

VOTE 31 *Human Settlements*



National Treasury

BUDGET 2012

ESTIMATES OF NATIONAL EXPENDITURE



national treasury

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Estimates of National Expenditure

2012

National Treasury

Republic of South Africa

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The Estimates of National Expenditure 2012 e-publications are compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za.

Compared to the abridged version of the Estimates of National Expenditure, these publications contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on the main and adjusted appropriation, with revised spending estimates for the current financial year, on skills training, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

Foreword

The current global economic context is characterised by high levels of uncertainty. Against this backdrop, South Africa's development depends largely on government improving its level and quality of service delivery in support of the inclusive and equitable economic roadmap, as contained in the new growth path. The 2012 Budget is an important tool of government for giving effect to these objectives, and this Budget allocates resources to specific interventions that will be actioned over the period of the medium term expenditure framework (MTEF). Growth in spending focuses particularly on infrastructure development, job creation, enterprise support and the enhancement of local government delivery.

South Africa's fiscal stance and public spending programmes are focused on long term structural transformation. Over the next three years of the MTEF period, government priorities will continue to be realised within a sustainable fiscal trajectory, which balances current needs with intergenerational equity. In line with this, spending baselines have undergone rigorous review, areas of inefficiency and lower priority have been identified, and funds have been redirected towards government's key priorities, both new and existing. This has been done in recognition of the relationship between the composition of spending and fiscal sustainability over the long term. Here, the balance between consumption and investment is extremely important. Even the distribution of consumption spending between wages, goods and services and transfers is significant, as is the balance between the functional categories expenditure (such as education, health and economic services). Underspending on key priorities undermines the aims of the spending proposed within MTEF Budgets.

Since introducing the functional approach to budget decision-making in 2009, transparency and coordination in budgeting has been enhanced, largely due to the participation by the stakeholders responsible for delivery across all spheres of government. South African budget reforms, especially the intensified focus on budget trade-offs and the composition of expenditure, will lead to greater accountability and improved control.

It is not enough to demonstrate a change in the composition of budgeted expenditure; nor is it enough to pinpoint the specific actions required and proposed within the Budget. Success will only be achieved when we can demonstrate that a shift in the composition of actual expenditure has taken place, together with the achievement of improved delivery targets.

This year, the layout of this publication has been altered substantially. The focus is on linking more closely expenditure planned with targeted performance. Specific focus is on the outcomes to which institutions contribute and the output and other performance measures supporting them. The sections covering employee numbers, personnel budgets and the purpose and key activities of each subprogramme within a vote are now more prominent, giving expression to the budget and service delivery. This publication still indicates details per vote of the allocation of new monies, monies reprioritised between or within budget programmes, and Cabinet approved budget reductions over the period ahead. Compared to the abridged version of the Estimates of National Expenditure, the e-publications for each vote contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included, containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

The expenditure estimates of departments are the outcome of a rigorous administrative and executive process. Treasury budget analysts, under the guidance of the Ministers' Committee on the Budget, follow a wide-ranging intergovernmental consultative process, working closely with the policy and budget teams of departments and entities to ensure that government priorities are appropriately funded within the available resource envelope. The Treasury is grateful for the contribution of these teams. Appreciation is also due to the people in the Treasury team, who worked with great diligence to produce a high quality document that provides a comprehensive account of government's spending and performance plans.



Lungisa Fuzile
Director General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure publications are important accountability documents, which set out the details in relation to planned expenditure and planned performance at the time of the tabling of the Budget. Estimates of National Expenditure publications continue to make a significant contribution to the changes relating to budgeting by programme. As part of these ongoing efforts, several changes have been made to the 2012 Estimates of National Expenditure publications. Departments still provide information on the key objectives of each subprogramme within a programme, and note the activities carried out, the number of personnel responsible for undertaking these activities and the funding allocations supporting this. This year in the 2012 publications, information on expenditure and performance is more closely linked under the 'expenditure trends' section, with a brief discussion on the impact of budget allocations on the achievement of outputs over the seven-year period. In addition, an explanation of the personnel trends, per programme by salary level, over the seven years in relation to compensation of employees has also been included. Finally, information on Cabinet approved cost reduction measures and other budget reprioritisation has been included per programme.

The 2012 abridged Estimates of National Expenditure publication, and the separate Estimates of National Expenditure e-publications for each vote are the product of an extensive consultative review process of budgets and policy, and policy implementation by programme, and include the latest improvements in non-financial performance information. These publications provide the details of the spending estimates for the next three financial years (2012/13 to 2014/15), expenditure outcomes for the past three years (2008/09 to 2010/11) and revised estimates for the current financial year (2011/12). Information is provided on performance targets over the seven year period as well as changes in these, as they relate to trends in planned expenditure.

The e-publications for individual votes contain more comprehensive coverage of goods and services, transfers and subsidies, and public entities. Additional tables are included containing information on: the main and adjusted appropriation, with revised spending estimates for the current financial year; skills training; conditional grants to provinces and municipalities; public private partnerships; and donor funding. Expenditure information at the level of service delivery is also included, where appropriate.

A consolidated account, summarising the Estimates of National Expenditure publication information across votes, is provided in the form of a narrative and summary tables in the Introduction chapter, which is included in the front pages of the abridged version of the Estimates of National Expenditure. A write-up containing the explanation of the information that is contained in each section of the publications has also been included in the abridged version of the Estimates of National Expenditure. Like the separate Estimates of National Expenditure e-publications for each vote, the abridged Estimates of National Expenditure publication is also available on www.treasury.gov.za.

Human Settlements

**National Treasury
Republic of South Africa**



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Vote 31

Human Settlements

Budget summary

R thousand	2012/13				2013/14	2014/15
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	243 106	238 285	–	4 821	254 253	269 127
Housing Policy, Research and Monitoring	46 719	46 289	–	430	43 609	46 041
Housing Planning and Delivery Support	236 460	230 731	4 400	1 329	273 729	288 938
Housing Development Finance	24 578 951	67 827	24 030 973	480 151	27 496 612	29 345 015
Strategic Relations and Governance	157 944	155 147	1 000	1 797	159 693	167 403
Total expenditure estimates	25 263 180	738 279	24 036 373	488 528	28 227 896	30 116 524
Executive authority	Minister of Human Settlements					
Accounting officer	Director General of Human Settlements					
Website address	www.dhs.gov.za					

Aim

Facilitate the creation of sustainable human settlements and improved quality of household life.

Programme purposes

Programme 1: Administration

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

Programme 2: Housing Policy, Research and Monitoring

Purpose: Develop and promote human settlements and housing policies supported by a responsive research agenda. Monitor and assess the implementation, performance and impact of national housing and human settlements 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 settlements programmes. Coordinate and monitor the implementation of priority projects, informal settlements upgrading and the sanitation programme.

Programme 4: Housing Development Finance

Purpose: Fund housing and human settlements development programmes. Provide financial and grant management services. Promote investment in housing finance. Mobilise and promote financial integrity within human settlements 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: 2008/09 – 2014/15

The Constitution places an obligation on the state to provide access to adequate housing to its citizens. As the custodian of the housing sector, the Department of Human Settlements has developed strategies, policies and programmes to ensure the progressive realisation of this right. The comprehensive plan for the development of sustainable human settlements, approved in 2005, and the revised housing code, published in 2009, mark a conceptual shift away from the mandate of providing shelter, to supporting the residential property market. The housing code allows for access to housing and services for low income families, and ensures greater choice in quality, location and ownership.

Strategic objectives

The negotiated service delivery agreement signed between the Minister of Human Settlements and the president envisages sustainable human settlements and an improved quality of household life. There are four outputs associated with this outcome: the accelerated provision of housing opportunities, access to basic services, the release of state land, and improvements in the performance of the property market. In 2010/11, the department initiated a review of the institutional capacity and resources required to deliver on these outputs. The review culminated in the completion of a turnaround strategy, which has been approved by the Minister of Human Settlements for implementation in 2012/13. The turnaround strategy includes a new organisational structure and sets out the strategic initiatives and operational tasks that will ensure that the outputs are achieved timeously. Progress against the initiatives and tasks set out in the turnaround strategy will be monitored and their impact evaluated on a regular basis.

Streamlining institutions and mechanisms

To ensure that the state is able to adequately respond to the demand and supply constraints to housing access and household finance, the department plans to consolidate the three human settlements development finance entities: the National Housing Finance Corporation, the Rural Housing Loan Fund and the National Urban and Reconstruction Agency. Other initiatives include strengthening oversight capacity in the national department as the housing function shifts to local government. To improve planning at the municipal level in anticipation of level 2 accreditation, the department will provide funding certainty to municipalities in 2013/14, with indicative allocations that are consistent with the sector approved formula used in the human settlements development grant.

In 2011, the Minister of Human Settlements and the members of the executive council responsible for human settlements approved substantial increases to the finance linked individual subsidy programme. The subsidy aims to improve households' ability to access mortgage finance by providing a deposit to minimise the risk of default. The amendments to the programme include an increased threshold for participation in the subsidy scheme for households earning between R7 000 to R15 000 per month and an increased subsidy amount from R54 000 to R83 000 with a maximum property value of R300 000. The amendments aim to improve the access of low and middle income working families to participate in the housing programmes and attempts to keep the subsidy level aligned with the general price trends in the residential property market.

As part of the rationalisation of entities with human settlements, the functions of Thubelisha Homes were transferred to the Housing Development Agency, established in 2009. The capacity building functions performed by the Social Housing Foundation were incorporated into the Social Housing Regulatory Authority. The closure of Thubelisha Homes and the Social Housing Foundation is due to be finalised before the end of 2011/12. The delays in the closure of Thubelisha Homes has been due to delays in court proceedings. Servcon Housing Solutions' mandate in relation to the management of properties in possession was completed and the entity was thus dissolved. The delays in the closure of Servcon Housing Solutions are related to an unresolved matter with creditors.

Focus over the medium term

Over the medium term, the department will draft and adopt a white paper on human settlements, which will contain a comprehensive policy statement that will inform the legislative and regulatory framework within the sector. In addition, a mid-term review and evaluation of key programmes will be undertaken to provide substantive evidence for the policy making process. In particular, the performance of the informal settlement

upgrading programme, the social/rental programme, the land release programme and the affordable housing segment of the residential property market will be subject to rigorous review and evaluations.

Selected performance indicators

Table 31.1 Human Settlements

Indicator	Programme	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of additional residential units completed per year ¹	Housing Development Finance	160 409	161 854	121 879	88 441	127 200	134 832	142 922
Number of additional sites serviced per year ¹ (greenfields)	Housing Development Finance	68 469	64 362	63 546	33 361	72 876	77 248	81 883
Number of additional households upgraded in well-located informal settlements with access to secure tenure and basic services per year ¹ (brownfield)	Housing Development Finance	–	–	52 383	66 639	67 124	62 752	66 517
Total number of municipalities provided with technical assistance for informal settlement upgrading per year	Housing Planning and Delivery Support	–	–	20	20	49	49	49
Number of additional municipalities assessed for accreditation level 2 per year	Strategic Relations and Governance	–	–	6	11	10	5	5
Number of additional hectares of land prepared for human settlements development per year	Housing Development Finance	–	–	4 945	2 100	2 100	2 100	2 100
Number of additional loans granted in the affordable housing segment per year	Housing Development Finance	–	–	47 616	69 576	69 970	74 470	78 938
Total number of municipalities provided with post accreditation support per year	Housing Planning and Delivery Support	–	–	0	0	0	27	27

1. Delivery figures for 2011/12 are up to December 2011.

Expenditure estimates

Table 31.2 Human Settlements

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
R thousand								
Administration	128 623	113 849	188 577	233 111	233 111	243 106	254 253	269 127
Housing Policy, Research and Monitoring	26 199	44 971	32 636	39 442	39 442	46 719	43 609	46 041
Housing Planning and Delivery Support	94 593	140 484	158 375	195 011	195 011	236 460	273 729	288 938
Housing Development Finance	12 766 655	15 981 463	18 449 553	22 197 499	22 017 499	24 578 951	27 496 612	29 345 015
Strategic Relations and Governance	253 391	126 654	87 384	160 478	160 478	157 944	159 693	167 403
Total	13 269 461	16 407 421	18 916 525	22 825 541	22 645 541	25 263 180	28 227 896	30 116 524
Change to 2011 Budget estimate				247 046	67 046	388 123	1 553 157	–

Table 31.2 Human Settlements (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12		2012/13	2013/14	2014/15
Economic classification								
Current payments	526 250	452 524	439 085	648 888	648 888	738 279	790 165	833 657
Compensation of employees	134 209	166 857	216 455	302 267	302 267	336 989	357 483	377 607
Goods and services	391 776	285 417	222 456	346 072	346 072	400 780	432 247	455 590
<i>of which:</i>								
Administrative fees	63	76	157	576	576	317	388	411
Advertising	100 445	24 335	5 292	13 169	13 169	23 251	21 891	23 469
Assets less than the capitalisation threshold	2 310	1 371	1 751	7 715	7 715	3 796	3 107	3 283
Audit cost: External	4 592	5 185	6 541	6 939	6 939	7 530	7 950	8 381
Bursaries: Employees	448	796	1 143	2 198	2 198	2 228	2 330	2 470
Catering: Departmental activities	2 682	3 884	1 355	3 052	3 052	2 783	2 863	3 025
Communication	6 018	6 713	7 324	10 941	10 941	10 662	11 260	11 893
Computer services	61 851	58 495	27 884	60 592	60 592	61 905	62 026	63 969
Consultants and professional services: Business and advisory services	77 794	62 173	74 879	117 576	117 576	140 675	163 562	172 880
Consultants and professional services: Legal costs	975	2 081	988	1 749	1 749	2 548	2 693	2 854
Contractors	3 995	1 712	2 188	3 600	3 600	23 699	27 391	28 877
Agency and support / outsourced services	30 744	33 439	3 940	5 572	5 572	9 451	8 051	8 491
Entertainment	307	222	122	1 038	1 038	1 284	1 356	1 432
Inventory: Food and food supplies	32	69	13	269	269	397	423	441
Inventory: Fuel, oil and gas	256	251	393	607	607	734	775	821
Inventory: Learner and teacher support material	33	22	–	231	231	285	299	317
Inventory: Materials and supplies	4	1	35	119	119	11	11	12
Inventory: Medicine	3	–	–	–	–	–	–	–
Inventory: Military stores	–	–	–	–	–	32	34	36
Inventory: Other consumables	253	758	623	2 811	2 811	2 695	2 847	3 008
Inventory: Stationery and printing	8 855	7 036	4 153	5 574	5 574	13 699	14 624	15 500
Lease payments	11 140	6 676	25 225	34 966	34 966	34 827	36 545	38 690
Property payments	52	714	949	2 450	2 450	2 061	2 178	2 308
Travel and subsistence	66 676	53 195	40 728	42 053	42 053	36 502	38 518	40 695
Training and development	2 870	2 300	3 024	5 075	5 075	4 257	4 553	4 826
Operating expenditure	3 067	3 551	2 933	8 724	8 724	9 747	10 668	11 273
Venues and facilities	6 311	10 362	10 816	8 476	8 476	5 404	5 904	6 228
Interest and rent on land	265	250	174	549	549	510	435	460
Transfers and subsidies	12 730 985	15 948 014	18 357 929	21 881 276	21 881 276	24 036 373	27 039 799	29 273 440
Provinces and municipalities	12 299 959	15 237 441	18 000 135	21 388 514	21 388 514	23 118 165	26 060 778	28 353 917
Departmental agencies and accounts	227 739	352 613	346 193	487 091	487 091	912 808	973 751	913 937
Foreign governments and international organisations	845	745	684	1 000	1 000	1 000	1 050	1 113
Non-profit institutions	–	–	–	–	–	400	–	–
Households	202 442	357 215	10 917	4 671	4 671	4 000	4 220	4 473
Payments for capital assets	12 226	6 661	119 312	295 367	115 367	488 528	397 932	9 427
Buildings and other fixed structures	198	–	108 559	288 643	108 643	479 500	389 000	–
Machinery and equipment	10 417	6 035	10 383	6 489	6 489	8 802	8 699	9 182
Software and other intangible assets	1 611	626	370	235	235	226	233	245
Payments for financial assets	–	222	199	10	10	–	–	–
Total	13 269 461	16 407 421	18 916 525	22 825 541	22 645 541	25 263 180	28 227 896	30 116 524

