

# Vote 26

## Housing

### Budget summary

R million	2009/10				2010/11	2011/12
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	198.5	194.7	–	3.9	192.3	202.7
Housing Policy, Research and Monitoring	58.0	56.5	–	1.5	59.2	62.8
Housing Planning and Delivery Support	138.5	136.4	–	2.0	142.9	159.8
Housing Development Finance	13 011.3	54.3	12 956.2	0.9	15 548.3	17 789.3
Strategic Relations and Governance	182.2	178.0	1.0	3.2	194.9	195.9
<b>Total expenditure estimates</b>	<b>13 588.6</b>	<b>620.0</b>	<b>12 957.2</b>	<b>11.4</b>	<b>16 137.5</b>	<b>18 410.5</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, coordinate, communicate and monitor the implementation of housing policy and human settlements.*

### Programme purposes

#### Programme 1: Administration

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

#### Programme 2: Housing Policy, Research and Monitoring

**Purpose:** Develop and promote human settlement and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing policies and programmes.

#### Programme 3: Housing Planning and Delivery Support

**Purpose:** Support implementation and delivery, build capacity, and liaise and communicate with stakeholders for effective housing and human settlement programmes.

#### Programme 4: Housing Development Finance

**Purpose:** Fund housing and human settlement development programmes. Provide financial and grant management services. Promote investment in housing finance. Mobilise and promote financial probity within housing institutions. Manage all matters provided for by the Home Loan and Mortgage Disclosure Act (2000).

## Programme 5: Strategic Relations and Governance

**Purpose:** Coordinate the department's mandate within the intergovernmental relations framework, manage international relations, and promote good governance practices within the department and its public entities. Provide timely and integrated business information to the department.

### Strategic overview: 2005/06 – 2011/12

In continuing to support government's constitutional obligation to provide access to adequate housing, the development of sustainable communities remains the strategic anchor of the national Department of Housing. In addition to improving spatial integration and social cohesion, housing provides low income households with a key component of a sustainable livelihood.

#### Refined models for service delivery

At the service delivery level, the implementation of the comprehensive plan for sustainable human settlements requires provincial housing departments, municipalities and housing institutions to redefine and strengthen their service delivery models. The department has realigned its organisation and budget structure, creating the *Strategic Relations and Governance* programme and strengthening the *Housing Planning and Delivery Support* programme, to provide support for the development and implementation of these service delivery models.

#### Key challenges

Key challenges faced by the housing sector are inadequate intergovernmental coordination for accelerated housing delivery, specifically in relation to the ability of provinces and municipalities to deliver national objectives, and the lack of capacity to monitor and evaluate the implementation of housing programmes.

Another main challenge is creating a functioning housing market that allows low income households to capitalise on the equity provided by the free house, while minimising the distortions housing subsidies create for households in other segments of the housing market.

#### Key policy developments

The Housing Development Agency Act (2008) and the Social Housing Act (2008) provide for the establishment of two new public entities, the Housing Development Agency and the Social Housing Regulatory Authority. The Housing Development Agency aims to assist provinces and municipalities with land acquisition, project management and development, and the Social Housing Regulatory Agency will regulate social housing institutions that receive funds from government for the construction of low and medium income rental housing.

The national housing code was updated in 2008 in line with the comprehensive plan for sustainable human settlements. Focusing on particular areas, such as informal settlement upgrading, integrated residential development, and rural and social housing, the code provides for considerable flexibility in contracting strategies and aims at improving urban efficiency by focusing on the development needs of an entire community or area.

As part of the broader strategy to administer and maintain a national housing demand database, the new allocation strategy, operational from 2006/07, introduces a structured process for allocating housing subsidies to people registered on the national demand database. An integrated database will allow for better management of information on potential housing beneficiaries. The strategy also introduces the principle of registering housing needs and doing away with a waiting list system that creates expectations. Furthermore, the strategy seeks to provide a fair and just allocation system and curtail fraud and corruption.

#### Focus over the medium term

Over the MTEF period, the Department of Housing seeks to provide policy implementation guidance. This will include direct implementation support to provinces and municipalities, intervening in turnaround projects where there are blockages, and facilitating cooperation with the private sector. Refining the role of municipalities in

the housing delivery chain as well as the mechanisms that will allow for the rollout of accreditation as provided for in the Housing Act (1997) are critical to accelerating delivery. The department continues to provide assistance to provinces and municipalities in their planning of priority housing projects, including the Zanevula, Khutsong, Klarinet, Lerato Park, N2 Gateway, Cornubia and Ouboks developments. The department also monitors these projects separately.

## Selected performance and operations indicators

**Table 26.1 Housing**

Indicator	Programme	Past			Current	Projections		
		2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
Number of houses completed and in process of completion each year	Housing Development Finance	217 348	252 834	271 219	248 850	250 000	250 000	250 000
Number of units completed in rental programme each year	Housing Planning and Delivery Support	–	–	–	–	900	1 500	2 300
Number of individual credit linked subsidies approved each year	Housing Development Finance	1 509	614	907	572	700	850	1 000
Number of beneficiaries approved in the People's Housing Process each year	Housing Planning and Delivery Support	45 027	37 090	32 426	11 117	12 500	13 000	13 500
Number of municipalities provided with capacity development to support accreditation each year	Strategic Relations and Governance	–	–	3	18	18	18	18
Number of publications on housing sector each year	Strategic Relations and Governance	–	–	–	–	4	4	4
Turnaround time for projects to (fully subsidised) units (months)	Housing Development Finance	37-48	37-48	37-48	37-48	37-48	37-48	37-48

## Expenditure estimates

**Table 26.2 Housing**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
R million								
1. Administration	72.6	72.9	102.5	128.1	125.9	198.5	192.3	202.7
2. Housing Policy, Research and Monitoring	28.8	23.3	22.0	31.5	21.6	58.0	59.2	62.8
3. Housing Planning and Delivery Support	76.8	27.0	27.3	60.6	57.9	138.5	142.9	159.8
4. Housing Development Finance	5 011.7	6 929.4	8 255.1	10 456.5	10 197.4	13 011.3	15 548.3	17 789.3
5. Strategic Relations and Governance	58.9	113.3	179.4	251.8	231.9	182.2	194.9	195.9
<b>Total</b>	<b>5 248.8</b>	<b>7 166.0</b>	<b>8 586.3</b>	<b>10 928.5</b>	<b>10 634.7</b>	<b>13 588.6</b>	<b>16 137.5</b>	<b>18 410.5</b>
Change to 2008 Budget estimate				342.0	48.1	856.9	858.9	2 216.4

Table 26.2 Housing (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Economic classification</b>								
<b>Current payments</b>	<b>224.9</b>	<b>254.1</b>	<b>352.5</b>	<b>507.5</b>	<b>470.7</b>	<b>620.0</b>	<b>652.5</b>	<b>691.5</b>
Compensation of employees	62.3	76.5	97.2	133.6	125.4	225.8	236.0	253.9
Goods and services	162.5	177.6	255.2	373.8	345.3	394.2	416.5	437.6
of which:								
Administrative fees	0.1	0.1	0.0	0.6	0.3	4.9	5.2	5.5
Advertising	4.2	20.8	46.5	94.6	94.6	53.7	54.5	51.4
Assets less than R5 000	1.4	1.5	1.5	3.4	3.4	4.9	1.9	1.6
Audit costs: External	2.4	4.2	4.3	3.8	3.8	6.5	6.3	6.8
Bursaries (employees)	0.1	0.2	0.3	1.8	0.6	3.0	3.7	3.9
Catering: Departmental activities	0.2	0.8	0.3	1.1	1.1	2.9	2.9	3.1
Communication	5.1	5.1	5.5	6.3	3.9	12.1	12.8	13.6
Computer services	37.4	39.9	39.8	44.8	44.8	59.7	59.1	64.6
Consultants and professional services: Business and advisory services	61.4	61.1	94.4	95.5	91.8	51.3	55.8	62.9
Consultants and professional services: Legal costs	1.7	0.6	1.0	1.5	0.9	5.7	6.1	6.4
Contractors	2.6	2.8	7.3	3.6	2.0	9.2	11.4	12.0
Agency and support / outsourced services	0.8	0.5	–	18.1	16.2	29.1	32.5	32.3
Entertainment	1.0	0.3	0.2	0.5	0.2	1.1	1.1	1.2
Inventory: Food and food supplies	0.4	0.8	1.5	0.1	0.1	0.4	0.4	0.4
Inventory: Fuel, oil and gas	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.5
Inventory: Other consumables	0.2	0.0	0.0	0.2	0.2	2.7	2.9	3.0
Inventory: Stationery and printing	4.7	3.7	5.6	12.9	9.4	17.7	19.5	20.7
Lease payments	9.0	7.9	10.2	13.5	12.3	18.0	18.8	20.2
Owned and leasehold property expenditure	–	–	–	0.3	0.3	3.6	3.8	4.0
Travel and subsistence	19.3	20.6	28.1	38.2	38.2	75.4	81.4	85.9
Training and development	2.2	2.0	1.2	10.7	6.4	12.9	13.8	14.6
Operating expenditure	1.8	1.6	1.7	10.9	8.3	10.7	11.5	12.1
Venues and facilities	6.1	2.9	5.5	11.4	6.5	8.2	10.6	10.8
Financial transactions in assets and liabilities	0.1	0.0	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>5 016.9</b>	<b>6 907.7</b>	<b>8 228.3</b>	<b>10 408.7</b>	<b>10 151.6</b>	<b>12 957.2</b>	<b>15 479.2</b>	<b>17 715.2</b>
Provinces and municipalities	4 868.1	6 677.9	8 149.9	10 177.9	9 920.9	12 592.3	15 026.8	17 222.4
Departmental agencies and accounts	148.3	229.4	77.2	227.7	227.7	363.9	451.5	491.8
Public corporations and private enterprises	0.0	–	–	–	–	–	–	–
Foreign governments and international organisations	0.1	0.1	0.6	1.0	1.0	1.0	1.0	1.0
Households	0.5	0.2	0.7	2.0	2.0	–	–	–
<b>Payments for capital assets</b>	<b>7.0</b>	<b>4.2</b>	<b>5.4</b>	<b>12.4</b>	<b>12.4</b>	<b>11.4</b>	<b>5.8</b>	<b>3.8</b>
Buildings and other fixed structures	–	–	–	–	–	0.2	–	–
Machinery and equipment	6.9	4.0	5.3	11.3	11.3	9.6	5.3	3.3
Software and other intangible assets	0.1	0.3	0.1	1.0	1.0	1.7	0.5	0.5
<b>Total</b>	<b>5 248.8</b>	<b>7 166.0</b>	<b>8 586.3</b>	<b>10 928.5</b>	<b>10 634.7</b>	<b>13 588.6</b>	<b>16 137.5</b>	<b>18 410.5</b>

