient delivery of housing.

## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of units completed in the People's Housing Process*	467	138	59	104	-	-	-
Number of units completed in Servcon projects **	2 617	1 001	-	-	-	-	-
<b>Mega projects</b>							
Number of serviced sites in N2	-	-	-	1 325	1 450	3 750	4 500
Number of houses completed in N2	-	-	2 036	438	4 400	4 054	4 900
Number of serviced sites in Zanemvula	-	-	-	-	6 228	3 000	565
Number of houses completed in Zanemvula	-	-	-	-	3 898	5 228	3 565
<b>Informal settlement upgrading</b>							
Number of sites serviced	-	-	1 181	260	2 195	2 838	4 000
Number of stands secured	-	-	6 400	2 965	5 875	12 020	15 000
Number of subsidy applications received	-	-	3 884	3 355	4 877	6 169	12 621
Number of houses received from contractors	-	-	2 514	445	4 645	5 875	12 020
Number of houses handed over to beneficiaries	-	-	2 758	540	4 181	5 288	10 818
Number of completed houses without recipients	-	-	-	-	465	588	1 202
<b>Unblocking of blocked projects</b>							
Number of sites serviced	-	-	4 163	38	-	-	-
Number of stands secured	-	-	10 143	2 107	4 149	5 059	-
Number of subsidy applications received	-	-	4 295	2 657	3 974	4 356	5 312
Number of houses received from contractors	-	-	1 617	1 041	3 785	4 149	5 059
Number of houses handed over to beneficiaries	-	-	1 192	702	3 407	3 734	4 553
Number of completed houses without recipients	-	-	-	339	379	15	506
<b>Emergency housing projects</b>							
Number of emergency housing projects	-	-	-	2	5	-	-
Number of emergency housing units provided	-	-	-	-	1 182	1 350	-
Number of beneficiaries	-	-	-	-	1 182	1 350	-
<b>Credit linked projects</b>							
Number of sites serviced	-	-	-	-	-	950	1 300
Number of stands secured	-	-	-	-	964	3 279	5 000
Number of houses received from contractors	-	-	-	-	-	964	3 279
Number of houses handed over to beneficiaries	-	-	-	-	-	916	3 115
Number of completed houses without recipients	-	-	-	-	-	48	164

\* The PHP programme shifted to the department in 2007/08

\*\*Remaining properties in Servcon portfolio received subsidies and outstanding debt was written off.

## Expenditure estimates

Table 26.8 Thubelisha Homes

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>95 638</b>	<b>164 802</b>	<b>318 657</b>	<b>485 566</b>	<b>880 467</b>	<b>1 355 686</b>	<b>1 992 688</b>
Other non-tax revenue	95 638	164 802	318 657	485 566	880 467	1 355 686	1 992 688
<b>Transfers received</b>	<b>-</b>	<b>14 311</b>	<b>113 865</b>	<b>35 000</b>	<b>10 000</b>	<b>6 310</b>	<b>6 688</b>
<b>Total revenue</b>	<b>95 638</b>	<b>179 113</b>	<b>432 522</b>	<b>520 566</b>	<b>890 467</b>	<b>1 361 996</b>	<b>1 999 376</b>

Table 26.8 Thubelisha Homes (continued)