Expenditure trends

The spending focus over the MTEF period will be on making transfers on conditional grants to provinces and municipalities through the *Housing Development Finance* programme to speed up the delivery of low income houses and improve the rate at which poor households are provided access to services. The expected increase in spending in this programme over the MTEF period is to accelerate the delivery of low income houses.

Expenditure increased from R13.3 billion in 2008/09, to R22.8 billion in 2011/12, at an average annual rate of 19.8 per cent. This is mainly due to the increase in additional allocations for conditional grants to provinces and municipalities within the *Housing Development Finance* programme. Between 2008/09 and 2011/12, spending in the *Strategic Relations and Governance* programme decreased from R253.4 million to R160.5 million, at an average annual rate of 14.1 per cent, as the department discontinued its advertising campaign in 2009 due to budget cuts.

Over the MTEF period, expenditure is expected to increase to R30.1 billion in 2014/15, at an average annual rate of 9.7 per cent, mainly due to increased transfers for the urban settlements development grant to metropolitan municipalities to support the upgrading of informal settlements. As a result of this grant, spending in the *Housing Development Finance* programme is expected to increase from R22.2 billion in 2011/12 to R29.3 billion in 2014/15, at an average annual rate of 9.8 per cent. To strengthen the capacity in provinces and municipalities to upgrade informal settlements, the department will provide targeted support in planning and implementation activities. As such, spending in the *Housing Planning and Delivery Support* programme is expected to increase from R195 million in 2011/12 to R288.9 million in 2014/15, at an average annual rate of 14 per cent.

Between 2008/09 and 2011/12, spending on compensation of employees increased from R134.2 million to R302.3 million, at an average annual rate of 31.1 per cent. Expenditure on this item is expected to increase to R377.6 million over the medium term, at an average annual rate of 7.7 per cent. The growth in both periods is due to the expansion of the department's organisational structure, from 427 posts in 2008/09 to 835 posts in 2014/15, and the greater-than-inflation growth in public sector salaries. Spending on goods and services declined, at an average annual rate of 4.1 per cent between 2008/09 and 2011/12, falling from R391.8 million to R346.1 million, due to Cabinet approved baseline cuts. Over the medium term, expenditure on goods and services is expected to increase to R455.6 million, at an average annual rate of 9.6 per cent. This is due to increased spending in the informal upgrading support programme, and higher allocations given to the Special Investigating Unit to probe fraudulent activity in the allocation of housing subsidies. As a result, expenditure on consultants and professional services is expected to increase, at an average annual rate of 13.8 per cent over the medium term, from R119.3 million in 2011/12 to R175.7 million in 2014/15.

Over the MTEF period, the department receives additional allocations of R412.2 million in 2012/13, R1.7 billion in 2013/14 and R2.5 billion in 2014/15, including:

- R2.9 billion over the MTEF period for the urban settlements development grant to metropolitan municipalities
- R1 billion over the medium term for the human settlements development grant to provinces
- R620 million over the medium term for social housing
- R111.2 million over the MTEF period for the capacity building and project level technical assistance to provinces and municipalities to upgrade informal settlements.

Personnel information

Table 31.3 Details of approved establishment and personnel numbers according to salary level¹

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts on approved establishment	Number of funded posts	Number of posts additional to the establishment	Actual			Mid-year ²	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Department	922	835	89	427	560	692	665	835	835	835
Salary level 1 – 6	216	223	47	79	120	159	162	223	223	223
Salary level 7 – 10	435	357	27	161	254	326	299	357	357	357
Salary level 11 – 12	170	154	12	94	108	125	122	154	154	154
Salary level 13 – 16	101	101	3	93	78	82	82	101	101	101
Administration	293	257	47	172	189	250	223	257	257	257
Salary level 1 – 6	127	117	33	23	80	95	98	117	117	117
Salary level 7 – 10	96	77	4	68	59	94	67	77	77	77
Salary level 11 – 12	38	32	7	37	22	31	28	32	32	32
Salary level 13 – 16	32	31	3	44	28	30	30	31	31	31
Housing Policy, Research and Monitoring	77	61	1	40	40	56	56	61	61	61
Salary level 1 – 6	4	2	1	10	–	11	11	2	2	2
Salary level 7 – 10	41	28	–	16	19	23	23	28	28	28
Salary level 11 – 12	21	20	–	8	12	12	12	20	20	20
Salary level 13 – 16	11	11	–	6	9	10	10	11	11	11
Housing Planning and Delivery Support	265	229	10	63	142	169	169	229	229	229
Salary level 1 – 6	34	36	2	5	16	23	23	36	36	36
Salary level 7 – 10	138	106	7	21	66	83	83	106	106	106
Salary level 11 – 12	65	59	1	17	40	44	44	59	59	59
Salary level 13 – 16	28	28	–	20	20	19	19	28	28	28
Housing Development Finance	140	141	11	61	82	93	93	141	141	141
Salary level 1 – 6	31	31	10	8	18	18	18	31	31	31
Salary level 7 – 10	85	86	–	21	41	55	55	86	86	86
Salary level 11 – 12	14	14	1	17	13	12	12	14	14	14
Salary level 13 – 16	10	10	–	15	10	8	8	10	10	10
Strategic Relations and Governance	147	147	20	91	107	124	124	147	147	147
Salary level 1 – 6	20	37	1	33	6	12	12	37	37	37
Salary level 7 – 10	75	60	16	35	69	71	71	60	60	60
Salary level 11 – 12	32	29	3	15	21	26	26	29	29	29
Salary level 13 – 16	20	21	–	8	11	15	15	21	21	21

1. Data has been provided by the department and may not necessarily reconcile with official government personnel data.

2. As at 30 September 2011.

As at 30 September 2011, the department had an establishment of 922 posts, of which 835 were funded, 28 were unfunded and 59 were additional to the approved establishment, as staff from two public entities, Servcon Housing Solutions and Thubelisha Homes, were absorbed into the department. Filled posts increased from 427 in 2008/09 to 665 in 2011/12, and are expected to grow to 835 over the medium term as the department's structure fully implements its new organisational structure in line with its turnaround strategy.

There were 170 vacancies within the department as at 30 September 2011, of which 150 were in salary levels 1 to 12, and 20 were in salary levels 13 to 16. Most of these vacancies are in the *Housing Planning and Delivery Support* programme. These posts remain vacant due to the organisational restructuring in terms of the

department's turnaround strategy. The ratio of expenditure on department personnel to consultants is 2:1. The ratio of the support staff to line staff is 1:1.

Departmental receipts

Table 31.4 Receipts

R thousand	Audited outcome			Adjusted estimate 2011/12	Revised estimate 2011/12	Medium-term receipts estimate		
	2008/09	2009/10	2010/11			2012/13	2013/14	2014/15
Departmental receipts	2 392	749	2 826	1 319	919	563	594	629
Sales of goods and services produced by department	72	90	121	155	155	165	175	186
Sales by market establishments	27	31	35	45	45	48	51	54
<i>of which:</i>								
<i>Parking</i>	27	31	35	45	45	48	51	54
Administrative fees	45	59	86	110	110	117	124	131
<i>of which:</i>								
<i>Commissions on insurance</i>	45	59	86	110	110	117	124	131
Other sales	-	-	-	-	-	1	1	1
<i>of which:</i>								
<i>Replacement security cards</i>	-	-	-	-	-	1	1	1
Sales of scrap, waste, arms and other used current goods	2	1	2	2	2	2	2	2
<i>of which:</i>								
<i>Waste paper</i>	2	1	2	2	2	2	2	2
Interest, dividends and rent on land	246	46	23	21	21	55	58	61
Interest	246	46	23	21	21	55	58	61
Sales of capital assets	-	-	-	153	153	-	-	-
Transactions in financial assets and liabilities	2 072	612	2 680	988	588	341	359	381
Total	2 392	749	2 826	1 319	919	563	594	629

Revenue is mainly derived from the recovery of debt from previous financial years, staff parking and commission on insurance deducted from staff salaries through the Persal system. Departmental receipts have decreased from R2.4 million in 2008/09 to R1.3 million in 2011/12, at an average annual rate of 18 per cent, largely due to the once-off sale of departmental vehicles in 2008/09. Receipts are expected to decline further to R629 000 over the medium term, at an average annual rate of 21.9 per cent, as transactions in financial asset and liabilities decrease, due to a decline in the payment of debt and recoveries on prior expenditure to the national department.

Programme 1: Administration

Expenditure estimates

Table 31.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Ministry	39 408	32 760	24 395	27 990	30 484	32 275	34 145
Management	29 327	27 326	68 179	89 914	89 307	92 461	97 902
Corporate Services	49 676	49 687	72 877	86 439	90 559	95 114	100 613
Office Accommodation	10 212	4 076	23 126	28 768	32 756	34 403	36 467
Total	128 623	113 849	188 577	233 111	243 106	254 253	269 127
Change to 2011 Budget estimate				676	4 726	1 861	-

Table 31.5 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	121 595	109 536	180 159	229 304	238 285	249 668	264 250
Compensation of employees	46 046	55 146	73 423	88 838	96 119	101 964	107 706
Goods and services	75 479	54 274	106 674	140 241	141 996	147 534	156 364
<i>of which:</i>							
Administrative fees	–	18	2	156	157	174	183
Advertising	928	727	1 014	4 272	5 236	5 308	5 627
Assets less than the capitalisation threshold	1 426	459	664	1 787	1 098	944	1 000
Bursaries: Employees	108	217	658	2 078	2 228	2 330	2 470
Catering: Departmental activities	253	220	206	837	1 251	1 320	1 399
Communication	3 883	4 676	3 780	4 401	4 207	4 443	4 709
Computer services	14 583	4 066	5 689	5 345	5 452	5 757	6 102
Consultants and professional services: Business and advisory services	1 164	15 223	47 214	57 124	52 438	53 904	57 139
Consultants and professional services: Legal costs	975	2 081	988	1 709	2 506	2 648	2 807
Contractors	2 206	1 118	1 758	1 918	1 479	1 575	1 670
Agency and support / outsourced services	8 162	1 506	987	968	1 035	800	848
Entertainment	236	142	79	613	644	681	722
Inventory: Food and food supplies	20	61	7	134	121	128	135
Inventory: Fuel, oil and gas	252	214	281	492	634	669	710
Inventory: Learner and teacher support material	33	18	–	81	126	133	141
Inventory: Materials and supplies	–	–	31	90	–	–	–
Inventory: Military stores	–	–	–	–	32	34	36
Inventory: Other consumables	215	388	311	1 080	1 189	1 257	1 332
Inventory: Stationery and printing	1 039	1 193	863	1 037	2 603	2 751	2 917
Lease payments	10 534	5 991	24 372	31 283	32 885	34 552	36 606
Property payments	–	711	945	2 396	2 002	2 114	2 241
Travel and subsistence	26 761	12 701	12 797	13 056	14 738	15 564	16 498
Training and development	1 303	1 150	1 748	4 357	4 257	4 475	4 744
Operating expenditure	996	1 026	1 450	4 112	4 259	4 480	4 748
Venues and facilities	402	368	830	915	1 419	1 493	1 580
Interest and rent on land	70	116	62	225	170	170	180
Transfers and subsidies	160	27	5	50	–	–	–
Households	160	27	5	50	–	–	–
Payments for capital assets	6 868	4 136	8 340	3 747	4 821	4 585	4 877
Machinery and equipment	6 782	3 800	8 169	3 637	4 721	4 479	4 766
Software and other intangible assets	86	336	171	110	100	106	111
Payments for financial assets	–	150	73	10	–	–	–
Total	128 623	113 849	188 577	233 111	243 106	254 253	269 127

Details of transfers and subsidies

Households							
Other transfers to households							
Current	160	27	5	50	–	–	–
Gifts to foreign dignitaries	137	12	–	–	–	–	–
Gifts on retirement	23	15	5	50	–	–	–

Expenditure trends

Expenditure increased from R128.6 million in 2008/09 to R233.1 million in 2011/12, at an average annual rate of 21.9 per cent. The increased spending was due to an allocation received in 2008 to strengthen the department's internal audit function and to appoint the Special Investigating Unit to investigate fraudulent activity relating to housing subsidies. As a result, the *Management* subprogramme increased from R29.3 million in 2008/09 to R89.9 million in 2011/12, at an average annual rate of 45.3 per cent.