## Expenditure trends

The Department of Housing's budget is largely driven by transfer payments to provinces, which account for 93 per cent of the total budget in 2009/10. Expenditure increased from R5.2 billion in 2005/06 to R10.9 billion in 2008/09 at an average annual rate of 27.7 per cent. Over the medium term, expenditure is set to increase to R18.4 billion in 2011/12 at an average annual rate of 19 per cent. The robust growth in the department is driven

by increases in the integrated housing and human settlement development grant to provinces, located in the *Housing Development Finance* programme, for accelerating housing delivery. This programme rises from R10.5 billion in 2008/09 to R17.8 billion in 2011/12 at an average annual rate of 19.4 per cent.

Spending in compensation of employees increased from R62.3 million in 2005/06 to R133.6 million in 2008/09 at an average annual rate of 29 per cent, and is expected to increase to R253.9 million in 2011/12 at an average annual rate of 23.9 per cent over the medium term. The strong growth in compensation of employees is due to the expansion of capacity across the department from 486 posts in 2008/09 to 721 funded posts in 2011/12.

Expenditure in the *Housing Policy, Research and Monitoring* programme increased from R28.8 million in 2005/06 to R31.5 million in 2008/09 at an average annual rate of 3 per cent, and is expected to increase to R62.8 million in 2011/12 at an average annual rate of 25.8 per cent over the medium term. The growth in this programme is higher than inflation due to additional posts to improve the monitoring and evaluation capacity in the department. With an increased focus on supporting provinces and municipalities to implement housing programmes, expenditure in the *Housing Planning and Delivery Support* programme is expected to increase from R60.6 million in 2008/09 to R159.8 million in 2011/12 at an average annual rate of 38.2 per cent.

Additional allocations over the medium term include:

- R20 million, R40 million and R60 million for the establishment and operational costs of the Housing Development Agency
- R50 million in 2010/11 and R50 million in 2011/12 for the recapitalisation of the Rural Housing Loan Fund
- R711.5 million, R804.1 million and R2.1 billion for the integrated housing and human settlement development grant, which includes R100 million in 2010/11 and R400 million in 2011/12, earmarked for the Khutsong resettlement project.

The department has identified efficiency savings of R114.7 million over the MTEF period in goods and services (R27.2 million, R35.6 million and R40.1 million) and transfers to public entities as a result of lower than expected inflation over the MTEF period (R2.6 million, R4.6 million and R5 million).

## Departmental receipts

Departmental receipts are derived mainly from repaid loans and advances to employees. Revenue is expected to increase by 154.5 per cent, from R1.1 million in 2008/09 to R2.8 million in 2009/10, because subsidies fraudulently issued to government officials will be repaid.

**Table 26.3 Departmental receipts**

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2005/06	2006/07	2007/08	2008/09		2009/10	2010/11	2011/12
<b>Departmental receipts</b>	<b>945</b>	<b>1 870</b>	<b>675</b>	<b>1 053</b>	<b>1 053</b>	<b>2 781</b>	<b>510</b>	<b>540</b>
Sales of goods and services produced by department	100	111	137	120	120	145	154	163
Interest, dividends and rent on land	8	739	43	458	458	336	49	52
Sales of capital assets	–	–	213	–	–	–	–	–
Financial transactions in assets and liabilities	837	1 020	282	475	475	2 300	307	325
<b>Total</b>	<b>945</b>	<b>1 870</b>	<b>675</b>	<b>1 053</b>	<b>1 053</b>	<b>2 781</b>	<b>510</b>	<b>540</b>

## Programme 1: Administration

### Expenditure estimates

Table 26.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R million							
Minister <sup>1</sup>	1.1	1.1	1.1	1.0	1.1	1.1	1.2
Management	25.4	36.0	45.2	64.6	91.1	81.7	87.5
Corporate Services	39.2	29.1	48.2	53.8	96.8	99.0	102.8
Property Management	6.8	6.7	8.0	8.7	9.6	10.5	11.2
<b>Total</b>	<b>72.6</b>	<b>72.9</b>	<b>102.5</b>	<b>128.1</b>	<b>198.5</b>	<b>192.3</b>	<b>202.7</b>
Change to 2008 Budget estimate				13.3	26.8	10.9	10.7

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this only salary and car allowances are included. Administrative and other subprogramme expenditure may in addition include payments for capital as well as transfers and subsidies.

#### Economic classification

<b>Current payments</b>	<b>69.2</b>	<b>70.0</b>	<b>99.3</b>	<b>122.3</b>	<b>194.7</b>	<b>189.1</b>	<b>200.8</b>
Compensation of employees	23.4	29.8	43.3	44.1	72.6	74.2	79.3
Goods and services	45.7	40.1	56.0	78.2	122.1	114.9	121.5
of which:							
Administrative fees	–	–	–	0.1	2.0	2.1	2.2
Advertising	1.0	2.3	1.9	1.9	3.3	3.5	3.7
Assets less than R5 000	0.5	0.6	0.8	2.0	1.2	0.5	0.4
Bursaries (employees)	0.0	0.1	0.1	0.4	0.9	1.5	1.6
Catering: Departmental activities	0.1	0.4	–	0.3	1.0	0.9	1.0
Communication	3.5	3.5	3.1	2.5	5.6	5.9	6.3
Computer services	6.9	1.6	1.3	5.5	9.7	5.8	6.1
Consultants and professional services:	5.7	4.1	14.1	16.1	23.2	14.0	14.8
Business and advisory services							
Consultants and professional services:	1.7	0.6	1.0	1.5	5.6	6.0	6.4
Legal costs							
Contractors	2.5	2.5	7.2	2.8	4.1	4.4	4.6
Agency and support / outsourced services	0.2	0.2	–	10.8	4.4	4.7	5.0
Entertainment	0.8	0.3	0.2	0.3	0.5	0.5	0.6
Inventory: Food and food supplies	0.0	0.8	0.9	0.1	0.1	0.1	0.1
Inventory: Other consumables	0.0	0.0	0.0	0.2	1.3	1.4	1.5
Inventory: Stationery and printing	0.9	0.7	0.9	2.8	3.0	3.2	3.3
Lease payments	7.8	6.8	8.8	10.2	15.5	16.4	17.4
Owned and leasehold property expenditure	–	–	–	0.3	3.5	3.7	4.0
Travel and subsistence	10.7	13.1	13.8	14.1	25.9	27.6	29.3
Training and development	1.7	1.6	0.7	3.1	5.7	6.2	6.5
Operating expenditure	0.6	0.3	0.6	0.9	3.2	3.3	3.5
Venues and facilities	0.9	0.8	0.4	2.2	1.9	2.7	2.8
Financial transactions in assets and liabilities	0.1	0.0	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	0.1	0.0	–	–	–	–	–
Households	0.2	0.2	0.2	–	–	–	–
<b>Payments for capital assets</b>	<b>3.1</b>	<b>2.7</b>	<b>3.0</b>	<b>5.8</b>	<b>3.9</b>	<b>3.2</b>	<b>1.9</b>
Buildings and other fixed structures	–	–	–	–	0.2	–	–
Machinery and equipment	3.0	2.5	3.0	5.5	3.2	3.1	1.8
Software and other intangible assets	0.1	0.1	0.0	0.3	0.5	0.1	0.1
<b>Total</b>	<b>72.6</b>	<b>72.9</b>	<b>102.5</b>	<b>128.1</b>	<b>198.5</b>	<b>192.3</b>	<b>202.7</b>

### Expenditure trends

Expenditure increased from 72.6 million in 2005/06 to R128.1 million in 2008/09 at an average annual rate of 20.8 per cent, and is expected to increase to R202.7 million in 2011/12 at an average annual rate of 16.5 per cent

over the medium term. This is mainly due to significant increases in compensation of employees for specialised human resource management services to the department. The internal audit, risk management and special investigation unit has been capacitated to become a fully fledged unit to provide these services.

This programme includes the functions of the office of the director-general, ministerial support and executive support. Some components historically located in this programme have been shifted to the *Strategic and Relations Governance* programme, following a departmental restructuring process.

Goods and services are set to increase significantly over the medium term, rising from R78.2 million in 2008/09 to R121.5 million in 2011/12, an average annual increase of 15.8 per cent. This growth is a result of additional resources for the special investigations unit.