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Expenses</b>							
<b>Current expense</b>	<b>108 098</b>	<b>175 546</b>	<b>384 489</b>	<b>468 078</b>	<b>942 955</b>	<b>1 361 996</b>	<b>1 988 471</b>
Compensation of employees	12 628	24 188	49 448	53 799	103 170	127 934	139 821
Goods and services	94 832	148 277	330 450	408 181	797 216	1 191 460	1 810 358
Depreciation	388	1 382	2 100	3 802	5 317	5 477	3 018
Interest, dividends and rent on land	250	1 699	2 491	2 296	37 252	37 125	35 274
<b>Transfers and subsidies</b>	<b>1 566</b>	<b>–</b>	<b>42 582</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total expenses</b>	<b>109 664</b>	<b>175 546</b>	<b>427 071</b>	<b>468 078</b>	<b>942 955</b>	<b>1 361 996</b>	<b>1 988 471</b>
<b>Surplus / (Deficit)</b>	<b>(14 026)</b>	<b>3 567</b>	<b>5 451</b>	<b>52 488</b>	<b>(52 488)</b>	<b>–</b>	<b>10 905</b>
<b>Balance sheet data</b>							
Carrying value of assets	1 090	2 366	3 179	7 377	8 079	5 209	4 519
<i>of which: Acquisition of assets</i>	<i>818</i>	<i>2 099</i>	<i>2 110</i>	<i>8 000</i>	<i>6 019</i>	<i>2 607</i>	<i>2 328</i>
Inventory	812	796	17 646	90	90	90	90
Receivables and prepayments	62 548	73 080	141 558	216 831	379 261	590 384	873 054
Cash and cash equivalents	47 214	121 093	325 732	484 205	1 104 944	1 376 757	1 738 231
<b>Total assets</b>	<b>111 664</b>	<b>197 335</b>	<b>488 115</b>	<b>708 503</b>	<b>1 492 374</b>	<b>1 972 440</b>	<b>2 615 894</b>
Capital and reserves	39 901	43 244	49 786	101 406	452 918	452 918	463 823
Borrowings	20 000	–	102 448	107 570	112 948	79 064	41 509
Trade and other payables	49 640	151 545	330 747	494 085	920 739	1 434 343	2 104 080
Provisions	2 123	2 546	5 134	5 442	5 769	6 115	6 482
<b>Total equity and liabilities</b>	<b>111 664</b>	<b>197 335</b>	<b>488 115</b>	<b>708 503</b>	<b>1 492 374</b>	<b>1 972 440</b>	<b>2 615 894</b>

### Expenditure trends

Thubelisha receives funds from two sources: a grant from the Department of Housing and income for services provided to provinces from the integrated housing and human settlement development grant. Income from provincial departments of housing increases by 66 per cent between 2004/05 and 2010/11, while transfers from the Department of Housing decrease by 14.1 per cent over the MTEF period. Expenditure in goods and services increases from R94.8 million in 2004/05 to R1.8 billion in 2010/11. Cash and cash equivalents increase by 53.1 per cent over the MTEF period.

### National Urban Reconstruction and Housing Agency

In May 1995, the National Urban Reconstruction and Housing Agency (NURCHA), a schedule 3A public entity, was formed as a partnership between the South African government and the Open Society Institute to arrange finance that will contribute to the national effort to provide adequate housing for all South Africans. NURCHA develops a niche market by packaging funding for emerging housing builders and developers, and managing risks beyond those that commercial financiers are prepared to take.

NURCHA's subsidy programme is geared to address the financing needs of all contractors, depending on their requirements. More established contractors are financed directly by NURCHA, while emerging contractors are funded through a system of financial intermediaries who provides construction support services.

In supporting the creation of sustainable human settlements, NURCHA's lending programme has been expanded to include financing the construction of infrastructure and community facilities. Unlike the subsidy housing projects, where payments are made according to fixed milestones, the infrastructure and community facility projects are funded on a monthly certification of completed work.



The focus over the MTEF period is to improve loan approval systems, turnaround times and risk management. In addition, NURCHA will be reviewing its fee and interest rate structure on all programmes, and tightening up legal agreements to support the recovery of funds.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of houses completed in subsidy housing programme	16 015	14 769	10 776	15 172	27 333	30 066	33 072
Number of houses completed in affordable housing programme	2 395	4 196	5 009	1 080	1 880	2 068	2 275
Number of serviced sites completed	–	3 392	2 841	4 607	10 357	11 392	12 531
Number of rental housing units completed	–	80	14	–	–	–	–
Number of infrastructure and community facilities projects completed	4	–	6	25	32	35	39