Over the medium term, expenditure is expected to increase to R269.1 million, at an average annual rate of 4.9 per cent, due mainly to an increase in spending on goods and services for additional office space to accommodate more staff. Spending on consultants and professional services was R58.8 million, or 25.2 per cent of the total programme budget in 2011/12, and is expected to grow to R59.9 million over the MTEF period, at an average annual rate of 0.6 per cent. This increase funds an expansion in the scope of the Special Investigating Unit to investigate procurement irregularities and poor contract management within housing projects.

Programme 2: Housing Policy, Research and Monitoring

Objectives and measures

- Promote sustainable human settlements by developing and maintaining human settlements and housing policies, and issuing guidelines that encourage best practice benchmarks and guide the various housing subsidy programmes on an ongoing basis.
- Ensure that policy objectives are achieved through: the continual monitoring of programmes and project implementation, the evaluation of performance against set targets, the targeting of policies and programmes to the needs of subsidy beneficiaries, and ongoing impact assessments measuring changes in household welfare.
- Improve accountability for the human settlement outcomes by producing annual research reports, programme determinations and evaluations on an ongoing basis over the medium term.

Subprogrammes

- *Management* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 and a total budget of R2.3 million in 2011/12, of which 70.7 per cent was used for compensation of employees. Expenditure cuts of R36 000 over the MTEF period have been effected.
- *Policy Development* develops human settlements and housing policies that govern the development of the human settlements sector. The subprogramme also provides interpretation assistance to stakeholders in the human settlements sector. This subprogramme had a staff complement of 18 and a total budget of R10.3 million for 2011/12, of which 84 per cent was used for compensation of employees. Over the medium term, focus will be placed on aligning policy with the broader human settlements mandate and evaluating the norms and standards for low income housing delivery. Expenditure cuts of R142 000 over the MTEF period have been effected.
- *Research* initiates, undertakes and manages research projects and activities relating to integrated human settlements. This subprogramme had a staff complement of 15 and a total budget of R11.3 million in 2011/12, of which 55.7 per cent was used for goods and services and 44 per cent was used for compensation of employees. Over the medium term, focus will be on strengthening partnerships with the National Research Foundation and the Council for Scientific and Industrial Research in setting up a centre of excellence for human settlements research to undertake reviews relating to the performance of the programmes executing the department's strategic objectives. Expenditure cuts of R169 000 over the MTEF period have been effected.
- *Monitoring and Evaluation* monitors, evaluates and assesses the implementation, performance and impact of national human settlements policies and programmes. This subprogramme had a staff complement of 26 and a total budget of R15.6 million in 2011/12, of which 76.1 per cent was used for compensation of employees. The monitoring and evaluation framework was revised in 2010/11 and was implemented in 2011/12. Over the medium term, reviews will be conducted relating to priority programmes and projects

undertaken by the department to assess their effectiveness in achieving policy imperatives. Expenditure cuts of R325 000 over the MTEF period have been effected.

Expenditure estimates

Table 31.6 Housing Policy, Research and Monitoring

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Management	1 978	1 678	2 394	2 321	2 501	2 654	2 801
Policy Development	6 442	7 331	7 761	10 256	10 666	11 311	11 944
Research	5 636	5 164	7 685	11 292	11 664	12 177	12 855
Monitoring and Evaluation	12 143	30 798	14 796	15 573	21 888	17 467	18 441
Total	26 199	44 971	32 636	39 442	46 719	43 609	46 041
Change to 2011 Budget estimate				227	86	(426)	-

Economic classification

	25 662	44 649	31 903	38 925	46 289	43 335	45 752
Current payments							
Compensation of employees	13 573	16 810	19 890	27 079	31 359	33 267	35 139
Goods and services	12 047	27 805	11 988	11 807	14 870	10 008	10 550
<i>of which:</i>							
Administrative fees	-	6	-	11	23	32	34
Advertising	359	461	219	164	378	372	391
Assets less than the capitalisation threshold	150	52	199	701	220	173	182
Bursaries: Employees	41	75	23	-	-	-	-
Catering: Departmental activities	56	75	34	40	233	246	260
Communication	330	304	592	708	707	746	787
Computer services	12	37	24	40	-	-	-
Consultants and professional services:	5 722	15 444	5 087	5 601	5 352	495	521
Business and advisory services							
Contractors	14	14	24	236	341	360	379
Agency and support / outsourced services	1 440	7 145	72	167	1 183	791	834
Entertainment	9	21	11	27	152	161	169
Inventory: Food and food supplies	1	-	-	5	90	96	101
Inventory: Fuel, oil and gas	1	-	-	-	-	-	-
Inventory: Learner and teacher support material	-	-	-	10	11	11	12
Inventory: Materials and supplies	1	-	1	10	11	11	12
Inventory: Other consumables	12	2	4	28	27	28	30
Inventory: Stationery and printing	326	235	341	561	1 099	1 161	1 224
Lease payments	42	174	244	230	190	203	214
Property payments	-	-	1	10	-	-	-
Travel and subsistence	2 754	2 656	3 297	2 225	3 643	3 846	4 054
Training and development	140	106	-	34	-	-	-
Operating expenditure	78	503	197	613	597	630	664
Venues and facilities	559	495	1 618	386	613	646	682
Interest and rent on land	42	34	25	39	60	60	63
Transfers and subsidies	2	-	204	-	-	-	-
Households	2	-	204	-	-	-	-
Payments for capital assets	535	320	529	517	430	274	289
Machinery and equipment	464	320	529	517	430	274	289
Software and other intangible assets	71	-	-	-	-	-	-
Payments for financial assets	-	2	-	-	-	-	-
Total	26 199	44 971	32 636	39 442	46 719	43 609	46 041

Details of transfers and subsidies

Households							
Other transfers to households							
Current	2	-	204	-	-	-	-
Gifts on retirement	2	-	204	-	-	-	-

Expenditure trends

Between 2008/09 and 2011/12, expenditure increased from R26.2 million to R39.4 million, at an average annual rate of 14.6 per cent. This growth is due mainly to the implementation of the monitoring and evaluation framework for housing delivery for provinces and the increased scope of research undertaken by the department. Two programme evaluations on rental housing and informal settlement upgrading in 2010/11 have been completed. Spending in the *Monitoring and Evaluation* programme increases in 2012/13, mainly due to an increase in employee compensation, and on goods and services. Over the MTEF period, expenditure is expected to increase to R46 million, at an average annual rate of 5.3 per cent, to allow for inflationary adjustments in the programme budget.

Spending on travel and subsistence is expected to increase from R2.8 million to R4.1 million over the seven-year period, at an average annual rate of 6.6 per cent, to allow for increased visits to more housing projects and programmes across the country. This will strengthen the department's monitoring and evaluation capability. Expenditure on consultants and professional services is expected to decrease from R5.6 million to R521 000 over the medium term, at an average annual rate of 54.7 per cent as the housing occupancy audit is finalised. The housing occupancy audit is used to determine whether occupants in subsidised housing units are occupied by the approved beneficiaries and if not, how the relevant occupant obtained the subsidised unit.

Programme 3: Housing Planning and Delivery Support

Objectives and measures

- Improve multi-year human settlements planning by:
 - drafting and regularly updating human settlement planning frameworks and instruments
 - promoting ongoing alignment between human settlement and sector planning frameworks
 - monitoring and supporting the implementation of human settlement development plans within all provinces and accredited municipalities on an ongoing basis.
- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing continuous technical support to provinces and municipalities where it is necessary.
- Promote better human settlement outcomes in informal settlements by ongoing implementation of the national informal settlement upgrading support programme in 49 municipalities.
- Improve access to sanitation by providing continual planning and implementation support and capacity development and managing the rural household sanitation programme to achieve the targets set for 2012/13 in 6 rural municipalities.
- Facilitate rental housing uptake and accelerate the *Rental Housing and People's Housing Process* subprogramme by providing ongoing policy, regulatory and implementation support to provinces and municipalities to increase the delivery of rental housing and people's housing process units.
- Improve public and private stakeholder participation as well as community involvement through ongoing engagements and collaboration by ensuring the expansion of joint partnerships with sector stakeholders.
- Develop professional and institutional capacity to undertake roles and responsibilities at provincial and municipal levels by managing ongoing training and skills development programmes for officials and communities.

Subprogrammes

- *Management* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 and a total budget of R3.2 million in 2011/12, of which 50.9 per cent was used for compensation of employees. Expenditure cuts of R52 000 over the MTEF period have been effected.
- *Programme Implementation Support* manages the national upgrading support programme and provides support to provinces and municipalities to implement housing and human settlements projects and programmes, and to unblock stalled housing projects. This subprogramme had a staff complement of 8, and a total budget of R21.2 million in 2011/12, of which 53.9 per cent was used for goods and services. Over the medium term, support will be provided for the unblocking of 20 stalled projects, and a capacity building

programme will be implemented to provide 49 municipalities with project level technical assistance to implement the informal settlement upgrading programme at scale. Expenditure cuts of R1.6 million over the MTEF period have been made.

- *Rental Housing and People's Housing Process* provides implementation and policy support to the rental housing and the people's housing process. This subprogramme had a staff complement of 19 (with 5 vacant posts) and a total budget of R13.3 million in 2011/12, of which 67.4 per cent was used for compensation of employees. Expenditure cuts of R207 000 over the MTEF period have been effected.
- *Stakeholder Mobilisation* manages and collaborates with stakeholders in the governmental and non-governmental sector to fast-track the delivery of human settlement programmes and projects. This subprogramme had a staff complement of 21 and a total budget of R13.8 million in 2011/12, of which 70 per cent was used for compensation of employees. Over the medium term, the subprogramme will facilitate the implementation of youth and women development programmes in the human settlements sector, coordinate the Govan Mbeki Award ceremony and implement the stakeholder collaboration frameworks. Expenditure cuts of R231 000 over the MTEF period have been effected.
- *Capacity Development* builds capacity for housing administration and delivery in municipalities and provinces, and promotes sustainable housing delivery and community empowerment. This subprogramme had a staff complement of 35 and a total budget of R24.6 million in 2011/12, of which 47 per cent was used for compensation of employees and 32.9 per cent was used for goods and services. The subprogramme manages the annual scholarship programme, the departmental internships programme and conducts capacity audits in provincial departments. Expenditure cuts of R352 000 over the MTEF period have been effected.
- *Priority Projects Facilitation* is responsible for managing priority human settlement projects nationally. This subprogramme had a staff complement of 10 and a total budget of R10 million in 2011/12, of which 58.6 per cent was used for compensation of employees. 18 projects have been approved as priority projects and support initiatives have been detailed in a business plan. Approved expenditure cuts of R204 000 over the MTEF period have been effected.
- *Human Settlement Planning* is responsible for managing human settlements planning processes, and supporting the implementation of human settlements and housing development frameworks. This subprogramme had a staff complement of 25 and a total budget of R11.1 million in 2011/12, of which 84.6 per cent was used for personnel costs. Over the medium term, the guidelines for human settlements planning and design will be reviewed, the framework for provincial human settlements planning will be amended and the human settlements component of metropolitan municipalities' capital budgets will be assessed. Expenditure cuts of R174 000 over the MTEF period have been effected.
- *Sanitation Services* promotes universal access to sustainable sanitation services by coordinating and monitoring the implementation of the sanitation programme. This subprogramme had a staff complement of 97 and a total budget of R97.8 million in 2011/12, of which 40.8 per cent was used for goods and services and 32 per cent was used for payments for capital assets. Over the medium term, support will be provided to municipalities to meet the 2014 sanitation target of universal access to sanitation through the delivery of ventilated pit latrines to rural households, and to implement the rural household infrastructure grant and the health and hygiene strategy. Expenditure cuts of R1.1 million over the MTEF period have been made.

Expenditure estimates

Table 31.7 Housing Planning and Delivery Support

Subprogramme	Audited outcome			Adjusted appropriation 2011/12	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11		2012/13	2013/14	2014/15
R thousand							
Management	12 222	28 504	4 670	3 220	3 387	3 585	3 782
Programme Implementation Support	4 321	5 362	5 578	21 190	83 780	110 877	117 051
Rental Housing and People's Housing Process	8 386	11 480	11 791	13 301	13 898	14 676	15 491
Stakeholder Mobilisation	8 081	11 029	12 645	13 830	14 586	14 723	15 543
Capacity Development	23 438	31 503	27 464	24 559	25 864	27 139	28 660
Priority Projects Facilitation	4 437	3 896	3 004	9 991	10 130	10 563	11 148
Human Settlement Planning	6 399	6 815	7 969	11 074	13 100	13 890	14 668
Sanitation Services	27 309	41 895	85 254	97 846	71 715	78 276	82 595
Total	94 593	140 484	158 375	195 011	236 460	273 729	288 938
Change to 2011 Budget estimate				38 848	57 940	49 956	-

Table 31.7 Housing Planning and Delivery Support (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments	90 701	132 344	100 958	158 323	230 731	268 078	282 957
Compensation of employees	30 225	39 370	57 326	83 371	99 132	105 160	111 079
Goods and services	60 462	92 934	43 601	74 844	131 449	162 843	171 799
<i>of which:</i>							
Administrative fees	–	–	47	63	23	50	52
Advertising	2 464	6 466	1 618	3 028	2 129	1 548	1 630
Assets less than the capitalisation threshold	205	325	298	2 176	913	964	1 017
Audit cost: External	–	–	–	66	123	129	137
Bursaries: Employees	78	307	412	–	–	–	–
Catering: Departmental activities	177	508	433	593	692	573	603
Communication	533	729	1 450	2 732	3 714	3 921	4 134
Computer services	133	73	927	17	251	266	279
Consultants and professional services: Business and advisory services	17 543	23 889	10 047	42 278	79 289	105 812	111 688
Contractors	42	379	89	553	21 608	25 170	26 527
Agency and support / outsourced services	13 843	22 169	2 498	739	1 452	1 531	1 616
Entertainment	20	20	13	167	263	278	292
Inventory: Food and food supplies	2	1	–	52	79	85	87
Inventory: Fuel, oil and gas	3	36	112	79	62	66	69
Inventory: Materials and supplies	1	–	3	1	–	–	–
Inventory: Other consumables	16	300	205	543	253	267	282
Inventory: Stationery and printing	746	1 133	1 716	1 567	2 736	2 895	3 051
Lease payments	272	217	146	1 364	979	1 005	1 062
Property payments	29	1	–	–	–	–	–
Travel and subsistence	22 018	29 595	17 315	15 125	11 599	12 300	12 967
Training and development	398	639	559	316	–	–	–
Operating expenditure	323	582	693	1 295	3 193	3 456	3 645
Venues and facilities	1 616	5 565	5 020	2 090	2 091	2 527	2 661
Interest and rent on land	14	40	31	108	150	75	79
Transfers and subsidies	2 411	7 017	9 837	4 621	4 400	4 220	4 473
Non-profit institutions	–	–	–	–	400	–	–
Households	2 411	7 017	9 837	4 621	4 000	4 220	4 473
Payments for capital assets	1 481	1 103	47 460	32 067	1 329	1 431	1 508
Buildings and other fixed structures	198	–	46 945	31 135	–	–	–
Machinery and equipment	1 235	1 103	515	907	1 303	1 404	1 479
Software and other intangible assets	48	–	–	25	26	27	29
Payments for financial assets	–	20	120	–	–	–	–
Total	94 593	140 484	158 375	195 011	236 460	273 729	288 938

Details of transfers and subsidies

Households							
Other transfers to households							
Current	2 411	7 017	9 837	4 621	4 000	4 220	4 473
Bursaries non-employees	2 349	6 988	9 646	4 621	4 000	4 220	4 473
Gifts	62	29	191	–	–	–	–
Non-profit institutions							
Current	–	–	–	–	400	–	–
Donations	–	–	–	–	400	–	–

Expenditure trends

Between 2008/09 and 2011/12, spending increased from R94.6 million to R195 million, at an average annual rate of 27.3 per cent. The increase was mainly in the *Sanitation Services* subprogramme, where spending grew from R27.3 million in 2008/09 to R97.8 million in 2011/12, at an average annual rate of 53 per cent, due to the implementation of the rural household sanitation programme. The increase was mainly due to an increase in agency support, and the contracting of service providers for the rural household infrastructure programme. Over the same period, spending in the *Priority Projects Facilitation* subprogramme increased from R4.4 million in 2008/09 to R10 million in 2011/12, at an average annual rate of 31.5 per cent, to allow the department to increase the support it provides to provinces on the implementation of priority projects in line with the department's strategic objectives. Between 2008/09 and 2011/12, 19 priority projects have been provided with implementation support. Between 2010/11 and 2011/12, this programme conducted an assessment of 20 municipalities to determine the robustness of their human settlement planning frameworks and resource capacity.