The devolution of funds from the Department of Public Works to individual departments for leases and accommodation charges amounts to R9.6 million, R10.5 million and R11.2 million over the medium term.

## Programme 2: Housing Policy, Research and Monitoring

- *Management.*
- *Policy Development* creates national human settlement and housing policy and provides policy formulation and interpretation assistance. The subprogramme also maintains the national housing code, which contains all the current housing policies, programmes and implementation guidelines.
- *Research* initiates, undertakes and manages responsive research on integrated human settlements.
- *Monitoring and Evaluation* monitors, evaluates and assesses the implementation, performance and impact of national housing policy and programmes.

Funding in all these subprogrammes is used for salaries and other personnel related costs.

## Objectives and measures

- Create sustainable human settlements by developing and implementing housing policies and programmes that meet best practice benchmarks and comply with the Constitution and other legislation.
- Ensure that housing policies are effectively implemented by monitoring the number of subsidy instruments implemented by provinces and the impact of these programmes on housing beneficiaries.
- Ensure that policies are responsive through continuous research, programme reviews and evaluations, measured by the number of research publications and best practice determinations.

## Service delivery and spending focus

Following stakeholder consultations, the farm resident housing assistance programme was introduced in 2008. This programme will enable housing authorities to address the housing needs of farm residents by ensuring that farm workers are fully engaged in the settlement planning process. To further strengthen rural housing development, the department, in collaboration with the Rural Housing Loan Fund, developed an individual rural subsidy instrument for people living in communal areas with no or limited security of tenure. The instrument will enable beneficiaries to access building materials for self building purposes, assisted by the Rural Housing Loan Fund and the network of registered non-traditional lenders operating in these communities.

In 2008/09, the Department of Housing consolidated a strategy for accelerated housing delivery for military veterans of the anti-apartheid struggle. The housing subsidy qualifying criteria were adjusted to allow veterans to access subsidies, including those who are single and do not have financial dependants. A national task team will assist with implementing the strategy and monitoring progress. The veterans' associations of non-statutory forces are represented on the task team.

The department developed and launched a number of instruments to guide the implementation of the comprehensive plan for sustainable human settlements in all three spheres of government. These include the monitoring, evaluation and impact assessment policy and implementation guidelines, and the operating system for the policy and guidelines. The department has also initiated a project monitoring process to measure the



performance of provincial housing departments against targets set in their business plans to identify constraints and assist with addressing them swiftly.

Over the medium term, the department will conduct a beneficiary occupancy audit on a representative sample of all houses completed between 1994 and June 2008.

## Expenditure estimates

**Table 26.5 Housing Policy, Research and Monitoring**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Management	1.8	1.1	2.0	2.2	2.9	2.9	3.1
Policy Development	9.1	10.4	7.5	10.3	10.6	10.6	11.3
Research	11.2	5.6	5.8	6.9	20.8	21.1	22.2
Monitoring and Evaluation	6.7	6.2	6.8	12.1	23.8	24.6	26.1
<b>Total</b>	<b>28.8</b>	<b>23.3</b>	<b>22.0</b>	<b>31.5</b>	<b>58.0</b>	<b>59.2</b>	<b>62.8</b>
Change to 2008 Budget estimate				–	(115.8)	(123.6)	(130.7)

### Economic classification

<b>Current payments</b>	<b>28.3</b>	<b>22.8</b>	<b>21.7</b>	<b>30.9</b>	<b>56.5</b>	<b>58.7</b>	<b>62.4</b>
Compensation of employees	12.3	12.1	12.6	17.3	29.7	31.3	33.2
Goods and services	16.0	10.7	9.1	13.6	26.8	27.4	29.2
of which:							
Administrative fees	–	–	–	0.0	0.5	0.5	0.6
Advertising	0.4	0.6	0.0	0.9	1.5	1.6	1.7
Bursaries (employees)	0.0	0.0	0.1	0.5	0.5	0.5	0.6
Communication	0.6	0.4	0.8	0.6	0.8	0.8	0.9
Consultants and professional services: Business and advisory services	4.3	4.7	3.4	0.7	2.6	2.5	2.7
Agency and support / outsourced services	0.2	0.1	–	0.8	4.1	5.0	5.4
Inventory: Stationery and printing	0.5	0.3	0.3	0.6	3.2	3.3	3.7
Lease payments	0.6	0.4	0.5	0.6	0.2	0.2	0.2
Travel and subsistence	3.7	1.9	2.4	5.1	10.3	9.7	9.9
Training and development	0.3	0.2	0.1	1.7	0.8	0.8	0.9
Operating expenditure	0.8	0.4	0.2	0.6	0.4	0.5	0.5
Venues and facilities	4.0	1.1	0.9	1.1	0.8	0.9	1.0
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	0.0	0.0	–	–	–	–	–
Non-profit institutions	–	0.1	–	–	–	–	–
Households	0.1	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>1.5</b>	<b>0.5</b>	<b>0.3</b>
Machinery and equipment	0.4	0.3	0.2	0.6	1.2	0.4	0.3
Software and other intangible assets	0.0	0.1	0.1	0.1	0.3	0.1	0.1
<b>Total</b>	<b>28.8</b>	<b>23.3</b>	<b>22.0</b>	<b>31.5</b>	<b>58.0</b>	<b>59.2</b>	<b>62.8</b>

## Expenditure trends

Expenditure has increased from R28.8 million in 2005/06 to R31.5 million in 2008/09, an average annual increase of 3 per cent. This is due to the department's restructuring process. The *Human Settlement Planning* subprogramme was shifted to the *Housing Planning and Delivery Support* programme, and the *Management Information Services* and *Contributions* subprogrammes were shifted to the *Strategic Relations and Governance* programme. Over the medium term, the budget grows at an average annual rate of 25.8 per cent, rising from R31.5 million in 2008/09 to R62.8 million in 2011/12. The robust growth in expenditure is related to increased research and monitoring and evaluation capacity in the department.

Goods and services decreased from R16 million in 2005/06 to R13.6 million in 2008/09 at an average annual rate of 5.3 per cent. Over the medium term, spending in goods and services is projected to increase at an average annual rate of 29.1 per cent to reach R29.2 million in 2011/12. Travel and subsistence, the largest expenditure item in goods and services, increases from R5.1 million in 2008/09 to R9.9 million in 2011/12 due to the department's monitoring of housing projects across provinces and municipalities.



## Programme 3: Housing Planning and Delivery Support

- *Management*.
- *Programme Implementation Support* provides support to provinces and municipalities to implement housing and human settlement 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 Mobilisation* manages relations, mobilises, and collaborates with stakeholders in the non-government sector.
- *Capacity Development* builds capacity for housing administration and delivery in municipalities and provinces and promotes sustainable housing delivery and community empowerment.
- *Priority Projects Facilitation* is responsible for managing priority housing and human settlement projects nationally. These projects are funded off provincial budgets.
- *Human Settlement Planning* is responsible for managing human settlement planning processes and supporting the implementation of human settlement and housing development frameworks. This subprogramme was moved from Housing Policy, Research and Monitoring

Funding is mainly used for salaries and other personnel related costs.

### Objectives and measures

- Facilitate improved housing development planning by aligning municipal and provincial multi-year housing development plans.
- Improve housing development and delivery efficiency by assisting provinces and municipalities to develop comprehensive business plans and reporting systems.
- Improve the delivery rate of housing projects, including blocked projects, by providing technical support to provinces and municipalities.
- Facilitate rental and social housing uptake and accelerate People's Housing Process programmes by providing regulatory and implementation support to increase the delivery of rental and social housing and People's Housing Process units.
- Improve private stakeholder participation and collaboration by increasing the number of joint partnerships with private stakeholders.
- Develop professional and institutional capacity at provincial and municipal levels by managing training and skills development, measured by the availability of capacity to undertake roles and responsibilities within applicable standards.
- Facilitate the development of integrated human settlements by providing implementation and oversight support for priority projects, measured by their timeous completion and the speedy resolution of bottlenecks.

### Service delivery and spending focus

In implementing the memorandums of understanding with the Federation of the Urban and Rural Poor and Slum Dwellers International, provincial steering forums provide the space for key stakeholders to collaborate and support project level implementation. In 2008/09, close to 2 000 subsidy agreements were concluded and nearly 300 houses were under construction by the end of December 2008.

Due to poor spending performance and declining housing delivery in Eastern Cape, the department deployed a team to supplement the capacity of the provincial housing department. The team is currently establishing financial and internal control systems to ensure financial compliance.

In 2008, the Department of Housing concluded 4 memorandums of understanding with external stakeholders: Intersite, to facilitate access to certain land parcels; the Development Bank of Southern Africa, for programme and implementation capacity support; Anglo Platinum, for integrated human settlements development around large mining operations; and the Umsobomvu Youth Fund, for youth service in housing development. A project

implementation agreement for the Klarinet sustainable integrated housing project in Emalahleni was concluded with ABSA Development Company.

The Women in Housing indaba resulted in 52 houses being built in 52 days by different volunteering external stakeholders in August 2008.

The Govan Mbeki housing awards, held in October 2008, recognised Limpopo's housing department as the best provincial housing department, eThekweni as the best metropolitan municipality, and Knysna as the best local municipality.

