

BUDGET 2013



ESTIMATES OF NATIONAL EXPENDITURE VOTE 31: Human Settlements



national treasury

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REPUBLIC OF SOUTH AFRICA

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2013

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The Estimates of National Expenditure 2013 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 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



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. In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications. In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes. Progress made on the implementation of key existing and new infrastructure projects is discussed with all infrastructure projects shown in an additional table.

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; 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 million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	422.4	420.0	–	2.4	426.9	445.1
Human Settlements Policy, Strategy and Planning	84.1	82.7	1.1	0.3	89.3	93.0
Programme Delivery Support	226.9	218.5	7.5	1.0	239.3	251.3
Housing Development Finance	27 377.1	75.6	27 301.3	0.3	29 450.6	31 957.2
Total expenditure estimates	28 110.5	796.8	27 309.8	3.9	30 206.2	32 746.6
Executive authority	Minister of Human Settlements					
Accounting officer	Director General of Human Settlements					
Website address	www.dhs.gov.za					

The Estimates of National Expenditure e-publications for individual votes are available on www.treasury.gov.za. These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.

Aim

Facilitate the creation of sustainable human settlements and the improvement to the quality of the lives of households.

Mandate

In addition to the mandate derived from the Constitution, the Department of Human Settlements derives its responsibilities from section 3 of the Housing Act (1997). According to the act, the department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:

- determining national policy, including national norms and standards, in respect of housing and human settlements development
- setting broad national housing delivery goals
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals
- building the capacity of provinces and municipalities
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

Strategic goals

The department's strategic goals over the medium term are to:

- accelerate delivery of housing opportunities
- improve access to basic services
- use land more efficiently for the creation of sustainable settlements
- improve the property market.

Programme purposes

Programme 1: Administration

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

Programme 2: Human Settlements Policy, Strategy and Planning

Purpose: Manage the development and compliance with human settlements sector delivery frameworks and intergovernmental relations, and oversee integrated human settlements strategic and planning services.

Programme 3: Programme Delivery Support

Purpose: Support the execution of human settlement programmes and projects and oversee the implementation of the household sanitation programme.

Programme 4: Housing Development Finance

Purpose: Fund and monitor the delivery of all housing and human settlements programmes, including oversight of public entities reporting to the Minister of Human Settlements and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

Selected performance indicators

Table 31.1 Human Settlements

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10 ¹	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of additional municipalities assessed for accreditation level 2 per year	Human Settlements Policy, Strategy and Planning	Outcome 8: Sustainable human settlements and improved quality of household life	–	6	10	10	5	5	5
Total number of municipalities provided with technical assistance for informal settlement upgrading	Programme Delivery Support		–	20	20	20	49	49	49
Number of additional residential units completed per year	Housing Development Finance		161 854	121 879	120 610	72 223 ²	132 705	138 540	137 898
Number of additional sites serviced per year (greenfield)	Housing Development Finance		64 362	63 546	58 587	26 308 ²	77 248	81 883	85 568
Number of additional households upgraded in well located informal settlements with access to secure tenure and basic services per year (brownfield)	Housing Development Finance		–	52 383	66 639	22 460 ²	62 752	66 517	69 510
Number of additional hectares of land prepared for human settlements development per year	Housing Development Finance		–	4 945	2 000	2 000	2 000	2 000	2 000
Number of additional loans granted in the affordable housing segment per year	Housing Development Finance		–	47 616	69 576	69 970	63 798	62 344	67 527
Number of additional households provided with on site sanitation in rural areas per year	Housing Development Finance		–	11 652	19 225	5 818	11 858	12 296	12 588

1. Dashes indicate that the data was not available as the programme had not started or that data was not collected.

2. Figures for 2012/13 are up to December 2012.

The national development plan

The national development plan highlights the need to provide for a more efficient urban space where suitable shelter is provided in terms of demographic profile, typology and location. This is consistent with sustainable human settlements and improved quality of household life (outcome 8), on which the department delivers. Departmental programmes such as the social housing programme and the informal settlement upgrading programme provide for higher densities in locations with access to public transport and socioeconomic services. Social housing delivers medium density rental housing in designated restructuring zones and aims to improve the quality of neighbourhoods. Through the informal settlements programme, the in-situ upgrading of informal settlements that are well located provides secure tenure and access to basic services that improve the quality of the lives of households. The department is drafting a green paper for human settlements to support the national development plan's vision.