### Expenditure estimates

Table 26.9 National Urban Reconstruction and Housing Agency

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>28 157</b>	<b>26 945</b>	<b>38 136</b>	<b>53 950</b>	<b>62 039</b>	<b>65 063</b>	<b>68 669</b>
Other non-tax revenue	28 157	26 945	38 136	53 950	62 039	65 063	68 669
<b>Total revenue</b>	<b>28 157</b>	<b>26 945</b>	<b>38 136</b>	<b>53 950</b>	<b>62 039</b>	<b>65 063</b>	<b>68 669</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>35 511</b>	<b>30 316</b>	<b>37 625</b>	<b>63 428</b>	<b>59 214</b>	<b>63 571</b>	<b>67 176</b>
Compensation of employees	–	4 120	3 797	22 499	23 849	25 280	26 797
Goods and services	29 948	20 895	23 060	20 261	11 325	11 995	12 502
Depreciation	1 554	415	399	392	232	256	275
Interest, dividends and rent on land	4 009	4 886	10 369	20 276	23 808	26 040	27 602
<b>Total expenses</b>	<b>35 511</b>	<b>30 316</b>	<b>37 625</b>	<b>63 428</b>	<b>59 214</b>	<b>63 571</b>	<b>67 176</b>
<b>Surplus / (Deficit)</b>	<b>(7 354)</b>	<b>(3 371)</b>	<b>511</b>	<b>(9 478)</b>	<b>2 825</b>	<b>1 492</b>	<b>1 493</b>
<b>Balance sheet data</b>							
Carrying value of assets	692	1 122	960	843	731	575	400
of which: Acquisition of assets	–	888	237	275	120	100	100
Investments	209 708	164 820	167 592	844	759	684	684
Receivables and prepayments	10 888	2 651	1 209	243 402	255 516	276 671	290 466
Cash and cash equivalents	1 078	201 010	216 505	237 703	237 126	236 334	236 699
<b>Total assets</b>	<b>222 366</b>	<b>369 603</b>	<b>386 266</b>	<b>482 792</b>	<b>494 132</b>	<b>514 264</b>	<b>528 249</b>
Capital and reserves	180 987	245 097	266 901	276 417	279 240	280 731	282 223
Borrowings	29 283	115 335	110 839	196 449	204 916	223 582	236 056
Trade and other payables	8 538	6 362	8 526	9 926	9 976	9 951	9 970
Provisions	3 558	2 809	–	–	–	–	–
<b>Total equity and liabilities</b>	<b>222 366</b>	<b>369 603</b>	<b>386 266</b>	<b>482 792</b>	<b>494 132</b>	<b>514 264</b>	<b>528 249</b>

### Expenditure trends

NURCHA is funded from its guarantee agreement with First Rand, a Soros Economic Development Fund loan, a transfer from the Department of Housing, and an Open Society Institute loan. Cash and cash equivalents comprise cash balances and call deposits, whereas bank overdrafts that are repayable on demand are only included for the purpose of the cash flow statement. Reserves consist of cash from sponsors received to secure guarantees or make loans, since all sponsors agree that income earned on these funds may be used for administration expenses.

## Servcon Housing Solutions

Servcon Housing Solutions, a schedule 3A public entity, was established as a joint venture between the Department of Housing and the major banks of South Africa, represented by the Banking Association of South Africa. Its objective is to provide exclusive management services to normalise the lending process relating to a portfolio comprising 33 306 properties in possession and non-performing loans with a value of R1.3 billion for a period of eight years from April 1998 to March 2006.

To ensure that the remaining properties in Servcon's portfolio were disposed of by March 2006, the banks and government agreed that the remaining properties would be allocated subsidies and the banks would write off any remaining debt to allow defaulting households to take transfer of their properties.