## Expenditure estimates

**Table 26.6 Housing Planning and Delivery Support**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Management	–	0.0	2.0	2.2	4.2	4.4	4.7
Programme Implementation Support	26.9	2.8	4.6	5.7	18.0	18.2	21.4
Rental Housing and People's Housing Process	5.1	3.6	3.3	10.3	27.0	27.5	28.5
Stakeholder Mobilisation	–	–	2.1	7.3	19.8	20.4	23.3
Capacity Development	44.8	20.6	8.7	21.1	39.3	41.2	46.4
Priority Projects	–	–	4.4	5.0	17.3	17.9	21.3
Human Settlement Planning	–	–	2.1	8.9	12.8	13.3	14.2
<b>Total</b>	<b>76.8</b>	<b>27.0</b>	<b>27.3</b>	<b>60.6</b>	<b>138.5</b>	<b>142.9</b>	<b>159.8</b>
Change to 2008 Budget estimate				2.6	(94.9)	(100.2)	(97.6)
<b>Economic classification</b>							
<b>Current payments</b>	<b>51.6</b>	<b>26.9</b>	<b>26.4</b>	<b>57.3</b>	<b>136.4</b>	<b>142.3</b>	<b>159.7</b>
Compensation of employees	7.3	7.5	11.5	25.8	53.8	56.9	60.3
Goods and services	44.3	19.4	15.0	31.6	82.6	85.4	99.4
<i>of which:</i>							
Administrative fees	–	–	–	0.0	1.4	1.5	1.6
Advertising	0.8	10.7	0.1	3.0	10.2	10.8	11.3
Assets less than R5 000	0.1	0.1	0.1	0.6	1.9	0.8	0.6
Bursaries (employees)	0.0	0.0	0.0	0.1	0.6	0.6	0.7
Catering: Departmental activities	0.0	0.0	0.1	0.2	1.0	1.1	1.2
Communication	0.2	0.2	0.4	0.9	3.1	3.3	3.5
Computer services	6.0	–	1.0	–	0.1	0.1	0.2
Consultants and professional services: Business and advisory services	35.6	7.3	7.2	8.5	19.9	20.9	31.8
Contractors	–	0.0	0.0	0.1	1.7	1.9	2.0
Agency and support / outsourced services	0.1	–	–	–	3.2	3.5	3.7
Inventory: Stationery and printing	0.1	0.1	0.1	1.2	3.0	3.2	3.4
Lease payments	0.0	0.0	0.0	0.8	1.5	1.3	1.7
Travel and subsistence	0.8	0.7	4.6	10.2	24.9	25.7	27.1
Training and development	0.0	0.0	0.2	2.4	1.9	2.0	2.1
Operating expenditure	0.1	0.0	0.1	0.2	4.0	4.1	4.4
Venues and facilities	0.4	0.2	1.0	3.3	3.7	3.9	3.6
<b>Transfers and subsidies</b>	<b>24.6</b>	<b>0.0</b>	<b>0.5</b>	<b>2.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
Provinces and municipalities	24.4	0.0	–	–	–	–	–
Public corporations and private enterprises	0.0	–	–	–	–	–	–
Households	0.1	0.0	0.5	2.0	–	–	–

Table 26.6 Housing Planning and Delivery Support (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.1</b>	<b>0.3</b>	<b>1.3</b>	<b>2.0</b>	<b>0.5</b>	<b>0.1</b>
Machinery and equipment	0.6	0.1	0.3	1.2	1.9	0.5	0.1
Software and other intangible assets	0.0	0.0	–	0.0	0.1	0.0	0.0
<b>Total</b>	<b>76.8</b>	<b>27.0</b>	<b>27.3</b>	<b>60.6</b>	<b>138.5</b>	<b>142.9</b>	<b>159.8</b>
<b>Details of selected transfers and subsidies</b>							
Provinces and municipalities							
Provinces							
Provincial revenue funds							
Capital	24.4	–	–	–	–	–	–
Human settlement and redevelopment grant	24.4	–	–	–	–	–	–

## Expenditure trends

Expenditure declined from R76.8 million in 2005/06 to R60.6 million in 2008/09 at an average annual rate of 7.6 per cent, mainly due to the consolidation of the human settlement redevelopment programme into the integrated housing and human settlement development grant, in the *Housing Development Finance* programme in 2005/06. The programme's expenditure trends were affected by streamlined functions in the department and the shift of the *Human Settlement Planning* subprogramme from the *Housing Policy, Research and Monitoring* programme to this programme. Spending in the *Programme Implementation Support* subprogramme declined at an average annual rate of 40.2 per cent from 2005/06 to 2008/09, mainly due to lower expenditure on consultants.

Expenditure is projected to increase from R60.6 million in 2008/09 to R159.8 million in 2011/12 at an average annual rate of 38.2 per cent. Spending is driven by the *Priority Projects Facilitation* and *Programme Implementation Support* subprogrammes, through which the department provides direct implementation support to provinces and municipalities. The *Stakeholder Mobilisation* subprogramme will also increase its activities over the medium term to promote liaison with private sector stakeholders in the housing sector.

Spending in the *Capacity Development* subprogramme is expected to increase from R21.1 million in 2008/09 to R46.4 million in 2011/12 at an average annual rate of 29.9 per cent because the department is providing more training and support to municipalities.

Expenditure on goods and services is expected to increase from R31.6 million in 2008/09 to R99.4 million in 2011/12 at an average annual rate of 46.6 per cent. Increased activities to manage and support provinces in planning, blocked projects, informal settlement upgrading projects and priority projects are expected.

## Programme 4: Housing Development Finance

- *Management.*
- *Financial and Funds Management* provides overall financial and grant management services, including financial support, internal control, supply chain management and budget management, as well as grant management services and systems support. Funding is mainly used for salaries and other personnel related costs.
- *Housing Equity* manages activities related to the office of disclosure, housing aspects of the Financial Services Charter, and mobilising and promoting investment for housing development. Funding is mainly used for salaries and other personnel related costs.
- *Integrated Housing and Human Settlement Development Grant* reflects the conditional grant allocation that is transferred to the provinces. Funding is provided on the basis of housing needs, the number of households earning less than R3 500 per month, and the population in the province.

- *Contribution* makes contributions to the housing institutions. Funds are transferred on the basis of a public entity meeting the governance and financial management requirements stipulated in the Public Finance Management Act (1999).

## Objectives and measures

- Improve access to end user finance by collaborating with the financial sector to develop mechanisms to increase market penetration, measured by the profile (number, value and terms) of loans to low and medium income households.
- Improve the expenditure efficiency of provinces on housing delivery by providing financial and grant management support for the integrated housing and human settlement development grant and business planning and reporting support, in line with the Division of Revenue Act, so that provinces are able to use all transferred funds.
- Ensure financial management by maintaining adequate controls and systems, measured by compliance with regulations and established practices.

## Service delivery and spending focus

In 2008/09, the department finalised an internal policy document for procurement and asset management, and a manual for asset management. The provincial housing department in Eastern Cape was assisted with implementing financial control systems. Expenditure trends and service delivery performance were also reviewed to identify the root causes of the problems in this province. The department will continue to support the Eastern Cape provincial housing department with project planning and implementation to accelerate housing delivery.

## Expenditure estimates

**Table 26.7 Housing Development Finance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
R million	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Management	2.3	1.8	2.4	2.2	3.7	3.9	4.1
Financial and Funds Management	15.5	16.6	19.5	33.5	187.3	50.2	54.0
Housing Equity	2.2	3.8	6.2	15.1	14.2	16.0	17.0
Integrated Housing and Human Settlement Development grant	4 843.5	6 677.8	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4
Contribution	148.3	229.4	77.2	227.7	363.9	451.5	491.8
<b>Total</b>	<b>5 011.7</b>	<b>6 929.4</b>	<b>8 255.1</b>	<b>10 456.5</b>	<b>13 011.3</b>	<b>15 548.3</b>	<b>17 789.3</b>
Change to 2008 Budget estimate				552.8	1 186.1	1 223.9	2 605.7

### Economic classification

Current payments	19.1	22.0	27.8	50.1	54.3	69.3	74.5
Compensation of employees	8.9	11.7	11.9	20.3	28.0	29.5	32.9
Goods and services	10.2	10.3	15.9	29.7	26.4	39.7	41.6
of which:							
Administrative fees	0.1	0.1	0.0	0.3	0.4	0.5	0.5
Advertising	0.1	0.3	0.2	0.9	0.5	1.5	1.6
Assets less than R5 000	0.3	0.2	0.1	0.4	0.9	0.3	0.5
Audit costs: External	2.4	4.2	4.3	3.8	6.4	6.2	6.7
Communication	0.2	0.3	0.4	0.7	1.2	1.3	1.4
Computer services	0.8	0.8	2.5	2.3	3.3	3.9	6.1
Consultants and professional services: Business and advisory services	3.8	2.2	4.8	7.8	0.4	7.4	5.2
Inventory: Stationery and printing	0.5	0.5	0.7	1.7	2.3	3.2	3.4
Lease payments	0.1	0.2	0.2	0.7	0.4	0.4	0.5
Travel and subsistence	1.3	1.3	2.2	3.0	6.1	8.9	9.4
Training and development	0.1	0.1	0.0	1.2	1.7	1.9	2.0
Operating expenditure	0.2	0.1	0.1	4.7	1.1	1.2	1.3
Venues and facilities	0.0	0.0	0.3	1.6	0.6	1.8	1.9

Table 26.7 Housing Development Finance (continued)