Expenditure estimates

Table 31.2 Human Settlements

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	243.9	283.2	274.5	430.3	420.3	19.9%	1.5%	422.4	426.9	445.1	1.9%	1.5%
Human Settlements Policy, Strategy and Planning	40.4	46.2	60.9	67.9	67.9	18.9%	0.3%	84.1	89.3	93.0	11.0%	0.3%
Programme Delivery Support	111.2	126.0	149.1	196.0	151.0	10.7%	0.6%	226.9	239.3	251.3	18.5%	0.7%
Housing Development Finance	16 011.9	18 461.2	22 114.4	24 443.7	24 243.7	14.8%	97.6%	27 377.1	29 450.6	31 957.2	9.6%	97.5%
Total	16 407.4	18 916.5	22 598.9	25 137.8	24 882.8	14.9%	100.0%	28 110.5	30 206.2	32 746.6	9.6%	100.0%
Change to 2012 Budget estimate				(125.4)	(380.4)			(117.4)	89.6	1 244.7		
Economic classification												
Current payments	452.5	439.1	494.3	734.2	679.2	14.5%	2.5%	796.8	824.8	857.3	8.1%	2.7%
Compensation of employees	166.9	216.5	242.7	320.0	320.0	24.2%	1.1%	366.0	390.0	417.8	9.3%	1.3%
Goods and services	285.4	222.5	251.3	413.2	358.2	7.9%	1.3%	430.4	434.4	439.0	7.0%	1.4%
of which:												
Administration fees	0.1	0.2	0.4	1.0	1.0	136.2%	0.0%	0.1	0.2	0.2	-45.5%	0.0%
Advertising	24.3	5.3	10.4	23.1	23.1	-1.7%	0.1%	22.1	23.1	24.2	1.5%	0.1%
Assets less than the capitalisation threshold	1.4	1.8	1.6	4.5	4.5	49.1%	0.0%	13.8	5.8	3.9	-4.8%	0.0%
Audit cost: External	5.2	6.5	5.2	7.4	7.4	12.6%	0.0%	7.9	8.2	8.6	5.2%	0.0%
Bursaries: Employees	0.8	1.1	1.1	2.3	2.3	41.7%	0.0%	2.3	2.4	2.5	3.7%	0.0%
Catering: Departmental activities	3.9	1.4	3.7	5.3	5.3	10.6%	0.0%	2.9	3.0	3.1	-15.7%	0.0%
Communication	6.7	7.3	8.1	11.6	11.6	20.2%	0.0%	12.0	12.6	13.1	4.1%	0.0%
Computer services	58.5	27.9	12.9	53.1	53.1	-3.1%	0.2%	51.4	53.8	56.3	1.9%	0.2%
Consultants and professional services: Business and advisory services	62.2	74.9	100.0	166.6	121.6	25.1%	0.4%	184.7	185.8	181.2	14.2%	0.6%
Consultants and professional services: Legal costs	2.1	1.0	3.6	2.4	2.4	5.3%	0.0%	2.6	2.8	2.9	6.0%	0.0%
Contractors	1.7	2.2	2.9	3.2	3.2	23.2%	0.0%	3.3	3.4	3.7	4.6%	0.0%
Agency and support / outsourced services	33.4	3.9	0.9	9.5	9.5	-34.3%	0.1%	4.8	4.6	4.7	-20.9%	0.0%
Entertainment	0.2	0.1	0.2	0.9	0.9	60.4%	0.0%	1.1	1.2	1.2	10.8%	0.0%
Fleet services (including government motor transport)	-	-	0.1	0.4	0.4	0.0%	0.0%	-	-	-	-100.0%	0.0%