Recently, Servcon has been involved in the normalisation of the subsidy market in collaboration with provincial departments of housing, conducting quality and beneficiary audits.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of houses audited	-	-	-	86 084	232 693	-	-
Number of houses rectified	-	-	-	24 247	30 393	-	-
Number of beneficiaries regularised	-	-	-	61 837	152 300	-	-
Number of units in the ring-fenced portfolio successfully disposed of	2 172	10 658	-	-	-	-	-
Successfully disposed of units to portfolio ratio	6.5%	31.9%	-	-	-	-	-
Number of land parcels acquired	-	-	-	31	55	30	35
Size of land parcels or landed properties acquired (Ha)	-	-	-	1 017	-	-	-
Number of landed properties acquired	-	-	-	-	10	15	9

### Expenditure estimates

Table 26.10 Servcon

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>29 247</b>	<b>29 153</b>	<b>253 221</b>	<b>201 000</b>	<b>225 000</b>	<b>226 000</b>	<b>249 000</b>
Other non-tax revenue	29 247	29 153	253 221	201 000	225 000	226 000	249 000
<b>Total revenue</b>	<b>29 247</b>	<b>29 153</b>	<b>253 221</b>	<b>201 000</b>	<b>225 000</b>	<b>226 000</b>	<b>249 000</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>28 956</b>	<b>28 337</b>	<b>162 526</b>	<b>179 510</b>	<b>198 036</b>	<b>217 848</b>	<b>239 644</b>
Compensation of employees	20 424	20 113	31 134	35 000	38 500	42 350	46 583
Goods and services	6 841	7 557	131 041	144 125	158 520	174 381	191 833
Depreciation	1 072	269	350	385	1 015	1 116	1 227
Interest, dividends and rent on land	619	398	1	-	1	1	1
<b>Total expenses</b>	<b>28 956</b>	<b>28 337</b>	<b>162 526</b>	<b>179 510</b>	<b>198 036</b>	<b>217 848</b>	<b>239 644</b>
<b>Surplus / (Deficit)</b>	<b>291</b>	<b>816</b>	<b>90 695</b>	<b>21 490</b>	<b>26 964</b>	<b>8 152</b>	<b>9 356</b>
<b>Acquisition of assets</b>	<b>101</b>	<b>58</b>	<b>1 827</b>	<b>229 770</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Expenditure trends

Until 2006/07, Servcon's main source of income was overhead recovery funding shared equally between government and the banks. Currently, Servcon's primary source of revenue is from the integrated housing and human settlement development grant for services it provides in the rectification and regularisation programme. Servcon's revenue grows from R201 million in 2007/08 to R249 million in 2010/11.

## National Housing Finance Corporation

The National Housing Finance Corporation (NHFC), a schedule 3A public entity, was established through a Cabinet decision in May 1996 to find ways of mobilising finance for housing from sources other than the state and in partnership with a broad range of organisations. The institution's core mandate is to facilitate commercial bank lending where markets are able to work via risk enhancement mechanisms.

The NHFC's focus over the MTEF period is to support Breaking New Ground by: offering technical assistance through financing feasibility studies and training builders; providing bridging finance to municipalities; and financing land acquisition as part of housing development project costs.

In 2007, the NHFC embarked on a pilot project to explore direct retail lending opportunities to the middle income market.

### Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Loan book as percentage of total assets	28.8%	30.5%	34.3%	3.8%	56.7%	71.1%	75.6%
Number of units financed through intermediaries	6 763	8 879	4 556	3 915	8 050	4 883	7 692
Number of units financed through project loans	5 003	6 636	9 105	3 390	8 496	11 879	10 104