R million	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	appropriation 2008/09	2009/10	2010/11	2011/12
<b>Transfers and subsidies</b>	<b>4 991.8</b>	<b>6 907.3</b>	<b>8 227.0</b>	<b>10 405.7</b>	<b>12 956.2</b>	<b>15 478.2</b>	<b>17 714.2</b>
Provinces and municipalities	4 843.5	6 677.8	8 149.9	10 177.9	12 592.3	15 026.8	17 222.4
Departmental agencies and accounts	148.3	229.4	77.2	227.7	363.9	451.5	491.8
Households	0.0	0.0	0.0	–	–	–	–
<b>Payments for capital assets</b>	<b>0.8</b>	<b>0.2</b>	<b>0.3</b>	<b>0.8</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>
Machinery and equipment	0.8	0.2	0.3	0.8	0.9	0.6	0.4
Software and other intangible assets	–	–	–	0.0	–	0.2	0.2
<b>Total</b>	<b>5 011.7</b>	<b>6 929.4</b>	<b>8 255.1</b>	<b>10 456.5</b>	<b>13 011.3</b>	<b>15 548.3</b>	<b>17 789.3</b>
<b>Details of selected transfers and subsidies</b>							
<b>Provinces and municipalities</b>							
<b>Provinces</b>							
<b>Provincial revenue funds</b>							
<b>Capital</b>	<b>4 843.5</b>	<b>6 677.8</b>	<b>8 149.9</b>	<b>10 177.9</b>	<b>12 592.3</b>	<b>15 026.8</b>	<b>17 222.4</b>
Integrated housing and human settlement development grant	4 843.5	6 677.8	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4
Housing disaster relief grant	–	–	–	–	150.0	–	–
<b>Departmental agencies and accounts</b>							
<b>Departmental agencies (non-business entities)</b>							
<b>Current</b>	<b>148.3</b>	<b>229.4</b>	<b>77.2</b>	<b>227.7</b>	<b>363.9</b>	<b>451.5</b>	<b>491.8</b>
National Urban Reconstruction and Housing Agency	22.9	21.0	19.0	–	–	–	–
People's Housing Partnership Trust	5.0	1.0	–	–	–	–	–
Servcon Housing Solutions	42.1	35.0	–	–	–	–	–
Social Housing Foundation	20.6	126.5	15.1	21.7	23.0	24.3	25.7
Thubelisha Homes	57.7	46.0	43.0	206.0	6.3	6.6	7.0
Social Housing Regulatory Authority	–	–	–	–	285.0	301.8	320.5
Rural Housing Loan Fund	–	–	–	–	–	49.5	49.5
Housing Development Agency	–	–	–	–	49.7	69.3	89.1

## Expenditure trends

Expenditure on the *Integrated Housing and Human Settlement Development Grant* subprogramme increased at an average annual rate of 28.1 per cent from R4.8 billion in 2005/06 to R10.2 billion in 2008/09. The growth is due mainly to the increase in the integrated housing and human settlement development grant, which channels funds to provinces for housing delivery. The grant is expected to reach R17.2 billion in 2011/12, increasing at an average annual rate of 19.2 per cent over the medium term. This growth is due to additional allocations totalling R3.7 billion to accelerate the upgrading of informal settlements and the implementation of priority projects, as well as cater for the increase in the cost of building material. An additional R150 million has been allocated in 2009/10 for the housing disaster relief grant to KwaZulu-Natal. This is for rehabilitating and constructing houses and related infrastructure that were damaged by storms in November 2008.

Spending in goods and services increases from R29.7 million in 2008/09 to R41.6 million in 2011/12 at an average annual rate of 11.8 per cent. This is mainly due to efforts by the grant management unit to manage the provincial intervention through regular visits to ensure compliance with the Division of Revenue Act. This programme has been expanded to include the fund mobilisation unit in the housing equity chief directorate. The unit identifies and mobilises housing finance and investment opportunities.

## Programme 5: Strategic Relations and Governance

- *Management.*
- *Management Information Services* manages the development and implementation of integrated business solutions and data and information, and provides knowledge services.
- *Intergovernmental Relations and International Relations* facilitates the department's participation in and management of international and intergovernmental relations.

- *Communication* manages communication and public relations.
- *Housing Institutions* provides oversight management of housing institutions, including monitoring, analysing and reporting on financial and non-financial performance and corporate governance.
- *Strategic Management* manages overall organisational planning and supports the strategic management and operations of the department.
- *Transformation* develops and manages transformation programmes in compliance with the national policy framework and international human rights' instruments and directives.
- *Contributions* makes contributions to the housing institutions and the Habitat Foundation to support the work of the United Nations human settlement programme.

## Objectives and measures

- Provide oversight management of housing institutions through performance and corporate planning monitoring as well as governance oversight, measured by compliance to regulations and delivery on mandates.
- Provide integrated business solutions and support as well as business information and related products by maintaining housing and human settlements databases and quality control, measured by the availability of accurate information, data and solutions.
- Provide an integrated communication service through public information and marketing, corporate communications and media relations, measured by sustainable awareness and knowledge and information dissemination that empower stakeholders within and outside the department.
- Provide governance management by coordinating transversal programmes, measured by adequate comprehensive risk management, internal auditing, programme alignment, and reporting.

## Service delivery and spending focus

Cooperation on human settlements was consolidated at the India-Brazil-South Africa summit in October 2008. Cooperation with the Democratic Republic of the Congo resulted in a capacity development plan and support for housing institutional reform.

An atlas of informal settlements in South Africa was developed as an information tool and platform for intersectoral collaboration.

The rationalisation of housing institutions to support accelerated delivery is gaining momentum. Task teams will oversee the closure of Servcon and Thubelisha Homes. Following the promulgation of the Housing Development Agency Act (2008), the establishment of the Housing Development Agency is at an advanced stage. The chief executive officer and board have been appointed and key projects are already being facilitated by a dedicated project team.

## Expenditure estimates

**Table 26.8 Strategic Relations and Governance**

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
Management	1.8	1.9	1.2	2.2	4.9	8.9	6.2
Management Information Services	40.6	44.0	48.1	54.1	64.3	67.3	70.8
Intergovernmental and International Relations	2.3	43.8	56.6	63.3	21.2	22.6	21.9
Communication	12.2	19.4	60.9	81.5	67.9	69.5	66.9
Housing Institutions	0.2	2.2	4.0	40.1	11.8	12.6	13.4
Strategic Management	1.7	1.9	2.1	5.4	4.8	6.3	7.4
Transformation	–	–	5.8	4.1	6.3	6.7	8.3
Contributions	0.1	0.1	0.6	1.0	1.0	1.0	1.0
<b>Total</b>	<b>58.9</b>	<b>113.3</b>	<b>179.4</b>	<b>251.8</b>	<b>182.2</b>	<b>194.9</b>	<b>195.9</b>
Change to 2008 Budget estimate				(226.7)	(145.2)	(152.1)	(171.7)



Table 26.8 Strategic Relations and Governance (continued)

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Economic classification</b>							
<b>Current payments</b>	<b>56.7</b>	<b>112.4</b>	<b>177.3</b>	<b>246.9</b>	<b>178.0</b>	<b>193.1</b>	<b>194.1</b>
Compensation of employees	10.3	15.4	18.1	26.1	41.7	44.0	48.2
Goods and services	46.4	97.0	159.2	220.8	136.3	149.1	145.9
of which:							
Administrative fees	–	–	–	0.1	0.6	0.6	0.7
Advertising	1.9	6.9	44.3	88.0	38.2	37.1	33.1
Assets less than R5 000	0.3	0.3	0.2	0.4	0.7	0.2	0.1
Bursaries (employees)	0.0	0.0	0.1	0.6	0.7	0.8	0.8
Catering: Departmental activities	0.1	0.3	–	0.2	0.4	0.4	0.5
Communication	0.6	0.7	0.8	1.6	1.4	1.5	1.6
Computer services	23.7	37.5	35.1	37.0	46.5	49.1	52.1
Consultants and professional services: Business and advisory services	12.1	42.8	64.9	62.4	5.3	11.0	8.4
Contractors	–	0.1	0.1	0.2	2.8	4.6	4.8
Agency and support / outsourced services	0.2	0.1	–	6.4	16.9	18.9	17.7
Inventory: Food and food supplies	0.4	0.0	0.6	0.0	0.1	0.1	0.1
Inventory: Other consumables	0.1	0.0	0.0	–	1.1	1.2	1.2
Inventory: Stationery and printing	2.7	2.1	3.5	6.6	6.3	6.6	6.9
Lease payments	0.4	0.6	0.8	1.2	0.3	0.3	0.4
Travel and subsistence	2.8	3.6	5.0	5.8	8.3	9.5	10.1
Training and development	0.2	0.1	0.2	2.4	3.0	3.0	3.1
Operating expenditure	0.2	0.8	0.7	4.5	2.0	2.3	2.5
Venues and facilities	0.8	0.7	2.9	3.2	1.3	1.4	1.5
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.1</b>	<b>0.6</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
Provinces and municipalities	0.0	0.0	–	–	–	–	–
Foreign governments and international organisations	0.1	0.1	0.6	1.0	1.0	1.0	1.0
Households	0.0	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2.1</b>	<b>0.8</b>	<b>1.4</b>	<b>3.9</b>	<b>3.2</b>	<b>0.8</b>	<b>0.8</b>
Machinery and equipment	2.1	0.8	1.4	3.3	2.4	0.7	0.7
Software and other intangible assets	–	–	–	0.6	0.7	0.1	0.1
<b>Total</b>	<b>58.9</b>	<b>113.3</b>	<b>179.4</b>	<b>251.8</b>	<b>182.2</b>	<b>194.9</b>	<b>195.9</b>

## Expenditure trends

Expenditure in this new programme under the management of the chief operations officer increased from R58.9 million in 2005/06 to R251.8 million in 2008/09 at an average annual rate of 62.3 per cent. The growth is driven by the Breaking New Ground communications campaign in 2007/08 and 2008/09. The subprogrammes have been shifted from other programmes in line with the department's new organisational structure. Over the medium term, expenditure is expected to decrease at an average annual rate of 8 per cent to reach R195.9 million in 2011/12. The decrease is due to the reprioritisation of funds in the *Intergovernmental and International Relations* subprogramme and once-off expenditure for establishing the Housing Development Agency in 2008/09 in the *Housing Institutions* subprogramme.