Expenditure is expected to increase to R288.9 million in 2014/15, at an average annual rate of 14 per cent.

The spending focus over the medium term is expected to be on providing project level technical assistance to 49 municipalities through the national upgrading support programme. This is reflected in the expenditure trends of *Programme Implementation Support* programme, where expenditure is expected to grow from R21.2 million in 2011/12, to R117.1 million in 2014/15, at an average annual rate of 76.8 per cent. As a result of the increased focus on the national upgrading support programme, spending on consultants and professional services is expected to grow over the medium term from R42.3 million to R111.7 million, at an average annual rate of 38.2 per cent.

Programme 4: Housing Development Finance

Objectives and measures

- Facilitate access to end user finance by collaborating with the financial sector to develop mechanisms to increase market penetration by providing mortgage loans to 600 000 households by 2014.
- Improve the expenditure efficiency of provinces and metropolitan municipalities on housing delivery and sanitation services by providing ongoing financial and grant management support, as well as ongoing business planning and reporting support, in line with the annual Division of Revenue Act.
- Ensure sound financial management by maintaining ongoing controls and systems, and continually reducing the number of queries raised by the auditor general.

Subprogrammes

- *Management* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 and a total budget of R2.8 million in 2011/12, of which 58.2 per cent was used for compensation of employees. Approved expenditure cuts of R44 000 over the MTEF period have been effected.
- *Financial and Funds Management* provides overall financial and grant management services, including financial support, internal control, supply chain and systems support. This subprogramme had a staff complement of 122 and a total budget of R51.4 million in 2011/12, of which 69.2 per cent was used for compensation of employees. Approved expenditure cuts of R774 000 over the MTEF period have been effected.
- *Housing Equity* manages activities related to the Office of Disclosure, coordination in the human settlements sector, and mobilises and promotes investment for housing development. This subprogramme had a staff complement of 17 and a total budget of R10.2 million in 2011/12, of which 73.7 per cent was used for compensation of employees. In 2011/12, the unit produced a report on lending practices of banks in terms of the Home Loan Mortgage and Disclosure Act (2000). Approved expenditure cuts of R144 000 over the MTEF period have been effected.
- *Human Settlements Development Grant* reflects the conditional grant allocation that is transferred to all provinces. Funding to provinces is based on an allocation formula that takes housing needs, migration and

development potential into account. This subprogramme had a total budget of R15.1 billion, of which 100 per cent was used for transfers to provinces. Allocations for disaster management, are also included in this grant and amount to R294.8 million in 2012/13 and R298.9 million in 2013/14. No expenditure cuts have been approved over the MTEF period for this subprogramme.

- *Contributions* makes contributions to housing institutions. Funds are transferred on the basis of a ministerial approval of strategic and business plans. This subprogramme had a total budget of R487.1 million in 2011/12, of which 100 per cent was used for transfers to departmental agencies. Approved expenditure cuts of R3.9 million over the medium term have been made in the transfer to the Housing Development Agency.
- *Rural Households Infrastructure Grant* reflects the indirect conditional grant allocation for household infrastructure in rural areas for onsite water and sanitation solutions. This subprogramme had a total budget of R257.5 million in 2011/12, of which 100 per cent was for payments for capital assets to support the sanitation services. The grant will be gradually integrated into the municipal infrastructure grant, resulting in expenditure reductions of R676.5 million over the medium term.
- *Urban Settlements Development Grant* reflects the conditional grant transferred to municipalities for infrastructure to support land production and the upgrading of informal settlements in metropolitan municipalities. This subprogramme had a total budget of R6.3 billion in 2011/12, of which 100 per cent was used for transfers to municipalities. Expenditure cuts of R17.3 million in 2012/13 have been effected.

Expenditure estimates

Table 31.8 Housing Development Finance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management	2 293	2 389	607	2 816	3 013	3 191	3 366
Financial and Funds Management	26 140	29 334	34 538	51 376	54 833	58 699	61 978
Housing Equity	10 665	9 686	6 466	10 194	10 632	11 193	11 817
Human Settlements Development Grant	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 808 321
Contributions	227 739	352 613	346 193	487 091	912 808	973 751	913 937
Rural Households Infrastructure Grant	–	–	61 614	257 508	479 500	389 000	–
Backlogs in Water and Sanitation at Schools and Clinics Grant	199 859	350 000	–	–	–	–	–
Urban Settlements Development Grant	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596
Total	12 766 655	15 981 463	18 449 553	22 197 499	24 578 951	27 496 612	29 345 015
Change to 2011 Budget estimate				202 352	325 642	1 549 323	–

Economic classification

	38 534	41 024	40 278	64 225	67 827	72 395	76 420
Current payments							
Compensation of employees	16 695	23 263	26 534	44 714	48 221	51 154	54 032
Goods and services	21 792	17 736	13 723	19 466	19 566	21 201	22 345
<i>of which:</i>							
<i>Administrative fees</i>	55	31	57	115	63	72	78
<i>Advertising</i>	1 174	115	163	271	352	289	305
<i>Assets less than the capitalisation threshold</i>	169	207	262	1 233	828	484	512
<i>Audit cost: External</i>	4 592	5 185	6 541	6 873	7 407	7 821	8 244
<i>Bursaries: Employees</i>	44	100	19	–	–	–	–
<i>Catering: Departmental activities</i>	176	59	71	229	240	255	268
<i>Communication</i>	333	292	578	1 040	798	844	889
<i>Computer services</i>	2 519	3 330	2 792	2 268	3 372	4 394	4 631
<i>Consultants and professional services: Business and advisory services</i>	506	2 122	19	805	556	532	560
<i>Contractors</i>	89	10	42	245	254	269	283
<i>Agency and support / outsourced services</i>	3 290	448	71	192	285	302	317
<i>Entertainment</i>	22	16	11	49	52	54	56
<i>Inventory: Food and food supplies</i>	2	1	–	22	23	25	26
<i>Inventory: Materials and supplies</i>	–	–	–	13	–	–	–
<i>Inventory: Other consumables</i>	4	5	1	90	28	30	31

Table 31.8 Housing Development Finance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
Inventory: Stationery and printing	4 104	2 869	710	1 255	2 092	2 181	2 299
Lease payments	–	115	142	206	409	433	457
Property payments	–	2	–	7	7	8	9
Travel and subsistence	2 973	1 818	1 502	3 345	2 105	2 223	2 343
Training and development	488	163	283	58	–	–	–
Operating expenditure	1 097	824	172	582	347	617	650
Venues and facilities	155	24	287	568	348	368	387
Interest and rent on land	47	25	21	45	40	40	43
Transfers and subsidies	12 727 564	15 940 059	18 347 199	21 875 605	24 030 973	27 034 529	29 267 854
Provinces and municipalities	12 299 959	15 237 441	18 000 135	21 388 514	23 118 165	26 060 778	28 353 917
Departmental agencies and accounts	227 739	352 613	346 193	487 091	912 808	973 751	913 937
Households	199 866	350 005	871	–	–	–	–
Payments for capital assets	557	358	62 071	257 669	480 151	389 688	741
Buildings and other fixed structures	–	–	61 614	257 508	479 500	389 000	–
Machinery and equipment	557	322	338	161	651	688	741
Software and other intangible assets	–	36	119	–	–	–	–
Payments for financial assets	–	22	5	–	–	–	–
Total	12 766 655	15 981 463	18 449 553	22 197 499	24 578 951	27 496 612	29 345 015

Details of transfers and subsidies

Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	227 739	352 613	213 876	260 923	265 407	219 648	126 588
Social Housing Regulatory Authority	–	–	54 455	19 305	21 096	22 151	23 480
Rural Housing Loan Fund	–	–	49 500	49 500	51 975	–	–
Housing Development Agency	–	62 650	69 300	89 100	92 336	97 497	103 108
National Urban Reconstruction and Housing Agency	–	3 500	–	100 000	100 000	100 000	–
Social Housing Foundation	217 739	262 960	6 621	3 018	–	–	–
Thubelisha Homes	10 000	23 503	–	–	–	–	–
Servcon	–	–	34 000	–	–	–	–
Capital	–	–	132 317	226 168	647 401	754 103	787 349
Social Housing Regulatory Authority	–	–	132 317	226 168	647 401	754 103	787 349
Households							
Other transfers to households							
Current	7	5	871	–	–	–	–
Gifts on retirement	7	5	871	–	–	–	–
Capital	199 859	350 000	–	–	–	–	–
Backlogs in water and sanitation at schools and clinics grant	199 859	350 000	–	–	–	–	–
Provinces and municipalities							
Provinces							
Provincial Revenue Funds							
Capital	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 808 321
Human settlements development grant	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 808 321
Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Capital	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596
Urban settlements development grant	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596

Expenditure trends

Expenditure increased from R12.8 billion in 2008/09 to R22.2 billion in 2011/12, at an average annual rate of 20.2 per cent. This increase was mainly reflected in the *Human Settlements Development Grant* subprogramme, which grew from R8.7 billion in 2008/09 to R15.1 billion in 2011/12, at an average annual rate of 20.1 per cent, and has funded the construction of 532 583 houses and serviced 348 760 sites. The grant includes funding for disaster relief in areas declared as disasters by the National Disaster Management Centre. The *Backlogs in Water and Sanitation at Schools and Clinics Grant* subprogramme was discontinued in 2009/10 because the objectives of the grant were met.

The spending focus over the medium term will be on making transfers to provinces and municipalities to fund low income housing delivery, purchase land for informal settlement upgrading and to formalise informal settlements. This explains the increases in expenditure in the *Urban Settlements Development Grant* subprogramme, where expenditure is expected to grow from R6.3 billion to R10.5 billion over the medium term, at an average annual rate of 18.9 per cent, and the *Human Settlements Development Grant* subprogramme, where expenditure is expected to grow from R15.1 billion to R17.8 billion over the medium term, at an average annual rate of 5.6 per cent. The *Rural Households Infrastructure Grant* subprogramme will be gradually integrated with the municipal infrastructure grant to improve the efficiency of the delivery of rural sanitation and will be completely phased out by 2014/15. The budget for consultants in 2011/12 was R805 000, or 4.1 per cent of the programme's goods and service budget, and is expected to decline to R560 000 over the medium term, at an average annual rate of 11.4 per cent.

Programme 5: Strategic Relations and Governance

Objectives and measures

- Oversee the performance of housing institutions by:
 - monitoring strategic and business plans and assessing the approach to policy advocacy and effectiveness of governance arrangements
 - ensuring compliance with regulations and delivery on mandates on an ongoing basis.
- Provide integrated business solutions, support, business information and related services by maintaining centralised housing and human settlements databases, thus ensuring the regular availability of accurate information, data and solutions.
- Raise awareness around the housing subsidy programme by disseminating public information and enhancing media coverage on a regular basis.
- Improve the department's organisational planning and performance monitoring by the continuous management of the development of the strategic and performance plans and the implementation of these plans.
- Enhance intergovernmental coordination to accelerate housing delivery by undertaking capacity and compliance assessments for 27 municipalities by 2014.

Subprogrammes

- *Management* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 and a total budget of R2.7 million in 2011/12, of which 60.8 per cent was used for compensation of employees. Expenditure cuts of R42 000 over the MTEF period have been effected.
- *Management Information Services* manages the development and implementation of integrated business solutions, data and information, provides knowledge services, and manages the housing subsidy system. This subprogramme had a staff complement of 28 and a total budget of R68.3 million in 2011/12, of which 83.6 per cent was used for goods and services. Expenditure cuts of R64.2 million over the MTEF period have been effected.
- *Intergovernmental and International Relations* coordinates the department's mandate within the intergovernmental relations framework, facilitates the department's participation in interdepartmental relations and maintains international partnerships that support the development of sustainable human

settlements. This subprogramme had a staff complement of 18 and total budget of R18.6 million in 2011/12, of which 63.9 per cent was used for goods and services to support municipal accreditation. Expenditure cuts of R221 000 over the MTEF period have been effected.