### Expenditure estimates

Table 26.11 National Housing Finance Corporation

R thousand	Audited outcome			Estimated outcome	Medium-term estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>201 130</b>	<b>170 436</b>	<b>156 963</b>	<b>183 546</b>	<b>202 008</b>	<b>233 204</b>	<b>261 737</b>
Interest on loans	201 130	170 436	156 963	183 546	202 008	233 204	261 737
<b>Transfers received</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Total revenue</b>	<b>201 130</b>	<b>170 436</b>	<b>156 963</b>	<b>183 547</b>	<b>202 009</b>	<b>233 205</b>	<b>261 738</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>107 711</b>	<b>62 143</b>	<b>68 414</b>	<b>84 753</b>	<b>91 408</b>	<b>96 598</b>	<b>102 478</b>
Compensation of employees	35 625	34 688	38 938	48 304	54 581	57 834	61 304
Goods and services	55 148	26 033	28 670	35 427	34 589	36 314	38 725
Depreciation	1 659	1 422	806	1 022	2 238	2 450	2 449
Interest, dividends and rent on land	15 279	–	–	–	–	–	–
<b>Total expenses</b>	<b>136 052</b>	<b>93 535</b>	<b>94 082</b>	<b>113 403</b>	<b>123 482</b>	<b>136 214</b>	<b>148 663</b>
<b>Surplus / (Deficit)</b>	<b>65 078</b>	<b>76 901</b>	<b>62 881</b>	<b>70 144</b>	<b>78 527</b>	<b>96 991</b>	<b>113 075</b>
Tax payment	28 341	31 392	25 668	28 650	32 074	39 616	46 185
<b>Balance sheet data</b>							
Carrying value of assets	2 119	1 225	924	565	5 048	2 598	149
<i>of which: Acquisition of assets</i>	<i>811</i>	<i>528</i>	<i>505</i>	<i>663</i>	<i>6 721</i>	<i>–</i>	<i>–</i>
Investments	252 829	277 608	273 196	44 697	10 697	10 697	10 697
Loans	685 812	755 702	846 580	953 597	1 486 100	2 651 783	3 662 015
Receivables and prepayments	74 682	54 197	41 593	84 632	61 248	37 843	31 214
Cash and cash equivalents	1 393 321	1 390 743	1 409 309	1 510 545	1 058 326	1 024 874	1 138 360
<b>Total assets</b>	<b>2 408 763</b>	<b>2 479 475</b>	<b>2 571 602</b>	<b>2 594 035</b>	<b>2 621 418</b>	<b>3 727 794</b>	<b>4 842 434</b>
Capital and reserves	1 845 977	1 922 288	1 985 170	2 050 868	2 129 395	3 226 384	4 339 457
Borrowings	33 903	28 203	23 904	20 586	16 953	13 321	9 689
Trade and other payables	12 358	7 987	7 297	11 146	17 800	31 709	38 050
Provisions	–	2 083	7 992	–	–	–	–
Managed funds	516 525	518 914	547 239	511 435	457 270	456 381	455 237
<b>Total equity and liabilities</b>	<b>2 408 763</b>	<b>2 479 475</b>	<b>2 571 602</b>	<b>2 594 035</b>	<b>2 621 418</b>	<b>3 727 794</b>	<b>4 842 434</b>

## Expenditure trends

Income is generated from interest on loans disbursed. If the NHFC rolls out the retail funding programme, the loan book is anticipated to grow to R3.7 billion in 2010/11, from R686 million in 2004/05. Capital and reserves is anticipated to increase to R4.3 billion at an average annual rate of 28.1 per cent over the MTEF period.

## Rural Housing Loan Fund

The Rural Housing Loan Fund (RHLF), a schedule 3A public entity, was incorporated in August 1996 as an association not for gain. The company operates as a wholesale lender to retail intermediaries that provide finance to the low income rural market, in order to create or improve housing opportunities. The RHLF was initially funded by a grant from the German government, but in recent years additional funding has been provided by the Development Bank of Southern Africa.

Key priorities over the MTEF period are:

- increase the liquidity of RHLF to meet effective demand
- improve access to housing loans for the target group with 90 per cent of retail partners growing their loan books
- use technology and community based origination partners to provide access to micro-finance to people with informal and lower incomes to improve their general living conditions.

## Selected performance indicators

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Annual disbursements (R thousand)	69 100	81 500	77 900	111 800	110 300	113 000	118 200
Number of housing opportunities created	15 202	26 648	32 028	35 882	30 000	32 000	34 000
Cost revenue ratio	62.2%	47.3%	50.1%	42.9%	43.7%	42.8%	46%
Loans receivable impairments	16.3%	17.7%	15.7%	16.2%	18.1%	21.5%	26.5%
Loan book to total assets ratio in NHFC	28.8%	30.5%	34.3%	36.8%	56.7%	71.1%	75.6%

## Expenditure trends

Annual disbursements for 2006/07 amounted to R77.9 million. Mezzanine funding increased this figure to R89.9 million. These wholesale lending activities resulted in 32 028 housing opportunities being created. The cost revenue ratio of the RHLF remained steady at 50.1 per cent, while loans receivable impairments were at a moderate 15.7 per cent.