Inventory: Food and food supplies	0.1	0.0	0.2	0.4	0.4	75.8%	0.0%	0.3	0.3	0.4	-1.4%	0.0%
Inventory: Fuel, oil and gas	0.3	0.4	0.3	0.7	0.7	39.7%	0.0%	0.8	0.8	0.8	7.0%	0.0%
Inventory: Learner and teacher support material	0.0	-	-	0.2	0.2	115.1%	0.0%	0.2	0.3	0.3	6.6%	0.0%
Inventory: Materials and supplies	0.0	0.0	-	0.1	0.1	367.2%	0.0%	0.1	0.1	0.1	4.1%	0.0%
Inventory: Other consumables	0.8	0.6	2.2	1.1	1.1	12.2%	0.0%	2.0	2.1	2.2	27.6%	0.0%
Inventory: Stationery and printing	7.0	4.2	2.0	9.8	9.8	11.8%	0.0%	14.0	15.2	15.9	17.4%	0.0%
Operating leases	6.7	25.2	18.0	40.5	30.5	66.0%	0.1%	36.4	39.1	40.9	10.2%	0.1%
Property payments	0.7	0.9	4.2	4.1	4.1	79.5%	0.0%	3.1	2.3	2.4	-16.8%	0.0%
Travel and subsistence	53.2	40.7	56.5	44.6	44.6	-5.7%	0.2%	43.4	45.4	47.5	2.1%	0.2%
Training and development	2.3	3.0	3.2	5.4	5.4	32.6%	0.0%	5.2	5.5	5.7	2.1%	0.0%
Operating payments	3.6	2.9	2.3	6.6	6.6	22.9%	0.0%	9.8	10.2	10.7	17.5%	0.0%
Venues and facilities	10.4	10.8	11.4	8.2	8.2	-7.3%	0.0%	5.9	6.2	6.5	-7.6%	0.0%
Interest and rent on land	0.3	0.2	0.2	1.0	1.0	56.2%	0.0%	0.4	0.4	0.5	-20.2%	0.0%
Transfers and subsidies	15 948.0	18 357.9	21 881.1	24 044.5	24 044.5	14.7%	96.9%	27 309.8	29 377.2	31 882.8	9.9%	97.1%
Provinces and municipalities	15 237.4	18 000.1	21 388.5	23 118.2	23 118.2	14.9%	93.9%	26 167.5	28 366.1	30 485.3	9.7%	93.3%
Departmental agencies and accounts	352.6	346.2	484.1	912.8	912.8	37.3%	2.5%	1 133.8	1 002.1	1 388.0	15.0%	3.8%
Higher education institutions	-	-	-	3.1	3.1	0.0%	0.0%	3.2	3.4	3.6	5.0%	0.0%
Foreign governments and international organisations	0.7	0.7	0.5	1.0	1.0	10.3%	0.0%	1.1	1.1	1.2	4.8%	0.0%
Non-profit institutions	-	-	-	0.4	0.4	0.0%	0.0%	-	-	-	-100.0%	0.0%
Households	357.2	10.9	8.0	9.1	9.1	-70.6%	0.5%	4.2	4.5	4.7	-19.7%	0.0%
Payments for capital assets	6.7	119.3	223.6	359.1	159.1	188.0%	0.6%	3.9	4.2	6.5	-65.6%	0.1%
Buildings and other fixed structures	-	108.6	219.7	340.6	140.6	0.6%	0.6%	-	-	-	-100.0%	0.1%
Machinery and equipment	6.0	10.4	3.9	16.9	16.9	41.0%	0.0%	3.7	4.0	6.2	-28.3%	0.0%
Software and other intangible assets	0.6	0.4	0.0	1.6	1.6	35.5%	0.0%	0.2	0.2	0.3	-45.2%	0.0%
Payments for financial assets	0.2	0.2	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Total	16 407.4	18 916.5	22 598.9	25 137.8	24 882.8	14.9%	100.0%	28 110.5	30 206.2	32 746.6	9.6%	100.0%