- *Communications* manages communication and public relations. This subprogramme had a staff complement of 52 and a total budget of R36.2 million in 2011/12, of which 50.4 per cent was used for goods and services. Approved expenditure cuts of R688 000 over the MTEF period have been identified.
- *Housing Institutions* oversees the management of public entities reporting to the Minister of Human Settlements. It also monitors the overall performance of housing entities in terms of policy alignment, legislative and regulatory compliance. This subprogramme had a staff complement of 20 and a total budget of R15.3 million in 2011/12, of which 60.5 per cent was used for compensation of employees. Approved expenditure cuts of R169 000 over the MTEF period have been identified.
- *Strategic Management* develops and monitors the implementation of the departmental strategic and performance plans. This subprogramme had a staff complement of 15 and a total budget of R11.4 million in 2011/12, of which 62 per cent was used for compensation of employees. Approved expenditure cuts of R113 000 over the MTEF period have been identified.
- *Transformation* develops and manages transformation programmes in compliance with the national policy framework and international human rights instruments and directives. This subprogramme had a staff complement of 12 and a total budget of R6.9 million in 2011/12, of which 82.9 per cent was used for compensation of employees. Approved expenditure cuts of R97 000 over the MTEF period have been identified.
- *Contributions* supports the work of the United Nations Human Settlements Programme and the Cities Alliance in South Africa and Africa through annual contributions to the Cities Alliance and the Habitat Foundation. This subprogramme had a total budget of R1 million in 2011/12, of which 100 per cent was used for transfers to foreign governments and international organisations. No approved expenditure cuts for the MTEF period have been identified.

Expenditure estimates

Table 31.9 Strategic Relations and Governance

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand							
Management	2 727	2 693	1 831	2 697	2 805	2 920	3 082
Management Information Services	55 594	58 805	28 068	68 346	69 025	68 883	71 192
Intergovernmental and International Relations	55 603	7 660	7 044	18 605	14 385	14 016	14 792
Communications	116 119	38 315	21 031	36 191	42 748	43 348	46 098
Housing Institutions	15 212	8 967	10 190	15 333	12 367	13 006	13 732
Strategic Management	2 879	3 880	12 733	11 361	8 482	8 994	9 498
Transformation	4 412	5 589	5 803	6 945	7 132	7 476	7 896
Contributions	845	745	684	1 000	1 000	1 050	1 113
Total	253 391	126 654	87 384	160 478	157 944	159 693	167 403
Change to 2011 Budget estimate				4 943	(271)	(47 557)	–
Economic classification							
Current payments	249 758	124 971	85 787	158 111	155 147	156 689	164 278
Compensation of employees	27 670	32 268	39 282	58 265	62 158	65 938	69 651
Goods and services	221 996	92 668	46 470	99 714	92 899	90 661	94 532
<i>of which:</i>							
<i>Administrative fees</i>	8	21	51	231	51	60	64
<i>Advertising</i>	95 520	16 566	2 278	5 434	15 156	14 374	15 516
<i>Assets less than the capitalisation threshold</i>	360	328	328	1 818	737	542	572
<i>Bursaries: Employees</i>	177	97	31	120	–	–	–
<i>Catering: Departmental activities</i>	2 020	3 022	611	1 353	367	469	495
<i>Communication</i>	939	712	924	2 060	1 236	1 306	1 374
<i>Computer services</i>	44 604	50 989	18 452	52 922	52 830	51 609	52 957

Table 31.9 Strategic Relations and Governance (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Economic classification							
Current payments							
Consultants and professional services:	52 859	5 495	12 512	11 768	3 040	2 819	2 972
Business and advisory services							
Consultants and professional services:	–	–	–	40	42	45	47
Legal costs							
Contractors	1 644	191	275	648	17	17	18
Agency and support / outsourced services	4 009	2 171	312	3 506	5 496	4 627	4 876
Entertainment	20	23	8	182	173	182	193
Inventory: Food and food supplies	7	6	6	56	84	89	92
Inventory: Fuel, oil and gas	–	1	–	36	38	40	42
Inventory: Learner and teacher support material	–	4	–	140	148	155	164
Inventory: Materials and supplies	2	1	–	5	–	–	–
Inventory: Medicine	3	–	–	–	–	–	–
Inventory: Other consumables	6	63	102	1 070	1 198	1 265	1 333
Inventory: Stationery and printing	2 640	1 606	523	1 154	5 169	5 636	6 009
Lease payments	292	179	321	1 883	364	352	351
Property payments	23	–	3	37	52	56	58
Travel and subsistence	12 170	6 425	5 817	8 302	4 417	4 585	4 833
Training and development	541	242	434	310	–	78	82
Operating expenditure	573	616	421	2 122	1 351	1 485	1 566
Venues and facilities	3 579	3 910	3 061	4 517	933	870	918
Interest and rent on land	92	35	35	132	90	90	95
Transfers and subsidies	848	911	684	1 000	1 000	1 050	1 113
Foreign governments and international organisations	845	745	684	1 000	1 000	1 050	1 113
Households	3	166	–	–	–	–	–
Payments for capital assets	2 785	744	912	1 367	1 797	1 954	2 012
Machinery and equipment	1 379	490	832	1 267	1 697	1 854	1 907
Software and other intangible assets	1 406	254	80	100	100	100	105
Payments for financial assets	–	28	1	–	–	–	–
Total	253 391	126 654	87 384	160 478	157 944	159 693	167 403
Details of transfers and subsidies							
Foreign governments and international organisations							
Current	845	745	684	1 000	1 000	1 050	1 113
Habitat Foundation	845	745	684	1 000	1 000	1 050	1 113
Households							
Other transfers to households							
Current	3	166	–	–	–	–	–
Gifts on retirement	3	166	–	–	–	–	–

Expenditure trends

Expenditure decreased from R253.4 million in 2008/09 to R160.5 million in 2011/12, at an average annual rate of 14.1 per cent. The higher spending in 2008/09 was for funding municipal accreditation capacity and compliance assessment, which assesses municipal readiness to deliver housing programmes. In 2011/12, 8 compliance certificates for level 1 and 2 accreditation were issued to 6 metropolitan and district municipalities. The decreases in expenditure in 2009/10 and 2010/11 were mainly due to reduced expenditure on advertising in the *Communications* subprogramme, where expenditure decreased from R116.1 million in 2008/09 to R36.2 million in 2011/12, at an average annual rate of 32.2 per cent. A decrease in expenditure in the *International Relations* subprogramme from R55.6 million in 2008/09 to R7.04 million in 2010/11 was due to a decrease in the travel and consultants budget.

Over the medium term, expenditure is expected to increase to R167.4 million, at an average annual rate of 1.4 per cent, due to the reprioritisation of spending on non-core goods and services items, in the form of travel and subsistence, venues and facilities, to areas that support initiatives to establish sustainable human settlements

and improved quality of household life (outcome 8). These include building capacity for accreditation, upgrading informal settlements and providing rental housing.

The budget for consultants in 2011/12 was R11.8 million, or 11.8 per cent of the programme's goods and service budget, and is expected to decline to R3 million over the medium term, at an average annual rate of 36.7 per cent.

Public entities and other agencies

National Home Builders Registration Council

Overview: 2008/09 – 2014/15

The National Home Builders Registration Council is a schedule 3A public entity, which was established in terms of the Housing Consumers Protection Measures Act (1998) to represent the interests of housing consumers. It does this by providing warranty protection against defined defects in new homes, regulates the home building industry and provides training and capacity building to contractors to promote compliance with technical standards in the home building environment. In 2010, the council embarked on an organisational redesign process to improve access to its services by establishing service points across the country.

As the council played a critical role in identifying projects for rectification in Eastern Cape and KwaZulu-Natal, it has since been appointed to manage the projects, as an interim measure, until an appropriate management mechanism has been approved and implemented.

The focus over the medium term will be on strengthening the council's regulatory role, while maintaining and protecting the warranty fund. The council will ensure that all houses built, including rural housing projects and homes related to the people's housing process homes, are enrolled and inspected. Geotechnical investigations will take priority and the enforcement role of the organisation will be intensified. The council will also establish a quality assurance centre in every provincial human settlements department. A legislative review of the Housing Consumers Protection Measures Act (1995) will be undertaken to achieve alignment with related legislation such as the Public Finance Management Act (1999) and the Consumer Protection Act (2008), as well as to increase the benefits being offered to housing consumers.

Performance

Between 2008/09 and 2011/12, the total number of homes enrolled was 409 082 and the number of new builders registered was 14 771. As the residential property market recovers, home enrolments and the number of new registrations of builders are expected to increase. With the focus on improving enforcement, the council is expected to increase the number of inspections of all homes enrolled to 127 918 in 2014/15. Given the current trends in the residential property market and the recessionary impact of the economic environment, the council does not anticipate significant increases in the enrolment of homes in the non-subsidy sector in the short term.

Selected performance indicators

Table 31.10 National Home Builders Registration Council

Indicator	Programme/Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new builders registered per year	Grow and protect the warranty fund	4 820	3 616	3 650	3 335	3 568	3 818	4 086
Number of builders membership renewed per year	Grow and protect the warranty fund	12 390	10 366	11 115	11 431	12 231	13 087	14 003
Number of additional home enrolments in the non-subsidy sector per year	Grow and protect the warranty fund	78 568	26 903	31 458	33 919	36 293	38 834	41 552
Number of additional late home enrolments per year	Grow and protect the warranty fund	4 583	2 130	966	1 696	1 815	1 942	2 078
Number of new projects enrolled in the subsidy sector per year	Grow and protect the warranty fund	124 190	24 564	56 200	66 700	71 369	76 365	81 710
Number of additional homes enrolled in the subsidy sector per year	Grow and protect the warranty fund	100 000	41 616	94 000	181 783	194 508	208 123	222 692
Number of inspections carried out per year	Inspection	435 336	237 400	270 693	104 419	111 728	119 549	127 918
Number of additional cases referred for conciliation per year	Legislates the protection of housing consumers in terms of Housing Consumer Protection Measures Act (1995)	424	374	536	-	-	-	-

Programmes/activities/objectives

Table 31.11 National Home Builders Registration Council

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Warranty fund administration	16 297	18 070	21 704	21 585	28 970	29 666	31 398
Customer service and administration	109 545	163 063	175 545	115 931	142 230	141 328	165 573
Information technology and technical support	46 843	59 947	54 457	61 457	71 604	72 498	85 327
Legislative framework review and legal services	9 798	12 670	8 893	13 300	13 575	14 100	14 877
Home builder training and development	1 616	1 825	2 097	2 056	2 948	3 000	3 185
Staff training and development	8 314	8 338	10 128	13 389	14 317	14 672	15 632
Marketing and communications	22 540	22 978	11 242	20 025	16 562	13 935	14 861
Quality assurance	197 016	194 624	153 635	199 932	237 861	253 296	259 477
Total expense	411 967	481 515	437 700	447 676	528 067	542 496	590 331

The National Home Builders Registration Council had a total budget of R447.7 million in 2011/12, of which 44.7 per cent was used for inspections to ensure that quality homes are built.

Savings and cost effectiveness measures

The council has begun reducing the cost of training of emerging home builders, which saw expenditure on this item decrease from R36 million in 2009/10 to R12 million in 2011/12. This cost reduction was achieved by moving training onsite and only providing training for projects linked to the Department of Human Settlements. In addition, the following measures will be implemented: strategic breakaways will be conducted in-house rather than at hired venues, research and development will be brought in-house, the duration of internal staff meetings will be limited to reduce catering costs, video conferencing will be used to reduce traveling and catering costs, and open days will be held at customer service centres to reduce the cost of advertising to educate consumers about their rights and home builders about their obligations under the act. No expenditure cuts have been identified for the council over the MTEF period.

Expenditure estimates

Table 31.12 National Home Builders Registration Council

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	825 999	692 595	772 904	706 058	742 829	777 495	817 390
Sale of goods and services other than capital assets	583 471	425 812	442 413	450 358	529 066	551 973	579 464
<i>of which:</i>							
<i>Sales by market establishments</i>	583 471	425 812	442 413	450 358	529 066	551 973	579 464
<i>Other non-tax revenue</i>	242 528	266 783	330 491	255 700	213 764	225 521	237 926
Total revenue	825 999	692 595	772 904	706 058	742 829	777 495	817 390
Expenses							
Current expenses	411 967	479 855	436 015	444 726	524 911	539 118	586 717
Compensation of employees	134 024	147 724	154 608	166 963	257 007	272 427	287 411
Goods and services	257 894	313 289	264 727	256 595	247 702	247 227	269 522
Depreciation	20 030	18 834	16 679	21 167	20 202	19 464	29 785
Interest, dividends and rent on land	20	9	0	–	–	–	–
Transfers and subsidies	–	1 659	1 685	2 950	3 157	3 377	3 614
Total expenses	411 967	481 515	437 700	447 676	528 067	542 496	590 331
Surplus / (Deficit)	414 032	211 080	335 204	258 382	214 762	234 999	227 058

Table 31.12 National Home Builders Registration Council (continued)

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Statement of financial position							
Carrying value of assets	80 926	71 782	58 511	54 051	98 277	140 383	118 621
<i>of which:</i>							
Acquisition of assets	17 543	10 887	3 440	16 690	64 410	61 549	8 000
Investments	2 778 683	2 934 899	3 118 842	3 420 609	3 586 592	3 769 664	4 029 538
Inventory	308	99	120	129	138	147	158
Receivables and prepayments	87 735	51 212	9 155	29 283	23 747	23 890	24 676
Cash and cash equivalents	27 085	30 665	354 257	25 050	25 054	25 057	25 061
Total assets	2 974 736	3 088 657	3 540 885	3 529 121	3 733 807	3 959 142	4 198 054
Accumulated surplus / (deficit)	1 831 009	2 038 969	2 381 477	2 639 860	2 854 622	3 089 621	3 316 679
Capital and reserves	107 718	106 010	42 369	60 120	46 273	35 891	45 471
Trade and other payables	187 031	120 620	328 031	41 503	45 274	45 991	48 264
Provisions	848 978	823 058	789 007	787 639	787 639	787 639	787 639
Total equity and liabilities	2 974 736	3 088 657	3 540 884	3 529 121	3 733 807	3 959 142	4 198 054

Expenditure trends

The council generates revenue from two main sources: registration and renewal fees paid by home builders, and home enrolment fees from housing consumers. Between 2008/09 and 2011/12, revenue decreased from R826 million to R706.1 million at an average annual rate of 5.1 per cent. This was driven by a decrease in the number of home enrolments as a result of the impact of global financial and economic crisis on the local housing market. Over the medium term, revenue is expected to increase to R817.4 million at an average annual rate of 5 per cent as the economy recovers.