## Social Housing Foundation

The Social Housing Foundation (SHF), a schedule 3A public entity, was established in 1996 as a section 21 company to support the delivery of housing to low income communities by providing alternative tenure for affordable housing. It is funded through grants made by the Department of Housing and donor organisations.

The SHF aims to provide a viable model for social housing, and to increase social and public housing stock by providing support to social housing institutions that manage affordable rental housing. It works primarily with emerging institutions by offering capacity building and technical support. The SHF also provides policy support, delivery support, sector communication and knowledge management, and conducts monitoring and evaluation for social housing institutions.

The SHF is acting as implementer of the social housing policy until the Social Housing Regulatory Authority has been established.

**Selected performance indicators**

Indicators	Annual performance						
	Past			Current	Projected		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Number of social housing institutions receiving funds	19	12	17	4	2	3	4
Number of projects funded	13	33	28	4	4	4	5
Number of units financed	–	–	–	1 698	1 440	1 751	2 000
Number of institutions receiving capacity development support	10	17	21	7	10	20	30
Number of workshops held with institutions' personnel	8	19	25	24	24	24	24
Number of times technical assistance was provided to institutions	8	8	3	8	10	15	20
Number of institutions using the tools created by SHF	13	18	24	24	24	30	30

**Expenditure trends**

The SHF received R107 million from the Department of Housing in 2006/07 to disburse capital grants to social housing institutions, of which R63.1 million was deferred in 2007/08. The funds have been committed to four social housing projects for the construction of 1 698 units. The SHF also received funding through the European Union support programme for social housing and the Norwegian government. Expenditure increases from R63.5 million in 2004/5 to R109.6 million in 2007/08. The increases in transfers received over the MTEF period represent expected virements from funds earmarked for the Social Housing Regulatory Authority.

## Additional tables

Table 26.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2006/07		2006/07	2007/08			2007/08
1. Administration	74 059	117 391	107 686	116 419	6 000	122 419	122 419
2. Housing Policy Research and Planning	75 713	75 761	65 357	89 979	(12 000)	77 979	59 602
3. Housing Delivery Support	80 850	73 154	70 080	147 926	(4 000)	143 926	143 926
4. Housing Development Finance	6 630 261	7 067 420	6 922 839	8 523 284	114 750	8 638 034	7 754 957
<b>Total</b>	<b>6 860 883</b>	<b>7 333 726</b>	<b>7 165 962</b>	<b>8 877 608</b>	<b>104 750</b>	<b>8 982 358</b>	<b>8 080 904</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>373 512</b>	<b>262 307</b>	<b>254 068</b>	<b>393 596</b>	<b>(16 421)</b>	<b>377 175</b>	<b>348 798</b>
Compensation of employees	99 981	86 550	76 475	107 973	1 000	108 973	104 037
Goods and services	273 531	175 757	177 550	285 623	(17 421)	268 202	244 761
Financial transactions in assets and liabilities	–	–	43	–	–	–	–
<b>Transfers and subsidies</b>	<b>6 483 438</b>	<b>7 065 891</b>	<b>6 907 689</b>	<b>8 477 441</b>	<b>123 671</b>	<b>8 601 112</b>	<b>7 728 035</b>
Provinces and municipalities	6 350 159	6 822 364	6 677 860	8 237 946	105 000	8 342 946	7 649 869
Departmental agencies and accounts	133 206	243 439	229 437	239 416	17 750	257 166	77 166
Foreign governments and international organisations	73	73	73	79	921	1 000	1 000
Non-profit institutions	–	–	74	–	–	–	–
Households	–	15	245	–	–	–	–
<b>Payments for capital assets</b>	<b>3 933</b>	<b>5 528</b>	<b>4 205</b>	<b>6 571</b>	<b>(2 500)</b>	<b>4 071</b>	<b>4 071</b>
Machinery and equipment	3 933	5 528	3 952	6 458	(2 500)	3 958	3 958
Software and intangible assets	–	–	253	113	–	113	113
<b>Total</b>	<b>6 860 883</b>	<b>7 333 726</b>	<b>7 165 962</b>	<b>8 877 608</b>	<b>104 750</b>	<b>8 982 358</b>	<b>8 080 904</b>