Personnel information

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

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment															Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
Human Settlements		860		-	681	240.6	0.4	665	256.5	0.4	860	363.4	0.4	860	384.8	0.4	860	410.2	0.5	8.9%	100.0%	
Salary Level																						
1 – 6		225		-	196	22.9	0.1	206	30.9	0.2	225	40.6	0.2	225	43.0	0.2	225	45.9	0.2	3.0%	27.1%	
7 – 10		368		-	287	83.9	0.3	271	83.1	0.3	368	118.8	0.3	368	125.9	0.3	368	134.2	0.4	10.7%	42.4%	
11 – 12		158		-	120	64.7	0.5	114	70.3	0.6	158	95.0	0.6	158	100.6	0.6	158	107.2	0.7	11.5%	18.1%	
13 – 16		109		-	78	69.1	0.9	74	72.2	1.0	109	108.9	1.0	109	115.4	1.1	109	123.0	1.1	13.8%	12.4%	

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on making transfers to provinces and municipalities under the human settlements development and urban settlement development conditional grants to accelerate the delivery of low income housing and basic services to households. These transfers are reflected in the *Housing Development Finance* programme, which is the main proponent of expenditure growth in the department and constitutes 97.4 per cent of the department's total budget in 2013/14. Making the transfers will allow the department to deliver an additional 409 143 low income houses and upgrade 198 779 sites in informal settlements over the medium term. The projected growth in the delivery of low income houses is slower than the projected growth in expenditure over the medium term due to increasing construction costs and a shift in focus towards providing access to secure tenure and basic services.

Additional allocations for social housing in the form of transfers to public entities reporting to the department are expected to increase significantly over the medium term. The increase is expected to result in the delivery of approximately 6 000 additional medium density rental housing units in designated restructuring zones in cities and large towns for households with a monthly income of between R1 500 and R7 500.

Spending on buildings and other fixed structures related to the rural sanitation programme ceased in 2012/13 after the rural household infrastructure grant was converted into a direct grant to rural municipalities in the 2013 Budget. The grant was converted to support the local government turnaround strategy to strengthen municipalities' ability to deliver basic services to households.

Spending on consultants is related to technical assistance to 49 municipalities with regard to upgrading informal settlements under the national upgrading support programme. The technical assistance includes rapid assessments of informal settlements, and detailed and transformational planning of settlements.

Cabinet approved reductions of R824.1 million are effected over the medium term. The department will therefore reduce spending mainly on the rural household infrastructure grant, which has underperformed, and the urban settlements development grant, which has been spent at a slower rate than expected. Further savings of R81.4 million over the medium term are also expected on spending on compensation of employees and non-core goods and services items, such as agency and support services, consultants, and computer services, as well as payments for capital assets, specifically on items related to the acquisition of machinery and equipment.

The number of filled posts is expected to grow to 860 over the medium term as the department continues to implement its organisational structure in line with its turnaround strategy, which came into effect in 2012/13 following a review of the department's institutional capacity and resources required to deliver on the outputs related to realising sustainable human settlements and improved quality of household life (outcome 8). Spending on compensation of employees is expected to increase mainly for the same reason.

As at 30 September 2012, there were 195 vacancies within the department, 160 of which were in salary levels 1 to 12 and 35 were in salary levels 13 to 16. Most of these vacancies are in the *Programme Delivery Support*

programme and are due to the organisational review completed in 2012/13. The department expects to fill these posts over the medium term. The ratio of the support staff to line staff is 1:1.

Infrastructure spending

The department is not directly involved in the implementation of infrastructure projects. Its spending on infrastructure is through grants transferred to the provinces, municipalities and public entities that implement the infrastructure projects. This includes:

- R17 billion in 2013/14, R17.9 billion in 2014/15 and R19.7 billion in 2015/16 for the human settlements development grants
- R30.1 billion over the MTEF period for the urban settlements development grant
- R106.7 million in 2013/14, R113.1 million in 2014/15 and R118.3 million in 2015/16 for the rural household infrastructure grant
- R3 billion over the MTEF period for the capital transfer to the Social Housing Regulatory Authority for medium density rental housing.