Compensation of employees is expected to increase from R26.1 million in 2008/09 to R48.2 million in 2011/12 at an average annual rate of 22.7 per cent. This increase will allow the different units to populate their structures following the departmental restructuring process. The increase in expenditure on advertising in 2008/09 relates to intensified departmental media campaigns to promote housing policy.



## Public entities

### National Home Builders Registration Council

#### Strategic overview: 2005/06 - 2011/12

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection Measures Act (1998) to provide regulatory control over the home building industry and warranty protection to housing consumers against any failure of a home builder's statutory obligations. Building activity is inspected to ensure compliance and protect housing consumers. In addition, the council is involved in evaluating new or alternative housing building technologies.

In recent years, the council has prioritised training and capacity building to promote a satisfactory level of technical standards in the home building environment. In 2008, the training programme was improved to cater for different types of geographical typologies. The council recently created a fund to promote training and capacity building for women, youth and the unemployed.

#### Selected performance and operations indicators

**Table 26.9 National Home Builders Registration Council**

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of registrations each year	3 972	4 595	3 628	4 820	5 296	5 667	6 063
Number of renewals each year	10 069	11 033	12 390	12 390	11 534	13 079	13 995
Number of enrolments (non-subsidy) each year	64 641	78 568	80 239	78 568	55 897	59 810	63 996
Number of late enrolments each year	2 786	4 538	4 132	4 583	2 795	2 991	3 200
Number of new subsidy project enrolments (units) each year	140 456	120 480	77 560	124 190	145 644	155 839	166 748
Number of new subsidy home enrolments (units) each year	15 089	59 361	69 616	100 000	101 269	108 358	115 943
Number of inspections each year	308 709	645 731	738 001	435 336	25 241	27 008	28 898
Number of complaints each year	1 433	1 241	2 824	2 680	3 113	3 268	3 431
Number of conciliations each year	482	318	2 824	3 400	1 556	1 634	1 716
Number of suspensions each year	335	472	645	800	1 500	1 700	1 921
Number of deregistrations each year	61	154	–	155	100	200	202
Number of withdrawals each year	–	154	577	200	150	100	67

#### Service delivery and spending focus

Over the past year, the National Home Builders Registration Council opened 10 new offices in Eastern Cape (East London and George), Free State (Bethlehem), Gauteng (Tshwane), KwaZulu-Natal (Newcastle and Port Shepstone), Limpopo (Tzaneen and Bela Bela), Mpumalanga (Emalahleni), and North West (Klerksdorp). Over the medium term, a further 6 new mobile offices will be introduced in Eastern Cape, Free State, Northern Cape, Limpopo, North West and Western Cape.

Extended warranty options are being considered, such as extending the current structural warranty of 5 years to 10 years. These may be introduced when the warranty fund reaches sufficient levels of adequacy in terms of its capital and cash reserves.

Subsidy sector enrolment processes have been improved, resulting in improved efficiency and turnaround times. Dedicated National Home Builders Registration Council engineers visit provinces regularly to evaluate geotechnical and related enrolment documentation.

Over the MTEF period, the council will implement e-learning for training emerging home builders and establish accredited training centres in the provinces. Furthermore, products and services will be expanded through research and development.

## Expenditure estimates

**Table 26.10 National Home Builders Registration Council: Activity information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Risk mitigation expenses: Non-subsidy	37.0	44.7	60.2	100.6	75.8	81.1	86.8
Marketing expenses	7.4	6.8	7.4	10.0	9.1	9.7	10.4
Training of emerging contractors	–	17.0	37.0	37.0	36.7	37.0	37.0
Risk mitigation expenses: Subsidy	–	–	–	–	50.6	54.2	58.0
Forensic investigation and rectification	5.2	7.6	19.3	4.0	5.5	5.8	6.3
Other activities	166.4	128.8	165.3	458.3	360.9	383.1	408.9
<b>Total expense</b>	<b>216.0</b>	<b>204.9</b>	<b>289.2</b>	<b>609.8</b>	<b>538.5</b>	<b>571.0</b>	<b>607.3</b>

**Table 26.11 National Home Builders Registration Council: Financial information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Statement of financial performance</b>							
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>542.1</b>	<b>530.3</b>	<b>773.6</b>	<b>809.8</b>	<b>756.6</b>	<b>809.5</b>	<b>866.2</b>
Sale of goods and services other than capital assets of which:	422.5	399.6	591.5	647.3	539.7	577.5	617.9
Sales by market establishments	422.5	399.6	591.5	647.3	539.7	577.5	617.9
Other non-tax revenue	119.6	130.7	182.1	162.6	216.9	232.0	248.3
<b>Total revenue</b>	<b>542.1</b>	<b>530.3</b>	<b>773.6</b>	<b>809.8</b>	<b>756.6</b>	<b>809.5</b>	<b>866.2</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>216.0</b>	<b>204.9</b>	<b>289.2</b>	<b>609.8</b>	<b>538.5</b>	<b>571.0</b>	<b>607.3</b>
Compensation of employees	68.6	90.4	127.9	181.0	192.5	206.0	220.4
Goods and services	142.3	110.9	155.5	403.0	319.0	337.4	356.8
Depreciation	5.1	3.6	5.7	25.8	27.0	27.5	30.1
Interest, dividends and rent on land	0.0	0.0	0.2	–	–	–	–
<b>Total expenses</b>	<b>216.0</b>	<b>204.9</b>	<b>289.2</b>	<b>609.8</b>	<b>538.5</b>	<b>571.0</b>	<b>607.3</b>
<b>Surplus / (Deficit)</b>	<b>326.2</b>	<b>325.4</b>	<b>484.4</b>	<b>200.0</b>	<b>218.0</b>	<b>238.6</b>	<b>258.9</b>
<b>Statement of financial position</b>							
Carrying value of assets	7.3	35.9	83.4	91.5	84.8	77.9	74.4
of which: Acquisition of assets	4.8	32.4	53.3	33.9	20.3	20.6	26.6
Investments	1 438.2	1 943.4	2 437.1	2 574.4	2 776.0	3 026.4	3 294.0
Inventory	0.0	0.1	0.3	0.3	0.4	0.4	0.4
Receivables and prepayments	78.6	2.4	12.9	0.7	0.7	0.8	0.8
Cash and cash equivalents	16.9	60.4	72.8	5.1	5.2	5.4	5.5
<b>Total assets</b>	<b>1 540.9</b>	<b>2 042.1</b>	<b>2 606.6</b>	<b>2 671.9</b>	<b>2 867.1</b>	<b>3 110.8</b>	<b>3 375.2</b>
Accumulated surplus/deficit	597.1	954.9	1 402.3	1 602.3	1 820.3	2 058.9	2 317.8
Capital and reserves	–	47.3	37.2	–	–	–	–
Trade and other payables	88.5	107.2	184.3	81.8	59.8	64.6	69.8
Provisions	855.4	932.8	982.8	987.8	986.9	987.3	987.7
<b>Total equity and liabilities</b>	<b>1 540.9</b>	<b>2 042.1</b>	<b>2 606.6</b>	<b>2 671.9</b>	<b>2 867.1</b>	<b>3 110.8</b>	<b>3 375.2</b>

## Expenditure trends

Revenue is set to increase from R542.1 million in 2005/06 to R866.2 million in 2011/12 at an average annual rate of 8.1 per cent. This strong growth is related to an increase in the number of houses enrolled with the National Home Builders Registration Council. Compensation of employees grows at an average annual rate of 38.2 per cent from 2005/06 to 2008/09 due to the staffing of new offices. Over the medium term, the surplus is expected to increase from R200 million in 2008/09 to R258.9 million in 2011/12. The accumulated surplus,

which finances the warranty scheme, increased from R597.1 million in 2005/06 to R1.6 billion in 2008/09 at an average annual rate of 39 per cent, and is expected to increase to R2.3 billion in 2011/12.

## National Housing Finance Corporation

### Strategic overview: 2005/06 – 2011/12

The National Housing Finance Corporation is a schedule 3A public entity. It was established in 1996 as a development finance institution to contribute to reducing South Africa's housing backlog by mobilising, raising and deploying housing finance from sources outside the public sector.

The National Housing Finance Corporation has positioned itself as a financial wholesaler, providing wholesale finance on an institutional level to financial intermediaries, as well as funding for social housing. Since 1996, the council has disbursed R2.4 billion in funding and delivered 264 130 housing opportunities. Despite these efforts, the Southern African Housing Foundation estimates that there is presently a national housing supply shortage of more than 600 000 units for households earning between R2 500 and R8 600 per month.

The National Housing Finance Corporation launched a pilot project in 2007 to test the market for a retail product. The project was restricted to personnel members. It was concluded in 2008, and findings and lessons will inform a review of the corporation's strategy.

The National Housing Finance Corporation will continue to act as a wholesale and project financier over the MTEF period. It will also play a major role in the social housing sector through the ongoing implementation of the recommendations of the presidential job summit, thus stimulating the supply of much needed housing stock.