Table 26.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>A. Permanent and full-time contract employees</b>							
Compensation (R thousand)	48 909	52 127	68 411	95 580	127 666	196 633	210 300
Unit cost (R thousand)	142	129	169	237	273	283	300
Personnel numbers (head count)	345	404	404	404	468	696	702
<b>B. Part-time and temporary contract employees</b>							
Compensation (R thousand)	1 540	9 425	7 291	12 520	5 200	2 756	1 423
Unit cost (R thousand)	171	181	192	313	130	138	142
Personnel numbers (head count)	9	52	38	40	40	20	10
<b>C. Interns</b>							
Compensation of interns	–	736	773	873	759	804	851
Unit cost (R thousand)	–	61	70	79	69	73	77
Number of interns	–	12	11	11	11	11	11
<b>Total for department</b>							
<b>Compensation (R thousand)</b>	<b>50 449</b>	<b>62 288</b>	<b>76 475</b>	<b>108 973</b>	<b>133 625</b>	<b>200 193</b>	<b>212 574</b>
<b>Unit cost (R thousand)</b>	<b>143</b>	<b>133</b>	<b>169</b>	<b>240</b>	<b>257</b>	<b>275</b>	<b>294</b>
<b>Personnel numbers (head count)</b>	<b>354</b>	<b>468</b>	<b>453</b>	<b>455</b>	<b>519</b>	<b>727</b>	<b>723</b>

Table 26.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Compensation of employees (R thousand)	50 449	62 288	76 475	108 973	133 625	200 193	212 574
Training expenditure (R thousand)	1 804	2 111	2 025	2 225	1 316	2 470	2 617
Training as percentage of compensation	4%	3%	3%	2%	1%	1%	1%
Total number trained in department (head count)	86	234	212	106			
<i>of which:</i>							
Employees receiving bursaries (head count)	54	30	33	34			
Internships trained (head count)	24	24	24	24			
Households receiving bursaries (R thousand)	–	135	–	150	250	250	250
Households receiving bursaries (head count)	–	3	–	5			

Table 26.D Summary of conditional grants to provinces and municipalities<sup>1</sup>

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
<b>Conditional grants to provinces</b>							
<b>3. Housing Delivery Support</b>							
Human settlement and redevelopment grant	115 540	24 396	–	–	–	–	–
<b>4. Housing Development Finance</b>							
Integrated Housing and Human Settlement Development Grant	4 473 597	4 843 480	6 677 806	8 342 946	9 852 842	11 730 823	14 222 672
<b>Total</b>	<b>4 589 137</b>	<b>4 867 876</b>	<b>6 677 806</b>	<b>8 342 946</b>	<b>9 852 842</b>	<b>11 730 823</b>	<b>14 222 672</b>

1. Detail provided in the Division of Revenue Act (2008).

Table 26.E Summary of expenditure on infrastructure

Description	Service delivery outputs			Adjusted appropriation	Medium-term expenditure estimate		
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
R thousand							
<b>Infrastructure transfers to other spheres, agencies and departments</b>							
Integrated housing and human settlement development grant	1 789 439	1 937 392	2 539 980	3 295 179	–	–	–
Integrated housing and human settlement development grant: Upgrading of informal settlements	–	–	–	–	428 599	510 291	618 686
<b>Fixed installations transferred to households</b>							
Integrated housing and human settlement development grant	2 684 158	2 906 088	3 809 969	5 047 767	8 374 916	9 971 200	12 089 271
Integrated housing and human settlement development grant: Upgrading of informal settlements	–	–	–	–	1 049 328	1 249 333	1 514 715
<b>Total</b>	<b>4 473 597</b>	<b>4 843 480</b>	<b>6 349 949</b>	<b>8 342 946</b>	<b>9 852 843</b>	<b>11 730 824</b>	<b>14 222 672</b>