Departmental receipts

Table 31.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
Departmental receipts	749	2 826	610	1 270	910	6.7%	100.0%	595	630	652	-10.5%	100.0%
Sales of goods and services produced by department	90	121	300	165	166	22.6%	13.3%	176	186	199	6.2%	26.1%
Sales by market establishments	31	35	196	48	48	15.7%	6.1%	51	54	58	6.5%	7.6%
of which:												
Parking	31	35	196	48	48	15.7%	6.1%	51	54	58	6.5%	7.6%
Administration fees	59	86	104	116	117	25.6%	7.2%	124	131	139	5.9%	18.3%
of which:												
Commission on insurance	59	86	104	116	117	25.6%	7.2%	124	131	139	5.9%	18.3%
Other sales	-	-	-	1	1	-	-	1	1	2	26.0%	0.2%
of which:												
Replacement of security cards	-	-	-	1	1	-	-	1	1	2	26.0%	0.2%
Sales of scrap, waste, arms and other used current goods	1	2	2	2	3	44.2%	0.2%	2	2	3	-	0.4%
of which:												
Paper	1	2	2	2	3	44.2%	0.2%	2	2	3	-	0.4%
Interest, dividends and rent on land	46	23	23	55	31	-12.3%	2.4%	58	61	63	26.7%	7.6%
Interest	46	23	23	55	31	-12.3%	2.4%	58	61	63	26.7%	7.6%
Transactions in financial assets and liabilities	612	2 680	285	1 048	710	5.1%	84.1%	359	381	387	-18.3%	65.9%
Total	749	2 826	610	1 270	910	6.7%	100.0%	595	630	652	-10.5%	100.0%

Programme 1: Administration

Expenditure estimates

Table 31.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand												
Ministry	32 760	24 395	25 850	30 484	-2.4%	9.2%	31 809	33 366	35 152	4.9%	7.6%	
Departmental Management	39 488	88 546	77 327	110 698	41.0%	25.7%	108 793	104 445	110 417	-0.1%	25.2%	
Corporate Services	146 807	122 003	124 076	206 460	12.0%	48.7%	205 868	208 255	216 194	1.5%	48.5%	
Property Management	4 076	23 126	17 586	41 156	116.1%	7.0%	34 403	36 020	37 677	-2.9%	8.7%	
Financial Management	20 800	25 122	29 703	41 480	25.9%	9.5%	41 526	44 862	45 665	3.3%	10.1%	
Total	243 931	283 192	274 542	430 278	20.8%	100.0%	422 399	426 948	445 105	1.1%	100.0%	
Change to 2012 Budget estimate				15 500			(4 547)	(23 252)	445 105			