Expenditure grew from R412 million in 2008/09 to R447.7 million in 2011/12, at an average annual rate of 2.8 per cent. This was mainly due to inflation related adjustments to compensation of employees, employment of additional technical staff and the associated increase in expenditure on goods and services. In this period, the council carried out over 1 million inspections and enrolled 134 508 homes under the warranty fund. Over the medium term, spending is expected to grow to R590.3 million, at an average annual rate of 9.7 per cent as the council increases the number of inspectors to strengthen its regulatory function. As a result, spending on compensation of employees is expected to increase from R167 million in 2011/12 to R287.4 million in 2014/15, at an average annual rate of 19.8 per cent over the medium term.

Personnel information

Table 31.13 National Home Builders Registration Council

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of post on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive management	6	6	2	6	5	5	4	7	7	7
Senior management	34	34	6	23	25	27	28	42	42	43
Middle management	75	75	11	73	76	63	65	91	92	92
Professionals	136	136	25	135	127	116	120	218	218	216
Skilled	99	99	9	101	99	85	87	96	96	97
Semi-skilled	8	8	–	8	8	8	7	7	7	8
Very low skilled	17	17	–	26	14	14	11	16	16	16
Total	375	375	53	372	354	318	322	477	478	479
Compensation (R thousand)				134 024	147 724	154 608	166 963	257 007	272 427	287 411
Unit cost (R thousand)				360	417	486	519	539	570	600

1. As at 30 September 2011.

As at 30 September 2011, the council had a staff complement of 322 and 53 posts were vacant due to an ongoing organisational restructuring. The number of filled posts is expected to increase to 479 over the medium term as the council employs 88 new inspectors and 8 engineering specialists to increase the capacity of the inspectorate to improve the quality of homes built.

Social Housing Regulatory Authority

Overview: 2008/09 – 2014/15

The Social Housing Regulatory Authority was established in 2010 in terms of the Social Housing Act (2008). The authority invests in social housing and regulates the social housing sector. The authority also provides institutional support to social housing institutions, enabling them to achieve the accreditation required to deliver social housing services to communities. The authority is classified as a schedule 3A entity in terms of the Public Finance Management Act (1999).

Over the medium term, the authority will build its capacity and credibility as a national regulator, invest in and monitor the social housing sector and form strategic partnerships with both local and international financiers to attract more funds to the social housing sector.

The social housing feasibility grant has been allocated to 14 projects in 2010/11 and this is expected to increase to 20 in 2014/15. The purpose of the grant is to assist a provisionally or fully accredited social housing institution that has a project which it believes to be suitable for social housing in terms of the regulations, or where a social housing institution has submitted a grant application that was refused by the authority, to submit an application for grant funding. Furthermore, the number of social housing institutions that will be supported through the start-up or gearing grant is expected to double from 15 to 30 over the MTEF period.

Performance

Since inception, the authority has processed 100 per cent of the applications for accreditation received from private sector entities and expects to continue meeting this level of performance over the medium term. The success rate for applications for accreditation is expected to increase from 60 per cent in 2011/12 to 75 per cent in 2014/15, as a result of the institutional support of the regulator to new and emerging contractors.

Selected performance indicators

Table 31.14 Social Housing Regulatory Authority

Indicator	Programme/Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new social housing units invested in per year	Investment in the social housing sector	- ¹	- ¹	1 685	1 594	4 482	5 220	5 450
Number of additional social housing projects receiving the project feasibility grant per year	Investment in the social housing sector	- ¹	- ¹	14	8	14	16	20
Number of additional social housing institutions supported through start-up/ gearing grant per year	Investment in the social housing sector	- ¹	- ¹	- ²	15	20	25	30
Number of additional social housing institutions supported through specific intervention grants per year	Investment in the social housing sector	- ¹	- ¹	50	12	15	15	15
Number of new inspections and audits per year	Investment in the social housing sector	- ¹	- ¹	- ³	12	20	30	30

1. The Social Housing Regulatory Authority was formally established in 2010/11. Therefore indicators only start from 2010/11.

2. This grant did not start until 2011/12.

3. Due to the Social Housing Regulatory Authority only being established in 2010/11, it would take a year for applications to be received and processed before the inspections and audits can be performed.

Programmes/activities/objectives

Table 31.15 Social Housing Regulatory Authority

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Investment in social housing sector	-	-	-	-	368 441	680 522	731 330
Regulation in social housing sector	-	-	-	-	46 988	55 700	53 615
Administration	-	-	59 328	123 543	19 805	18 698	19 243
Total expense	-	-	59 328	123 543	435 234	754 920	804 188

The Social Housing Regulatory Authority had a total budget of R123.5 million in 2011/12, of which 100 per cent was used for start up costs.

Savings and cost effectiveness measures

No expenditure cuts have been identified by the authority.

Expenditure estimates

Table 31.16 Social Housing Regulatory Authority

Statement of financial performance							
R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	-	-	825	5 915	-	-	-
<i>Other non-tax revenue</i>	-	-	825	5 915	-	-	-
Transfers received	-	-	59 204	117 627	435 234	754 920	804 188
Total revenue	-	-	60 029	123 542	435 234	754 920	804 188
Expenses							
Current expenses	1	-	59 328	123 543	435 234	754 920	804 188
Compensation of employees	-	-	757	10 720	12 200	12 847	13 617
Goods and services	1	-	58 457	112 313	422 534	741 583	790 091
Depreciation	-	-	114	510	500	490	480
Total expenses	1	-	59 328	123 543	435 234	754 920	804 188
Surplus / (Deficit)	(1)	-	701	(1)	-	-	-

Expenditure trends

The authority was established in 2010/11 and is wholly funded by the Department of Human Settlements. Of the R117.6 million transferred to the authority in 2011/12, R73.8 million was used to recruit staff and establish the necessary systems for the authority to become operational. Total revenue is expected to increase significantly from R123.5 million in 2011/12 to R804.2 million in 2014/15, at an average annual rate of 59.7 per cent, due to an increase in transfers to social housing institutions aimed at subsidising medium density rental housing units.

Expenditure is expected to increase from R123.5 million to R804.2 million over the medium term, at an average annual rate of 59.7 per cent, to allow the agency to fast-track the delivery of social housing units. In its first two years of existence, the authority supported the development of 3 279 housing units, and the number of social housing units receiving the restructuring capital grant is expected to increase from 1 594 units in 2011/12 to 5 450 units in 2014/15.

Personnel information

Table 31.17 Social Housing Regulatory Authority

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of posts On approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	2	2	–	–	–	2	2	2	2	2
Senior management	4	4	–	–	–	2	4	3	3	3
Middle management	2	2	–	–	–	–	2	5	5	5
Professionals	5	1	4	–	–	–	1	8	8	8
Semi-skilled	8	7	1	–	–	5	7	5	5	5
Very low skilled	2	2	–	–	–	–	2	2	2	2
Total	23	18	5	–	–	9	18	25	25	25
Compensation (R thousand)				–	–	757	10 720	12 200	12 847	13 617
Unit cost (R thousand)				–	–	84	596	488	514	545

1. As at 30 September 2011.

As at 30 September 2011, the authority had an establishment of 23 posts, of which 18 were funded and filled. The authority's staff complement is expected to increase to 25 employees in 2014/15 in order to capacitate the institution to deliver on social housing, which is a national priority.

National Urban Reconstruction and Housing Agency

Overview: 2008/09 – 2014/15

The National Urban Reconstruction and Housing Agency was established in 1995 as a schedule 3A public entity, through a partnership between the department and the Soros Economic Development Fund. The agency provides bridging finance in the construction of subsidy housing, affordable housing, community facilities and related infrastructure. The agency provides loan facilities to established and emerging contractors. It disburses bridging finance directly to established contractors, while emerging contractors access its funds through intermediaries, who are also responsible for providing support services to contractors.

The agency's operations are organised into three programmes: the subsidy housing programme, the affordable housing programme, and the infrastructure and community facilities programme.

Between 2008/09 and 2010/11, the agency focused on increasing the business volumes and accessing funding from financiers at developmental rates to increase the available funding capacity for the affordable housing programme.

Over the medium term, the agency is set to develop new financial instruments to encourage private sector participation in the human settlements sector. In addition, the agency aims to improve the efficiency and effectiveness of service delivery to small contractors by internalising the intermediary channel. The new small contractor finance and development programme aims to provide qualified small contractors employment opportunities through a two-year cycle.

Performance

The number of subsidy houses and sites financed increased significantly to 27 893 units in 2011/12. The number of subsidy housing units and sites to be completed is expected to decrease to 5 509 units in 2014/15, due to the shift in priorities from subsidised housing towards the upgrading of informal settlements.

Selected performance indicators

Table 13.18 National Urban Reconstruction and Housing Agency

Indicator	Programme/Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Value of new loans signed: subsidy housing and sites per year per R'000	Loans for subsidy housing	R209 444	R149 485	R83 316	R163 271	R112 800	R124 000	R136 000
Value of new loans signed: affordable housing and sites per year per R'000	Loans for affordable housing	R53 535	R240 922	R 84 983	R115 069	R330 000	R363 000	R400 000
Value of new loans signed: infrastructure projects per year per R'000	Loans for infrastructure projects	R149 881	R164 407	R 99 614	R110 430	R72 000	R79 000	R87 000
Number of fully subsidised new houses/sites completed per year	Loans for subsidy housing	14 657	18 702	10 668	27 893	4 620	5 082	5 590
Number of affordable new houses/sites completed per year	Loans for affordable housing	182	3 652	2 092	2 899	1 950	2 145	2 360
Number of new infrastructure projects completed per year	Loans for infrastructure projects	3 098	41	33	45	8	10	12

Programmes/activities/objectives

Table 31.19 National Urban Reconstruction and Housing Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Loans for affordable housing	23 145	29 957	41 512	28 891	21 914	28 374	33 139
Loans for subsidiary housing	9 919	12 839	17 791	12 382	9 392	12 160	14 202
Loans for infrastructure projects	19 839	25 678	35 582	24 764	18 784	24 321	28 405
Programme management	13 226	17 118	23 721	13 045	18 148	16 214	18 937
Total expense	66 129	85 592	118 605	79 082	68 238	81 068	94 683

The National Urban Reconstruction and Housing Agency had a total budget of R79.1 million in 2011/12, of which 36.5 per cent was used for loans in the affordable housing sector.

Expenditure estimates

Table 31.20 National Urban Reconstruction and Housing Agency

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome				2011/12	2012/13	2013/14
Revenue							
Non-tax revenue	69 278	63 266	52 207	63 103	94 755	69 798	75 304
Sale of goods and services other than capital assets	53 097	56 871	46 212	–	–	–	–
<i>of which:</i>							
<i>Sales by market establishments</i>	53 097	56 871	46 212	–	–	–	–
<i>Other non-tax revenue</i>	16 181	6 395	5 995	63 103	94 755	69 798	75 304
Transfers received	13 369	3 500	–	–	–	–	–
Total revenue	82 647	66 766	52 207	63 103	94 755	69 798	75 304
Expenses							
Current expenses	66 129	85 592	118 605	79 082	68 238	81 068	94 683
Compensation of employees	23 169	25 968	23 389	26 720	33 561	42 152	52 943
Goods and services	25 158	39 123	77 562	36 144	21 985	26 188	28 608
Depreciation	445	528	1 084	1 644	1 768	1 061	662
Interest, dividends and rent on land	17 357	19 973	16 570	14 574	10 924	11 667	12 469
Total expenses	66 129	85 592	118 605	79 082	68 238	81 068	94 683
Surplus / (Deficit)	16 518	(18 826)	(66 398)	(15 979)	26 517	(11 270)	(19 379)

Table 31.20 National Urban Reconstruction and Housing Agency (continued)

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Statement of financial position							
Carrying value of assets	1 371	2 603	4 069	3 877	2 879	2 188	1 896
<i>of which:</i>							
Acquisition of assets	776	1 763	2 549	1 461	770	370	370
Investments	–	4 432	–	3 258	3 258	3 258	3 258
Loans	365 302	352 143	272 272	316 693	340 274	355 220	376 618
Receivables and prepayments	1 254	1 110	958	717	262	334	370
Cash and cash equivalents	90 939	133 766	71 167	153 984	264 383	343 408	315 543
Total assets	458 866	494 054	348 466	478 529	611 056	704 408	697 685
Accumulated surplus / (deficit)	247 370	228 532	162 133	146 154	172 673	161 402	142 024
Capital and reserves	38 300	38 300	38 300	138 300	238 300	338 300	338 300
Borrowings	164 834	219 658	142 058	178 506	189 206	200 735	213 163
Trade and other payables	8 362	7 564	5 974	15 569	10 877	3 971	4 198
Total equity and liabilities	458 866	494 054	348 465	478 529	611 056	704 408	697 685

Expenditure trends

The agency generates revenue from interest on loans disbursed, whereas the main drivers of operational expenditure are compensation of employees, legal fees, board fees and computer services. Revenue declined from R82.6 million in 2008/09 to R63.1 million in 2011/12, at an average annual rate of 8.6 per cent. The decrease in revenue is driven by the decrease in the agency's loan book, which fell from R365.3 million in 2008/09 to R316.7 million in 2011/12, due to fewer loan disbursements being made as a result of the slow down in the housing market. Revenue is expected to increase over the medium term to R75.3 million, at an average annual rate of 6.1 per cent, due to interest and repayment income from the increased number of loans given out to contractors as the residential housing market recovers. The loan book is expected to increase to R376.6 million over the medium term.

Expenditure increased from R66.1 million in 2008/09 to R79.1 million in 2011/12, at an average annual rate of 6.1 per cent, due to higher expenditure on legal fees, board fees and computer services. Spending is expected to grow to R94.7 million over the medium term, at an average annual rate of 6.2 per cent, in line with expected increased activities in disbursing loans.

The agency expects deficits in 2011/12, 2013/14 and 2014/15, due to late payments from provincial departments to contractors increasing the likelihood that the contractors may default. This made it necessary to raise additional provisions for impairments over the medium term. Borrowing is used to leverage off funding to provide bridging finance to established and emerging contractors. The R100 million recapitalisation grant the agency expects to receive from the department in 2012/13 and 2013/14 is reflected under capital and reserves on the balance sheet.