### Selected performance and operations indicators

**Table 26.12 National Housing Finance Corporation**

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of housing units financed by the National Housing Finance Corporation each year	–	14 443	13 128	22 401	26 013	29 012	32 600
Value of houses financed through strategic partnerships each year	–	–	–	R500m	R610m	R610m	R610m
Number of housing units financed through strategic partnerships each year	–	–	–	23 000	23 700	23 700	23 700

### Service delivery and spending focus

In 2008/09, the National Housing Finance Corporation concluded a number of transactions with private sector stakeholders. It provided Seakay Engineering, a Johannesburg stock exchange listed developer, with a development loan of R128 million. The corporation signed a memorandum of understanding with Basil Read for a R1.3 billion mixed income integrated project in Free State, and also entered into a joint venture with Pan African Capital Holdings to develop and provide non-traditional housing finance products.

Over the MTEF period, the National Housing Finance Corporation will increase funding to support the provision of low income housing, both for rental and ownership. Further, the corporation will continue to enter into joint ventures with the private sector to develop innovative products for the housing market.

## Expenditure estimates

Table 26.13 National Housing Finance Corporation: Financial information

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>170.4</b>	<b>187.9</b>	<b>231.6</b>	<b>243.0</b>	<b>261.5</b>	<b>368.0</b>	<b>485.8</b>
Interest on loans	170.4	187.9	231.6	243.0	261.5	368.0	485.8
<b>Total revenue</b>	<b>170.4</b>	<b>187.9</b>	<b>231.6</b>	<b>243.0</b>	<b>261.5</b>	<b>368.0</b>	<b>485.8</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>62.1</b>	<b>99.4</b>	<b>125.5</b>	<b>115.5</b>	<b>152.6</b>	<b>202.2</b>	<b>248.8</b>
Compensation of employees	34.7	38.9	45.2	53.1	68.6	75.9	84.0
Goods and services	26.0	59.6	79.7	60.2	79.9	107.4	123.7
Depreciation	1.4	0.8	0.6	2.1	4.1	5.3	5.7
Interest, dividends and rent on land	–	–	–	–	–	13.5	35.5
<b>Total expenses</b>	<b>93.5</b>	<b>125.0</b>	<b>171.0</b>	<b>151.2</b>	<b>183.1</b>	<b>248.6</b>	<b>315.2</b>
<b>Surplus / (Deficit)</b>	<b>76.9</b>	<b>62.9</b>	<b>60.6</b>	<b>91.8</b>	<b>78.4</b>	<b>119.4</b>	<b>170.7</b>
<b>Statement of financial position</b>							
Carrying value of assets	1.2	0.9	1.2	17.1	20.2	23.1	24.3
of which: Acquisition of assets	0.5	0.5	0.9	18.0	7.3	8.2	6.8
Investments	277.6	1 417.9	1 393.8	915.5	47.5	47.5	47.5
Loans	755.7	846.6	929.5	1 075.0	1 888.8	2 830.1	3 902.2
Receivables and prepayments	54.2	27.2	16.9	146.6	12.3	9.5	11.1
Cash and cash equivalents	1 390.7	224.9	217.9	3.0	609.5	500.6	503.3
Assets not classified elsewhere	–	54.1	34.1	488.0	516.7	519.5	522.2
<b>Total assets</b>	<b>2 479.5</b>	<b>2 571.6</b>	<b>2 593.4</b>	<b>2 645.1</b>	<b>3 095.0</b>	<b>3 930.3</b>	<b>5 010.6</b>
Capital and reserves	1 922.3	1 985.2	2 045.8	2 137.6	2 516.0	3 035.4	3 806.0
Borrowings	28.2	–	–	–	–	153.3	355.0
Trade and other payables	8.0	7.3	2.0	12.4	59.4	223.5	329.3
Provisions	2.1	8.0	10.5	–	–	–	–
Managed funds	518.9	547.2	496.3	478.4	507.1	509.9	512.6
Liabilities not classified elsewhere	–	23.9	38.8	16.7	12.5	8.4	7.7
<b>Total equity and liabilities</b>	<b>2 479.5</b>	<b>2 571.6</b>	<b>2 593.4</b>	<b>2 645.1</b>	<b>3 095.0</b>	<b>3 930.3</b>	<b>5 010.6</b>

## Expenditure trends

Expenditure is expected to increase from R93.5 million in 2005/06 to R183.1 million in 2009/10, including the additional expenditure related to the restructuring of the institution and the introduction of new programmes. Expenditure is expected to grow to R315.2 million in 2011/12 driven by fair value adjustments to financial assets, and higher interest payments related to borrowing activities.

Compensation of employees increases steadily over the seven-year period, rising from R34.7 million in 2005/06 to R84 million in 2011/12. Growth accelerates between 2007/08 and 2011/12 as a result of the impact of human resources associated with the growth of the institution.

Capital expenditure increases from R528 000 in 2005/06, reaching a peak of R18 million in 2008/09. This growth is attributable to the acquisition of capital assets for implementing the retail programme. Capital expenditure is expected to decrease to between R8.2 million and R6.8 million over the medium term.

## National Urban Reconstruction and Housing Agency

### Strategic overview: 2005/06 - 2011/12

The National Urban Reconstruction and Housing Agency is the result of a partnership between the South African government and the Open Society Institute of New York, and was established in 1995. The agency's strategic focus is on financing building contractors in the housing industry, specifically for subsidised, affordable housing and related community infrastructure.

The National Urban Reconstruction and Housing Agency differentiates between established and emerging contractors. Finance is provided to established contractors directly, while a separate, specialised, intermediaries channel is used to provide finance to emerging contractors. In this way, risks associated with this market segment by the traditional financial institutions are normalised. The intermediaries assist the emerging contractors with a range of construction support services. Current partnerships between intermediaries and the agency are being reviewed on a strategic level to ensure their future commitment, secure continuity and broaden the regional presence of the institution.

### Selected performance and operations indicators

**Table 26.14 National Urban Reconstruction and Housing Agency**

Indicator	Past			Current	Projections		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Number of subsidy houses completed each year	14 769	10 776	15 134	15 527	17 080	18 788	20 666
Number of affordable houses completed each year	4 196	5 009	230	589	648	713	784
Number of serviced sites completed (including subsidy housing and affordable housing) each year	3 392	2 841	5 454	3 230	3 553	3 908	4 299
Number of infrastructure and community facilities completed each year	–	6	25	26	29	31	35
Number of rental houses completed each year (phased out)	380	14	–	–	–	–	–
Total value of loans: Subsidy houses	R81m	R52.6m	R74.4m	R207.7m	R228.5m	R251.3m	R276.5m
Total value of loans: Affordable houses	R90.4m	R41.1m	R12.4m	R154.2m	R170m	R186.6m	R205.3m
Total value of loans: Serviced sites	R6m	R29.2m	R85m	R36.4m	R40m	R44m	R48.4m
Total value of loans: Infrastructure and community facilities	R11.4m	R34.5m	R90.2m	R100m	R110m	R121m	R133.1m
Total value of loans: Rental housing	R8.4m	R913 000	–	–	–	–	–
Provision for project losses as a percentage of loan book	0%	0%	0%	0%	0%	0%	0%
Project losses written off each year	R3.5m	R3.7m	–	R73 423	–	–	–

### Service delivery and spending focus

In 2007/08, the National Urban Reconstruction and Housing Agency experienced abnormal financial losses on projects in Limpopo, which continue to be subject to investigation and potential litigation. As a result, management has identified the review and improvement of controls and legal instruments as key priorities over the medium term. As the agency is dependent on subsidised projects, it will continue with proposals to improve payment processes to mitigate the risk of conducting business with emerging contractors.

### Expenditure estimates

**Table 26.15 National Urban Reconstruction and Housing Agency: Activity information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Subsidy housing	6.0	10.5	23.7	17.5	19.0	20.8	21.8
Affordable housing	2.2	4.8	1.7	3.5	3.7	3.9	4.1
Infrastructure and community facilities completed	0.6	1.1	2.0	2.5	2.7	2.9	3.0
Administration construction finance	1.2	1.3	1.2	2.0	2.1	2.2	2.3
Other activities	20.3	21.4	35.7	37.3	40.1	42.2	44.8
<b>Total expense</b>	<b>30.3</b>	<b>39.1</b>	<b>64.4</b>	<b>62.6</b>	<b>67.6</b>	<b>72.1</b>	<b>76.1</b>