Table 31.5 Administration (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	2012/13 - 2015/16	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R thousand												
Current payments	238 649	273 667	271 713	416 581	20.4%	97.5%	420 038	424 363	440 302	1.9%	98.6%	
Compensation of employees	89 708	116 764	130 088	169 026	23.5%	41.0%	180 016	191 707	205 998	6.8%	43.3%	
Goods and services	148 789	156 804	141 483	247 170	18.4%	56.4%	239 883	232 511	234 058	-1.8%	55.3%	
of which:												
Administration fees	70	110	348	782	123.5%	0.1%	135	141	147	-42.7%	0.1%	
Advertising	16 991	3 129	9 286	18 718	3.3%	3.9%	18 394	19 258	20 144	2.5%	4.4%	
Assets less than the capitalisation threshold	949	1 053	966	2 347	35.2%	0.4%	11 653	3 522	1 532	-13.3%	1.1%	
Audit cost: External	5 185	6 541	5 208	7 407	12.6%	2.0%	7 742	8 106	8 479	4.6%	1.8%	
Bursaries: Employees	265	682	1 135	2 200	102.5%	0.3%	2 306	2 415	2 526	4.7%	0.5%	
Catering: Departmental activities	3 122	803	2 355	2 750	-4.1%	0.7%	1 661	1 740	1 819	-12.9%	0.5%	
Communication	5 311	4 636	5 031	6 465	6.8%	1.7%	5 980	6 260	6 549	0.4%	1.5%	
Computer services	58 382	26 800	7 714	51 635	-4.0%	11.7%	48 846	51 143	53 495	1.2%	11.9%	
Consultants and professional services: Business and advisory services	15 258	54 793	40 448	55 846	54.1%	13.5%	52 997	45 516	40 617	-10.1%	11.3%	
Consultants and professional services: Legal costs	2 081	988	3 617	2 433	5.3%	0.7%	2 645	2 769	2 897	6.0%	0.6%	
Contractors	1 317	2 072	2 700	2 393	22.0%	0.7%	2 147	2 250	2 353	-0.6%	0.5%	
Agency and support / outsourced services	3 780	1 370	851	5 205	11.3%	0.9%	1 495	1 565	1 638	-32.0%	0.6%	
Entertainment	157	87	112	702	64.7%	0.1%	848	887	927	9.7%	0.2%	
Fleet services (including government motor transport)	-	-	88	345	-	-	-	-	-	-100.0%	-	
Inventory: Food and food supplies	67	13	-	264	57.9%	-	187	195	204	-8.2%	-	
Inventory: Fuel, oil and gas	215	281	313	622	42.5%	0.1%	700	735	768	7.3%	0.2%	
Inventory: Learner and teacher support material	22	-	-	208	111.5%	-	231	242	253	6.7%	0.1%	
Inventory: Materials and supplies	1	31	-	64	300.0%	-	39	41	42	-13.1%	-	
Inventory: Medicine	-	-	-	20	-	-	-	-	-	-100.0%	-	
Inventory: Military stores	-	-	-	32	-	-	-	-	-	-100.0%	-	
Inventory: Other consumables	452	412	1 875	490	2.7%	0.3%	1 894	1 984	2 075	61.8%	0.4%	
Inventory: Stationery and printing	3 183	1 759	652	5 321	18.7%	0.9%	8 817	9 230	9 653	22.0%	1.9%	
Operating leases	6 189	24 720	17 677	39 696	85.8%	7.2%	35 056	37 651	39 383	-0.3%	8.8%	
Property payments	712	948	4 204	4 129	79.7%	0.8%	3 013	2 224	2 326	-17.4%	0.7%	
Transport provided: Departmental activity	-	-	-	-	-	-	16	-	-	-	-	
Travel and subsistence	17 895	17 712	26 328	22 577	8.1%	6.9%	20 331	21 288	22 266	-0.5%	5.0%	
Training and development	1 273	2 380	3 154	5 282	60.7%	1.0%	5 055	5 294	5 537	1.6%	1.2%	
Operating payments	1 761	1 881	1 260	3 840	29.7%	0.7%	5 287	5 535	5 790	14.7%	1.2%	
Venues and facilities	4 151	3 603	6 161	5 397	9.1%	1.6%	2 408	2 520	2 638	-21.2%	0.8%	
Interest and rent on land	152	99	142	385	36.3%	0.1%	139	145	246	-13.9%	0.1%	
Transfers and subsidies	198	10	59	17	-55.9%	-	-	-	-	-100.0%	-	
Households	198	10	59	17	-55.9%	-	-	-	-	-100.0%	-	
Payments for capital assets	4 901	9 441	2 765	13 680	40.8%	2.5%	2 361	2 585	4 803	-29.5%	1.4%	
Machinery and equipment	4 275	9 071	2 737	12 150	41.6%	2.3%	2 128	2 340	4 547	-27.9%	1.2%	
Software and other intangible assets	626	370	28	1 530	34.7%	0.2%	233	245	256	-44.9%	0.1%	
Payments for financial assets	183	74	5	-	-100.0%	-	-	-	-	-	-	
Total	243 931	283 192	274 542	430 278	20.8%	100.0%	422 399	426 948	445 105	1.1%	100.0%	
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	1.2%	1.7%			1.5%	1.4%	1.4%			
Details of transfers and subsidies												
Households												
Other transfers to households												
Current	198	10	59	17	-55.9%	-	-	-	-	-100.0%	-	
Gifts to foreign dignitaries	12	-	-	-	-100.0%	-	-	-	-	-	-	
Gifts on retirement	186	10	59	17	-55.0%	-	-	-	-	-100.0%	-	