Personnel information

Table 31.21 National Urban Reconstruction and Housing Agency

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of post on approved establishment	Number of posts	Number of posts	Actual			Mid year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	16	16	–	15	12	16	16	16	16	16
Executive management	4	4	–	4	4	4	4	4	4	4
Senior management	8	8	–	12	11	9	8	9	9	9
Middle management	–	–	3	–	–	–	–	–	–	–
Professionals	10	10	–	7	8	9	10	12	12	12
Skilled	7	7	–	6	6	6	7	7	7	10
Semi-skilled	10	10	–	13	11	11	10	10	10	10
Very low skilled	–	–	–	2	3	–	–	–	–	–
Total	55	55	3	59	55	55	55	58	58	61
Compensation (R thousand)				23 169	25 968	23 389	26 720	33 561	42 152	52 943
Unit cost (R thousand)				393	472	425	486	579	727	868

1. As at 30 September 2011.

As at 30 September 2011, the agency had an establishment of 55 posts, all of which were filled. The agency expects to appoint 3 additional staff members in 2012/13. The agency's staff complement is expected to increase to 61 over the medium term as a result of more staff being hired to take up functions that had previously been outsourced.

National Housing Finance Corporation

Overview: 2008/09 – 2014/15

The National Housing Finance Corporation was established in 1996 as a schedule 3A development finance institution and is listed to schedule 3A of the Public Finance Management Act (1999). The corporation aims to improve access to housing credit for the low and middle income housing market by facilitating private sector lending for housing purposes. It also acts as a fund and risk manager. The corporation disburses its funds through its wholesale and commercial business units.

Between 2008/09 and 2010/11, the corporation focused on the broadening of its product offerings through the establishment of innovative partnerships with private sector partners and the acquisition of additional capital. Over the medium term, the corporation will gear its operations to deliver on sustainable human settlements and improved quality of household life and the related outputs (outcome 8). In particular, the corporation is expected to implement approved amendments to the finance linked subsidy programme. Through nine pilot projects, the corporation will act as a one-stop shop to process applications and disbursements, and liaise with financial institutions. The corporation will work closely with the Social Housing Regulatory Authority to facilitate the provision of debt finance for the delivery of new social housing units in the sector. As a result, the corporation expects to fund more social housing projects over the medium term.

Performance

Between 2008/09 and 2011/12, the total number of loans disbursed for social housing decreased from 11 939 to 6 644 as the residential property market contracted during the recession. However, the total number of loans disbursed to intermediaries increased from 2 924 to 7 500 as the affordable housing segment outperformed the rest of the residential property during the recession.

Selected performance indicators

Table 31.22 National Housing Finance Corporation

Indicator	Programme/ Activity	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Number of new loans disbursed through project finance activities per year	Projects	11 939	7 869	5 757	6 644	6 944	7 527	8 088
Number of loans disbursed through commercial finance activities per year	Commercial products	2 924	2 218	1 739	7 500	8 985	11 042	11 713
Provision for impairments on gross advances (percentage) per year	All	5%	9%	8%	8%	8%	8%	8%
Total operating expenditure to total income (percentage) per year	All	37%	41%	59%	75%	54%	43%	37%
Total operating expenditure to total lending income (percentage) per year	All	94%	93%	92%	92%	51%	34%	26%

Programmes/activities/objectives

Table 31.23 National Housing Finance Corporation

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Retail finance	18 774	28 051	20 452	24 936	–	–	–
Commercial finance	37 548	56 102	40 902	49 870	115 148	192 936	126 886
Project finance	114 351	170 857	124 565	151 876	240 276	439 893	289 299
Strategic partnerships and investments	–	–	–	–	78 020	138 914	91 358
Total expense	170 673	255 011	185 919	226 682	433 444	771 743	507 542

The National Housing Finance Corporation had a total budget of R226.7 million in 2011/12, of which 67 per cent was used for financing projects.

Savings and cost effectiveness measures

No expenditure cuts have been identified by the corporation.

Expenditure estimates

Table 31.24 National Housing Finance Corporation

Statement of financial performance				Revised estimate	Medium-term estimate		
R thousand	Audited outcome			2011/12	2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	278 683	301 653	245 777	244 887	489 715	879 673	644 609
Sale of goods and services other than capital assets	118 690	178 690	182 267	203 117	441 614	817 084	558 534
<i>of which:</i>							
Administration fees	134	24	182	–	–	–	–
Sales by market establishments	118 556	178 666	182 085	203 117	441 614	817 084	558 534
Other non-tax revenue	159 993	122 963	63 510	41 771	48 101	62 590	86 076
Total revenue	278 683	312 837	245 777	244 887	489 715	879 673	644 609
Expenses							
Current expenses	128 186	239 395	170 230	219 723	416 265	740 229	464 008
Compensation of employees	41 290	47 608	48 242	77 538	83 891	88 807	81 029
Goods and services	83 996	189 842	119 931	127 728	264 841	496 004	146 874
Depreciation	841	931	907	1 881	4 029	5 130	3 866
Interest, dividends and rent on land	2 059	1 014	1 150	12 576	63 503	150 288	232 239
Total expenses	170 673	255 011	185 918	226 682	433 444	771 743	507 542
Surplus / (Deficit)	108 010	57 826	59 858	18 205	56 272	107 931	137 067

Table 31.24 National Housing Finance Corporation (continued)

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Statement of financial position							
Carrying value of assets	43 588	61 030	73 236	76 871	78 642	77 462	57 369
<i>of which:</i>							
<i>Acquisition of assets</i>	1 117	1 332	1 064	5 832	5 800	3 950	3 280
Investments	1 271 234	1 113 043	979 659	1 086 045	1 011 773	1 042 139	1 114 340
Inventory	57 851	54 334	64 015	63 519	243 598	175 062	–
Loans	1 053 790	1 330 922	1 562 794	1 701 949	2 503 962	3 370 622	4 387 864
Receivables and prepayments	47 940	36 386	66 402	36 042	32 714	34 453	32 559
Cash and cash equivalents	276 845	262 984	215 839	258 228	245 805	254 690	264 237
Taxation	7 532	27 229	28 576	24 699	24 699	24 699	24 699
Derivatives financial instruments	5 689	24 312	25 377	21 500	21 500	21 500	21 500
Total assets	2 764 469	2 910 240	3 015 898	3 268 853	4 162 693	5 000 627	5 902 568
Accumulated surplus / (deficit)	1 078 810	1 136 635	1 196 586	1 178 381	1 234 653	1 342 585	1 479 651
Capital and reserves	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000	1 080 000
Borrowings	16 888	16 234	65 340	276 454	1 061 655	1 654 688	2 301 483
Deferred income	10 069	–	–	–	–	–	–
Trade and other payables	37 315	23 234	9 722	90 947	181 487	239 124	306 566
Provisions	14 506	14 047	12 919	5 454	5 768	6 101	6 230
Managed funds (e.g. Poverty alleviation fund)	521 192	615 778	625 954	616 117	577 630	656 629	707 138
Total equity and liabilities	2 758 780	2 885 928	2 990 521	3 247 353	4 141 193	4 979 127	5 881 068

Expenditure trends

The main source of revenue is interest from loans disbursed. Revenue decreased from R278.7 million in 2008/09 to R244.9 million in 2011/12, at an average annual rate of 4.2 per cent, due to the slowdown of the housing finance market. Over the medium term, revenue is expected to increase to R644.6 million, at an average annual rate of 38.1 per cent, as the housing market recovers. The agency expects an expansion of lending to the social housing market to drive the increase in revenue. Additional payments received for the management of the finance linked individual subsidy programme will also increase revenue over the MTEF period.

Between 2008/09 to 2011/12, expenditure grew from R170.7 million to R226.7 million, at an average annual rate of 9.9 per cent, mainly due to an increase in cost of sales. Over the medium term, expenditure is expected to grow to R507.5 million, at an average annual rate of 30.8 per cent, driven mostly by increased lending to banks and related financial institutions, which led to higher interest payments.

The corporation's loan book increased from R1.1 billion in 2008/09 to R1.7 billion in 2011/12, at an average annual rate of 17.3 per cent. The slower than expected growth is primarily due to lacklustre housing market conditions due to the global financial and economic downturn that started in 2009. The loan book is expected to increase to R4.4 billion over the medium term, at an average annual rate of 37.1 per cent, as the corporation expands activity in the social housing market and manages the finance linked subsidy programme.

Borrowings increased significantly from R16.9 million in 2008/09 to R276.5 million in 2011/12, at an average annual rate of 153.9 per cent, due to the loan of €20 million from the French Development Bank and a further €30 million from the European Investment Bank. The corporation expects to increase borrowings to R2.3 billion over the medium term to support its growing loan book.

Personnel information

Table 31.25 National Housing Finance Corporation

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of post on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	1	1	–	1	1	1	1	1	1	1
Executive management	7	7	1	8	6	7	7	8	8	8
Senior management	17	17	–	16	16	17	17	17	17	17
Professionals	21	21	1	21	21	21	21	22	22	22
Skilled	7	7	–	7	7	8	7	7	7	7
Semi-skilled	35	35	–	34	35	35	35	35	35	35
Total	88	88	2	87	86	89	88	90	90	90
Compensation (R thousand)				41 290	47 608	48 242	77 538	83 891	88 807	81 029
Unit cost (R thousand)				475	554	542	881	932	987	900

1. As at 30 September 2011.

As at 30 September 2011, the corporation had an establishment of 88 posts, all of which were filled. Two additional posts, the chief of operations and a systems analyst, are expected to be created, growing the number of filled posts to 22 over the medium term.

Housing Development Agency

Overview: 2008/09 – 2014/15

The Housing Development Agency was established in terms of the Housing Development Agency Act (2008). It is a schedule 3A public entity that promotes sustainable communities by identifying well located and appropriately planned land and landed property available for the development of human settlements. As its primary activity, the agency assembles state and private land and buildings and releases it for development. In addition, the agency provides project delivery support services to provinces and municipalities, including project management planning support to the informal settlement programme. This is done in conjunction with the department through the national upgrading support programme for informal settlements, which provides project level technical assistance to 49 municipalities in support of informal settlements upgrading.

Over the medium term, the agency will continue to focus on its core activities: coordinating the integrated national land and landed property inventory to facilitate the release of land for sustainable community development, identifying and acquiring land for human settlement development purposes, negotiating collaborative agreements with provinces and municipalities for the provision of land for human settlement development purposes, and promoting sustainable human settlement development through various capacity and project support services to sector stakeholders.

The agency will also provide programme and project portfolio planning, management and implementation support to provinces and municipalities in priority housing development areas. In addition, programme support for informal settlement upgrading, emergency housing and technical support services to identified and targeted projects within provinces and municipalities will be provided. The agency will continue to provide project management services to the N2 Gateway and Zанемvula mega projects.

Performance

Since its inception in April 2009, the agency has focused on identifying land parcels and properties suitable for human settlement development. The agency has also developed implementation protocols with various organs of the state for the acquisition of state owned land. Spatial analysis systems have been developed and implemented to support the agency's land identification process and planning services.

To date, the agency has signed 9 intergovernmental relations implementation protocols, and identified 3 000 hectares of land for acquisition for human settlement development. A joint coordinating committee on state land release has been established and has resolved bottlenecks in land acquisition. To date, the agency has acquired 15 portions of land in the country as a whole. In 2011/12, the agency took transfer of 72 hectares of

land in Bela-Bela in Limpopo. The agency anticipates identifying and managing 5 000 hectares of lands for human settlement development over the medium term, which is line with the government outcome to create sustainable human settlements and improved quality of household life (outcome 8).

Selected performance indicators

Table 31.26 Housing Development Agency

Indicator	Activity/Objective/Programme/Project	Past			Current	Projections		
		2008/09 ¹	2009/10 ¹	2010/11	2011/12	2012/13	2013/14	2014/15
Amount of public land and property identified for release for Human Settlements development per year	Land assembly management	-	-	-	3 000	4 250	3 000	3 000
Number of additional land and property portions acquired per year	Land assembly management	-	-	90	45	50	50	50
Number of intergovernmental relations protocols established and implemented per year	Intergovernmental relations and strategy alignment	-	4	15	15	15	18	26
Total number of additional sustainable human settlement projects supported	Programme and technical support services	-	-	-	20	20	50	70
Hectares of properties and or land managed by the Housing Development Agency	Land assembly management	-	-	-	-	1 000	2 000	2 000

1. No data available.

Programmes/activities/objectives

Table 31.27 Housing Development Agency

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Strategic management, finance and administration	-	17 549	22 463	34 371	38 661	38 794	41 310
Land assembly management	-	3 898	16 573	31 602	33 221	37 137	34 387
Programme and technical support services	-	17 844	37 305	27 594	20 615	22 643	23 523
Intergovernmental relations and strategy alignment	-	4 545	3	7 679	15 030	14 723	15 243
Total expense	-	43 836	76 344	101 246	107 527	113 297	114 463

The Housing Development Agency had a total budget of R101.2 million in 2011/12, of which 31.2 per cent was used for land assembling.

Savings and cost effectiveness measures

The agency realised a saving of R17 million in 2010/11 in the following expenditure items: R4.9 million from salaries and wages, R2.5 million from land and related costs, R2.9 million from technical support, R1.4 million from project management consultants, and R1.2 million from general consultants.

The agency expects to realise further expenditure cuts of R3.7 million over the medium term. This will be achieved by reducing the costs of travel, catering and office costs by implementing a newly drafted travel policy which requires all staff to travel economy class and places limits on accommodation and rental car costs. In addition, the chief financial officer is tasked with monitoring and interrogating office costs to limit increases in this category of expenditure.

Expenditure estimates

Table 31.28 Housing Development Agency

Statement of financial performance				Revised estimate	Medium-term estimate		
Audited outcome			2011/12		2012/13	2013/14	2014/15
R thousand	2008/09	2009/10	2010/11				
Revenue							
Non-tax revenue	–	835	4 434	3 436	1 990	3 195	3 703
<i>Other non-tax revenue</i>	–	835	4 434	3 436	1 990	3 195	3 703
Transfers received	–	62 650	92 193	97 810	105 536	110 101	110 760
Total revenue	–	63 485	96 627	101 246	107 526	113 296	114 463
Expenses							
Current expenses	–	43 836	76 344	101 246	107 526	113 296	114 463
Compensation of employees	–	19 813	22 527	45 515	57 284	62 155	62 635
Goods and services	–	23 215	52 294	54 652	48 253	49 043	49 593
Depreciation	–	522	1 182	1 079	1 989	2 098	2 235
Interest, dividends and rent on land	–	286	341	–	–	–	–
Total expenses	–	43 836	76 344	101 246	107 526	113 296	114 463
Surplus / (Deficit)	–	19 649	20 283	–	–	–	–

Expenditure trends

The agency derives revenue from multiple sources, including grant funding provided by the department, interest earned on cash balances, tender document fees, rental fees and project management fees for services rendered. Between 2009/10 and 2011/12, revenue increased from R63.5 million to R101.2 million, at an average annual rate of 26.3 per cent, mainly due to an increase in the transfer from the department to operationalise the entity. Revenue is expected to increase to R114.5 million over the medium term, at an average annual rate of 4.2 per cent, mainly due to higher revenue receipts from project management as required in the Housing Development Agency Act (2009).