**Table 26.16 National Urban Reconstruction and Housing Agency: Financial information**

R million	Audited outcome			Revised estimate	Medium-term estimate		
Statement of financial performance	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Revenue</b>							
<b>Non-tax revenue</b>	<b>26.4</b>	<b>39.6</b>	<b>50.2</b>	<b>68.7</b>	<b>74.1</b>	<b>79.8</b>	<b>83.2</b>
<i>Other non-tax revenue</i>	26.4	39.6	50.2	68.7	74.1	79.8	83.2
<b>Transfers received</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total revenue</b>	<b>26.9</b>	<b>39.6</b>	<b>50.2</b>	<b>68.7</b>	<b>74.1</b>	<b>79.8</b>	<b>83.2</b>
<b>Expenses</b>							
<b>Current expense</b>	<b>30.3</b>	<b>39.1</b>	<b>64.4</b>	<b>62.6</b>	<b>67.6</b>	<b>72.1</b>	<b>76.1</b>
Compensation of employees	16.5	15.7	19.1	24.7	26.2	27.7	29.1
Goods and services	8.5	12.6	30.1	16.5	18.4	19.6	20.4
Depreciation	0.4	0.4	0.4	0.4	0.5	0.5	0.4
Interest, dividends and rent on land	4.9	10.4	14.8	20.9	22.5	24.2	26.1
<b>Total expenses</b>	<b>30.3</b>	<b>39.1</b>	<b>64.4</b>	<b>62.6</b>	<b>67.6</b>	<b>72.1</b>	<b>76.1</b>
<b>Surplus / (Deficit)</b>	<b>(3.4)</b>	<b>0.5</b>	<b>(14.2)</b>	<b>6.0</b>	<b>6.5</b>	<b>7.7</b>	<b>7.1</b>
<b>Statement of financial position</b>							
Carrying value of assets	1.1	1.0	1.0	0.9	0.5	0.1	0.2
<i>of which: Acquisition of assets</i>	0.9	0.2	0.5	0.3	0.1	0.1	0.5
Investments	164.8	167.6	226.3	372.5	397.4	420.0	430.6
Receivables and prepayments	2.7	1.2	0.3	0.4	0.2	0.2	0.2
Cash and cash equivalents	201.0	216.5	181.8	137.5	140.1	144.4	154.2
<b>Total assets</b>	<b>369.6</b>	<b>386.3</b>	<b>409.3</b>	<b>511.3</b>	<b>538.1</b>	<b>564.6</b>	<b>585.3</b>
Accumulated surplus/deficit	245.1	228.6	233.4	239.4	245.9	253.6	260.7
Capital and reserves	–	–	–	–	38.3	38.3	38.3
Borrowings	115.3	73.0	81.9	156.2	171.8	186.7	196.0
Trade and other payables	6.4	8.5	8.3	8.6	9.1	9.6	10.1
Provisions	2.8	–	–	–	–	–	–
Liabilities not classified elsewhere	–	76.1	85.8	107.1	73.1	76.5	80.2
<b>Total equity and liabilities</b>	<b>369.6</b>	<b>386.3</b>	<b>409.3</b>	<b>511.3</b>	<b>538.1</b>	<b>564.6</b>	<b>585.3</b>

### Expenditure trends

Expenditure is expected to increase at an average annual rate of 6.7 per cent over the medium term, rising from R62.6 million in 2008/09 to R76.1 million in 2011/12, and is mainly in goods and services, and interest, dividends and rent on land. Compensation of employees is projected to increase from R24.7 million in 2008/09 to R29.1 million in 2011/12 at an average annual rate of 5.7 per cent.

Interest on borrowed funds is the second largest expenditure item, and is anticipated to increase at an average annual rate of 7.7 per cent from R20.9 million in 2008/09 to R26.1 million in 2011/12. This trend correlates with the expected increase in borrowings, from R156.2 million in 2008/09 to R196 million in 2011/12, at an average annual rate of 7.9 per cent. There was fairly substantial capital expenditure of R532 000 in 2007/08.

## 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 million	2007/08		2007/08	2008/09			2008/09
1. Administration	116.4	122.4	102.5	114.8	13.3	128.1	125.9
2. Housing Policy, Research and Monitoring	90.0	78.0	22.0	31.5	–	31.5	21.6
3. Housing Planning and Delivery Support	147.9	143.9	27.3	58.0	2.6	60.6	57.9
4. Housing Development Finance	8 523.3	8 638.0	8 255.1	10 131.4	325.1	10 456.5	10 197.4
5. Strategic Relations and Governance	–	–	179.4	250.8	1.0	251.8	231.9
<b>Total</b>	<b>8 877.6</b>	<b>8 982.4</b>	<b>8 586.3</b>	<b>10 586.5</b>	<b>342.0</b>	<b>10 928.5</b>	<b>10 634.7</b>

  

<b>Economic classification</b>							
<b>Current payments</b>	<b>393.6</b>	<b>377.2</b>	<b>352.5</b>	<b>497.4</b>	<b>10.0</b>	<b>507.5</b>	<b>470.7</b>
Compensation of employees	108.0	109.0	97.2	133.6	0.0	133.6	125.4
Goods and services	285.6	268.2	255.2	363.8	10.0	373.8	345.3
<b>Transfers and subsidies</b>	<b>8 477.4</b>	<b>8 601.1</b>	<b>8 228.3</b>	<b>10 081.6</b>	<b>327.1</b>	<b>10 408.7</b>	<b>10 151.6</b>
Provinces and municipalities	8 237.9	8 342.9	8 149.9	9 852.8	325.1	10 177.9	9 920.9
Departmental agencies and accounts	239.4	257.2	77.2	227.7	–	227.7	227.7
Foreign governments and international organisations	0.1	1.0	0.6	1.0	–	1.0	1.0
Households	–	–	0.7	–	2.0	2.0	2.0
<b>Payments for capital assets</b>	<b>6.6</b>	<b>4.1</b>	<b>5.4</b>	<b>7.5</b>	<b>4.8</b>	<b>12.4</b>	<b>12.4</b>
Machinery and equipment	6.5	4.0	5.3	7.3	4.0	11.3	11.3
Software and intangible assets	0.1	0.1	0.1	0.2	0.8	1.0	1.0
<b>Total</b>	<b>8 877.6</b>	<b>8 982.4</b>	<b>8 586.3</b>	<b>10 586.5</b>	<b>342.0</b>	<b>10 928.5</b>	<b>10 634.7</b>

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Permanent and full time contract employees</b>							
Compensation (R million)	52.1	68.4	83.8	127.7	222.2	233.6	250.5
Unit cost (R million)	0.2	0.2	0.2	0.3	0.4	0.3	0.4
Personnel numbers (head count)	340	340	340	435	580	683	683
<b>Part time and temporary contract employees</b>							
Compensation (R million)	9.4	7.3	12.5	5.2	2.8	1.4	1.5
Unit cost (R million)	0.2	0.2	0.3	0.1	0.1	0.1	0.2
Personnel numbers (head count)	52	38	40	40	20	10	10
<b>Interns</b>							
Compensation of interns (R million)	0.7	0.8	0.9	0.8	0.9	1.0	1.8
Unit cost (R million)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Number of interns	12	11	11	11	11	11	20
<b>Total for department</b>							
<b>Compensation (R million)</b>	<b>62.3</b>	<b>76.5</b>	<b>97.2</b>	<b>133.6</b>	<b>225.8</b>	<b>236.0</b>	<b>253.9</b>
<b>Unit cost (R million)</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>
<b>Personnel numbers (head count)</b>	<b>404</b>	<b>389</b>	<b>391</b>	<b>486</b>	<b>611</b>	<b>704</b>	<b>713</b>



**Table 26.C Summary of expenditure on training**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Compensation of employees (R million)	62.3	97.2	109.0	133.6	225.8	236.0	253.9
Training expenditure (R million)	2.1	2.0	2.2	10.7	12.9	13.8	14.6
Training as percentage of compensation	3.4%	2.1%	2.0%	8%	5.7%	5.9%	5.8%
Total number trained in department (head count)	234	212	106	–			
<i>of which:</i>							
Employees receiving bursaries (head count)	30	33	34	–			
Internships trained (head count)	24	24	24	–			
Households receiving bursaries (R million)	0.1	–	0.2	0.3	0.3	0.3	0.3
Households receiving bursaries (head count)	3	–	5	–			

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

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
R million							
<b>Conditional grants to provinces</b>							
<b>3. Housing Planning and Delivery Support</b>							
Human settlement and redevelopment grant	24.4	–	–	–	–	–	–
<b>4. Housing Development Finance</b>							
Integrated housing and human settlement development grant	4 843.5	6 677.8	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4
Housing disaster relief grant	–	–	–	–	150.0	–	–
<b>Total</b>	<b>4 867.9</b>	<b>6 677.8</b>	<b>8 149.9</b>	<b>10 177.9</b>	<b>12 592.3</b>	<b>15 026.8</b>	<b>17 222.4</b>

<sup>1</sup> Detail provided in the Division of Revenue Act (2009)

Table 26.E Summary of donor funding

Donor	Project	Departmental programme name	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
						2005/06	2006/07	2007/08		2009/10	2010/11	2011/12
R thousand												
<b>Foreign</b>												
<b>In cash</b>												
European Union	Social housing programme	Strategic Relations and Governance	49 230	Departmental agencies and accounts	Provided support on the social housing programme via Social Housing Foundation	20 209	24 999	4 022	-	-	-	-
United States Agency for International Development Norway	People's Housing Process and housing strategy	Strategic Relations and Governance	4 123	Departmental agencies and accounts	Provided support on the People's Housing Process and housing strategy	1 402	-	2 721	-	-	-	-
	Development of housing cooperation sector in South Africa	Strategic Relations and Governance	1 542	Departmental agencies and accounts	Assistance from Norway on the development of cooperative housing sector in South Africa	1 542	-	-	-	-	-	-
Netherlands	Operationalisation of the housing policy	Strategic Relations and Governance	2 516	Departmental agencies and accounts	Provided support in the operationalisation of the housing policy	-	1 076	1 440	-	-	-	-
Denmark	Energy efficiency project	Strategic Relations and Governance	2 133	Departmental agencies and accounts	Provided support on the energy efficiency programme in low cost housing	-	-	670	1 463	-	-	-
<b>Total</b>			<b>59 544</b>			<b>23 153</b>	<b>26 075</b>	<b>8 853</b>	<b>1 463</b>			

Table 26.F Summary of expenditure on infrastructure

R million	Type of infrastructure	Service delivery outputs	Current project stage	Total project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
					2005/06	2006/07		2007/08	2009/10	2010/11	2011/12
Mega projects or programmes (over R300 million per year for a minimum of three years or R900 million total project cost)											
Integrated housing and human settlement development grant	Human settlement development	250 000 units annually	Ongoing	–	4 843.5	6 349.9	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4
Total				–	4 843.5	6 349.9	8 149.9	10 177.9	12 442.3	15 026.8	17 222.4