Personnel information

Table 31.6 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary Level	455	-	410	130.1	0.3	399	139.1	0.3	455	176.0	0.4	455	186.4	0.4	455	198.7	0.4	4.5%	100.0%
1 – 6	171	-	161	18.6	0.1	172	26.0	0.2	171	30.3	0.2	171	32.1	0.2	171	34.2	0.2	-0.2%	38.8%
7 – 10	169	-	151	42.2	0.3	137	41.8	0.3	169	52.5	0.3	169	55.6	0.3	169	59.3	0.4	7.2%	36.5%
11 – 12	61	-	53	28.3	0.5	47	28.8	0.6	61	36.7	0.6	61	38.9	0.6	61	41.4	0.7	9.1%	13.0%
13 – 16	54	-	45	41.0	0.9	43	42.4	1.0	54	56.5	1.0	54	59.9	1.1	54	63.8	1.2	7.9%	11.6%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on strengthening the management information services that maintain the housing subsidy system, expanding the scope of the investigations undertaken by the Special Investigating Unit, and strengthening the department's financial management capacity in relation to procurement and supply chain management.

Spending in the *Corporate Services* subprogramme, which takes up a significant portion of the programme's budget to provide all the administrative support to the department, declined between 2009/10 and 2010/11 due to the cancellation of the human settlements advertising campaign as part of departmental savings measures undertaken during that period. Spending in the *Departmental Management* subprogramme increased by 124.2 per cent between 2009/10 and 2010/11 as a result of spending on consultants and professional services, which increased due to allocations made for investigations undertaken by the Special Investigating Unit into fraudulent activities relating to the allocation of housing subsidies. Spending in the *Property Management* subprogramme increased significantly between 2009/10 and 2012/13 for the provision of office space to accommodate additional staff following the review of the department's organisational structure in 2012/13.

The decline in expenditure on computer services between 2010/11 and 2011/12 was due to the State Information Technology Agency being unable to invoice the department for the housing subsidy system and thus funding allocated could not be spent as planned. Expenditure is expected to increase over the medium term as the multi-year service level agreement between the State Information Technology Agency and the department was finalised.

As part of the Cabinet approved reductions, the programme will reduce spending by R37.4 million over the medium term on non-core goods and services items, such as computer services, consultants and advertising, as well as spending on payments for capital assets. The programme had a 12 per cent vacancy rate in 2012/13 following the organisational structuring. The vacancies are to be filled over the medium term.

Programme 2: Human Settlements Policy, Strategy and Planning

Objectives

- Ensure compliance with human settlements governance frameworks by developing and maintaining policies, and norms and standards for human settlements development on a continual basis.
- Promote sustainable human settlements development by drafting the human settlements macro strategy and related plan for the sector, as contained in the national development plan 2030, by 2014.
- Implement a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the human settlements planning frameworks and processes on an ongoing basis.

- Improve the development of sustainable human settlements by facilitating the accreditation of 27 municipalities by 2014 to administer national housing and human settlements programmes.
- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the human settlements development value chain on an ongoing basis.