Expenditure grew significantly from R43.8 million in 2009/10 to R101.2 million in 2011/12, at an average annual rate of 52 per cent, mainly due to an increase in expenditure on goods and services to operationalise the agency. Over the medium term, spending is expected to increase to R114.5 million, at an average annual rate of 4.2 per cent, as the agency implements the recently signed intergovernmental protocols with provinces and municipalities to identify land for acquisition. This is reflected in the increased spending on compensation of employees, which is expected to grow from R45.5 million in 2011/12 to R62.6 million in 2014/15, at an average annual rate of 11.2 per cent over the medium term.

Personnel information

Table 31.29 Housing Development Agency

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of post On approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	2	2	–	–	5	2	2	2	2	2
Executive management	4	4	–	–	–	3	4	4	4	4
Senior management	14	11	3	–	31	6	11	11	11	11
Middle management	29	16	13	–	25	19	16	18	20	20
Professionals	55	51	4	–	2	37	51	66	66	66
Semi-skilled	11	4	7	–	2	10	4	3	3	3
Very low skilled	1	1	–	–	–	–	1	1	1	1
Total	116	89	27	–	65	77	89	105	107	107
Compensation (R thousand)				–	19 813	22 527	45 515	57 284	62 155	62 635
Unit cost (R thousand)				–	305	293	511	546	581	585

1. As at 30 September 2011.

The agency had an establishment of 116 posts as at 30 September 2011. The agency currently employs 89 full-time staff members and 4 fixed term contract staff members. There are currently 27 vacant positions, which are in the process of being filled. In 2011/12, there have been 7 resignations and 5 dismissals.

Rural Housing Loan Fund

Overview: 2008/09 – 2014/15

The Rural Housing Loan Fund is a development finance institution established in 1996 as an association incorporated not for gain. The fund is listed as a schedule 3A of the Public Finance Management Act (1999). The strategic aim of the fund is to improve the housing conditions of the rural poor by raising finance and on-lending it to retail credit intermediaries. The entity was initially funded by the German Development Bank (Kreditanstalt für Wiederaufbau).

Between 2008/09 and 2010/12, the fund focused on three strategic areas: first, it aimed to grow business volumes in lending to retail credit intermediaries; second, the fund's resources were used to provide technical support to struggling clients; and third, the fund was involved in planning and designing the rural housing subsidy voucher scheme, which is based on the principle of owner-builders taking charge of building their own homes with subsidy support. Over the medium term, the fund will identify human settlements financing opportunities by engaging with provincial and local government. The fund will also implement mechanisms to minimise losses and incentivise the retail credit intermediaries to increase their business volumes.

Performance

Since 2008/09, the fund's loan book has been expanding and is expected to continue growing over the medium term. The introduction of the discounted interest rate loan product provides an incentive to retail credit intermediaries to increase disbursements to end users for housing purposes. This initiative will lead to a reduction in the average interest on loans granted from 16 per cent in 2008/09 to an expected 11 per cent in 2014/15. The number of end user loans is anticipated to decrease over the medium term, due to the difficult economic conditions experienced in the housing finance sector.

Selected performance indicators

Table 31.30 Rural Housing Loan Fund

Indicator	Activity/Objective/Programme/Project	Past			Current	Projections		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Total value of loan book	To provide access to housing credit to low income rural households	R228 000	R230 000	R302 000	R337 000	R375 000	R385 000	R361 000
Percentage interest on loans granted per year	To provide access to housing credit to low income rural households	16 %	15%	13 %	12 %	11 %	11 %	11 %
Percentage impairment provision per year	To provide access to housing credit to low income rural households	16%	21%	18%	17%	19%	19%	22%
Percentage of cost to revenue	To provide access to housing credit to low income rural households	30%	39%	28%	36%	33%	33%	36%
Total number of end-user loans per year	To provide access to housing credit to low income rural households	40 537	33 112	44 933	46 960	38 202	40 517	37 456

Programmes/activities/objectives

Table 31.31 Rural Housing Loan Fund

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
To provide access to housing credit to low income rural households	34 223	35 019	27 580	39 979	35 066	38 719	39 457
Total expense	34 223	35 019	27 580	39 979	35 066	38 719	39 457

The Rural Housing Loan Fund had a total budget of R40 million in 2011/12, of which 100 per cent was used to provide access to housing credit to low income rural households.

Savings and cost effectiveness measures

The fund has identified expenditure cuts of R500 000 in 2012/13, R540 000 in 2013/14 and R577 800 in 2014/15 in spending on consulting services. Instead of consultants, the fund will use internal capacity to conduct development impact investigation research.

Expenditure estimates

Table 31.32 Rural Housing Loan Fund

Statement of financial performance		Audited outcome			Revised estimate	Medium-term estimate		
		2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
R thousand								
Revenue								
Non-tax revenue								
42 386 63 963 45 831 42 651 46 666 49 539 48 874								
Sale of goods and services other than capital assets								
of which:								
Sales by market establishments								
30 514 31 970 35 377 36 226 40 555 42 204 39 839								
Other sales								
17 – – – – – –								
Other non-tax revenue								
11 872 31 993 10 453 6 425 6 111 7 335 9 035								
Total revenue								
42 529 63 963 45 831 42 651 46 666 49 539 48 874								
Expenses								
Current expenses								
31 866 29 560 21 254 39 135 30 555 34 512 35 795								
Compensation of employees								
5 668 5 287 6 718 8 013 8 871 9 580 10 347								
Goods and services								
17 275 14 303 4 137 20 355 10 917 14 140 14 693								
Depreciation								
139 128 114 101 101 126 89								
Interest, dividends and rent on land								
8 784 9 842 10 285 10 666 10 666 10 666 10 666								
Total expenses								
34 224 35 018 27 579 39 979 35 066 38 719 39 457								
Surplus / (Deficit)								
8 305 28 945 18 252 2 672 11 600 10 820 9 417								
Statement of financial position								
Carrying value of assets								
239 138 224 230 229 168 329								
of which:								
Acquisition of assets								
98 27 201 107 100 65 250								
Investments								
9 792 4 632 5 408 5 132 5 132 5 132 5 132								
Loans								
190 773 182 772 224 204 276 055 310 152 312 457 281 279								
Receivables and prepayments								
3 473 28 331 1 508 1 315 1 315 1 315 1 315								
Cash and cash equivalents								
68 092 103 292 155 304 150 991 179 511 186 555 222 156								
Taxation								
7 691 10 179 10 564 13 984 14 946 16 478 18 013								
Derivatives financial instruments								
647 – 341 – – – –								
Total assets								
280 707 329 344 397 553 447 707 511 285 522 105 528 224								
Accumulated surplus / (deficit)								
(1 068) 10 097 28 348 31 019 42 619 53 440 62 857								
Capital and reserves								
5 234 23 014 23 014 23 014 23 014 23 012 23 011								
Capital reserve fund								
154 763 154 763 204 263 253 763 305 738 305 738 305 738								
Borrowings								
119 627 139 642 139 642 138 729 138 729 138 729 135 432								
Trade and other payables								
612 861 876 312 312 312 312								
Taxation								
– 46 – – 3 4 4								
Provisions								
892 921 1 070 870 870 870 870								
Total equity and liabilities								
280 059 329 344 397 212 447 707 511 285 522 105 528 224								

Expenditure trends

The fund generates revenue from interest on loans disbursed to retail credit intermediaries. Between 2008/09 and 2011/12, revenue grew marginally from R42.5 million to R42.7 million, at an average annual rate of 0.1 per cent. Over the medium term, revenue is expected to increase to R48.9 million, at an average annual rate of 4.6 per cent. The largest item on the balance sheet is the capital reserves fund, which includes a R151 million recapitalisation grant received from the department between 2010/11 and 2012/13.

Expenditure grew from R34.2 million in 2008/09 to R40 million in 2011/12, at an average annual rate of 5.3 per cent, mostly due to inflationary adjustments to spending on compensation of employees. Over the medium term, spending is expected to decrease to R39.5 million, at an average annual rate of 0.4 per cent as the fund realises expenditure cuts on consultants.

The fund's loan book increased from R190.8 million in 2008/09 to R276.1 million in 2011/12 as the entity expanded its business. In the light of the current economic environment and its impact on the housing market, the loan book is expected to increase to R281.3 million over the medium term. Consequently, borrowed funds are expected to decrease marginally to R135.4 million in 2014/15. Borrowing is used to leverage funds for wholesale credit to retail credit intermediaries.

Personnel information

Table 31.33 Rural Housing Loan Fund

	Personnel post status as at 30 September 2011			Number of personnel posts filled / planned for on funded establishment						
	Number of post on approved establishment	Number of funded posts	Number of vacant posts	Actual			Mid-year ¹	Medium-term estimate		
				2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Executive board members	1	1	–	1	1	1	1	1	1	1
Executive management	2	2	1	1	1	1	1	2	2	2
Senior management	1	1	–	1	1	1	1	1	1	1
Middle management	1	1	–	1	1	1	1	1	1	1
Professionals	6	6	–	3	5	6	6	6	6	6
Skilled	1	1	1	–	–	–	–	2	2	2
Semi-skilled	1	1	–	1	1	1	1	1	1	1
Total	13	13	2	8	10	11	11	14	14	14
Compensation (R thousand)				5 668	5 287	6 718	8 013	8 871	9 580	10 347
Unit cost (R thousand)				709	529	611	728	634	684	739

1. As at 30 September 2011.

As at 30 September 2011, the fund had an establishment of 13 posts, of which 11 are filled and 2 are vacant positions. 9 are full-time staff members and 2 are temporary. The number of filled posts is expected to increase from 12 employees in 2011/12 to 14 employees in 2012/13. This increase in staff is required to develop internal capacity to conduct the impact investigation activities previously performed by consultants.

The posts of chief operations officer and receptionist are vacant. The chief operations officer position was recently created to effectively deal with the increasing business activities.

Additional tables

Table 31.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	2010/11		2010/11	2011/12			2011/12
Administration	176 200	211 997	188 577	232 435	676	233 111	233 111
Housing Policy, Research and Monitoring	45 900	47 686	32 636	39 215	227	39 442	39 442
Housing Planning and Delivery Support	206 800	225 221	158 375	156 163	38 848	195 011	195 011
Housing Development Finance	18 612 343	18 663 357	18 449 553	21 995 147	202 352	22 197 499	22 017 499
Strategic Relations and Governance	174 400	157 660	87 384	155 535	4 943	160 478	160 478
Total	19 215 643	19 305 921	18 916 525	22 578 495	247 046	22 825 541	22 645 541

Economic classification

Current payments	599 465	626 922	439 085	642 204	6 684	648 888	648 888
Compensation of employees	290 166	289 006	216 455	319 004	(16 737)	302 267	302 267
Goods and services	309 299	337 431	222 456	322 670	23 402	346 072	346 072
Interest and rent on land	–	485	174	530	19	549	549
Transfers and subsidies	18 456 919	18 506 924	18 357 929	21 700 605	180 671	21 881 276	21 881 276
Provinces and municipalities	18 174 725	18 189 725	18 000 135	21 208 514	180 000	21 388 514	21 388 514
Departmental agencies and accounts	277 194	312 193	346 193	487 091	–	487 091	487 091
Foreign governments and international organisations	1 000	1 000	684	1 000	–	1 000	1 000
Households	4 000	4 006	10 917	4 000	671	4 671	4 671
Payments for capital assets	159 259	172 075	119 312	235 686	59 681	295 367	115 367
Buildings and other fixed structures	153 060	153 060	108 559	231 500	57 143	288 643	108 643
Machinery and equipment	5 796	16 372	10 383	3 961	2 528	6 489	6 489
Software and other intangible assets	403	2 643	370	225	10	235	235
Payments for financial assets	–	–	199	–	10	10	10
Total	19 215 643	19 305 921	18 916 525	22 578 495	247 046	22 825 541	22 645 541

Table 31.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Compensation of employees (R thousand)	134 209	166 857	289 006	302 267	336 989	357 483	377 607
Training expenditure (R thousand)	2 870	2 301	3 025	5 075	4 257	4 553	4 826
Training as percentage of compensation	2.1%	1.4%	1.0%	1.7%	1.3%	1.3%	1.3%
Total number trained in department (headcount)	168	236	629	424			
<i>of which:</i>							
Employees receiving bursaries (headcount)	35	35	68	49			
Learnerships (headcount)	–	–	36	–			
Internships (headcount)	16	–	40	45			
Households receiving bursaries (R thousand)	250	128	9 646	4 671	4 000	4 220	4 473
Households receiving bursaries (headcount)	21	86	116	76			

Table 31.C Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Conditional grants to provinces							
Housing Development Finance							
Human settlements development grant	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	7 808 321
Total	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 808 321
Conditional grants to municipalities							
Housing Development Finance							
Urban settlements development grant	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596
Total	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596

1. Detail provided in the Division of Revenue Act (2012).

Table 31.D Summary of donor funding

Donor	Project	Departmental programme name	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2008/09	2009/10	2010/11		2011/12	2012/13	2013/14
R thousand													
Foreign													
In cash													
Denmark	Energy efficiency project by providing solar power to subsidised houses	Housing Development Finance	3 years	2 133	Departmental agencies and accounts	Provided technical and funding support on the energy efficiency programme in subsidised housing	1 463	1 463	-	-	-	-	-
Total				2 133			1 463	1 463	-	-	-	-	-

Table 31.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate					
				2008/09	2009/10	2010/11		2012/13	2013/14	2014/15			
R thousand													
Departmental infrastructure													
Rural household infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	61 614		77 508	479 500	389 000				
Accelerated community infrastructure programme	Basic water and sanitation infrastructure provided	Various	-	198	46 945		31 135	-	-				
Infrastructure transfers to other spheres, agencies and departments													
Human settlements development grant	Houses completed and sites serviced	Various	-	8 727 582	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 808 321			
Urban settlements development grant for cities	Bulk infrastructure installed	Identification	-	3 572 377	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 545 596			
Total			-	12 300 157	15 237 441	18 108 694	21 497 157	23 597 665	26 449 778	28 353 917			

National Treasury
BUDGET 2012
ESTIMATES OF NATIONAL EXPENDITURE

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