Subprogrammes

- *Management for Policy, Strategy and Planning* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Human Settlements Policy Frameworks* manages the development of the National Housing Code, provides advisory services to provinces and municipalities in relation to the application of the code, and facilitates the accreditation of municipalities. Over the medium term, the focus will be on aligning policy with the broader human settlements mandate, and evaluating the norms and standards for low income housing delivery. This subprogramme had a staff complement of 20 in 2012/13.
- *Human Settlements Strategy and Planning* manages the research, development and evaluation of the human settlements macro strategy; manages the human settlements planning framework; and communicates the national human settlements development plan to sector stakeholders through the implementation of international and intergovernmental programmes and plans. Contributions are made to support the work of the United Nations Human Settlements Programme, the Cities Alliance, and related regional and international support and assistance. This subprogramme had a staff complement of 54 in 2012/13.

Expenditure estimates

Table 31.7 Human Settlements Policy, Strategy and Planning

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand					2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Management for Policy, Strategy and Planning	1 678	2 394	1 966	2 501	14.2%	4.0%	5 845	6 166	6 504	37.5%	6.3%
Human Settlements Policy Frameworks	12 495	15 446	14 744	23 330	23.1%	30.6%	27 752	29 301	30 209	9.0%	33.1%
Human Settlements Strategy and Planning	26 249	28 342	44 204	42 071	17.0%	65.4%	50 458	53 834	56 254	10.2%	60.6%
Total	40 422	46 182	60 914	67 902	18.9%	100.0%	84 055	89 301	92 967	11.0%	100.0%
Change to 2012 Budget estimate				-			14 234	15 585	92 967		
Economic classification											
Current payments	39 111	44 839	60 017	65 506	18.8%	97.2%	82 679	87 848	91 462	11.8%	98.0%
Compensation of employees	22 683	27 613	30 651	40 781	21.6%	56.5%	59 554	63 649	67 404	18.2%	69.2%
Goods and services	16 401	17 198	29 354	24 579	14.4%	40.6%	23 021	24 092	23 943	-0.9%	28.6%
of which:											
Administration fees	6	-	-	65	121.3%	-	7	8	8	-50.3%	-
Advertising	876	407	25	1 331	15.0%	1.2%	2 266	2 372	2 481	23.1%	2.5%
Assets less than the capitalisation threshold	93	173	284	742	99.8%	0.6%	1 040	1 088	1 140	15.4%	1.2%
Bursaries: Employees	138	60	-	65	-22.2%	0.1%	-	-	-	-100.0%	-
Catering: Departmental activities	592	180	575	925	16.0%	1.1%	618	647	677	-9.9%	0.9%
Communication	484	826	1 000	1 289	38.6%	1.7%	1 412	1 479	1 546	6.2%	1.7%
Computer services	97	37	27	108	3.6%	0.1%	83	86	91	-5.5%	0.1%
Consultants and professional services:	2 496	3 386	12 382	7 172	42.2%	11.8%	4 151	4 346	3 276	-23.0%	5.7%
Business and advisory services											
Contractors	107	22	63	130	6.7%	0.1%	366	245	402	45.7%	0.3%
Agency and support / outsourced services	2 806	401	-	2 864	0.7%	2.8%	869	510	402	-48.0%	1.4%
Entertainment	29	11	12	61	28.1%	0.1%	78	82	86	12.1%	0.1%
Inventory: Food and food supplies	-	-	-	26	-	-	49	51	53	26.8%	0.1%
Inventory: Learner and teacher support material	-	-	-	11	-	-	11	12	12	2.9%	-
Inventory: Materials and supplies	-	2	-	16	-	-	66	70	73	65.9%	0.1%
Inventory: Other consumables	158	205	316	422	38.7%	0.5%	16	17	17	-65.7%	0.1%
Inventory: Stationery and printing	309	451	527	1 377	64.6%	1.2%	1 826	2 435	2 547	22.8%	2.4%
Operating leases	128	116	70	116	-3.2%	0.2%	162	171	178	15.3%	0.2%

Table 31.7 Human Settlements Policy, Strategy and Planning (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R thousand											
Property payments	–	1	–	–	–	–	42	45	46	–	–
Travel and subsistence	5 710	6 734	10 401	6 289	3.3%	13.5%	8 009	8 386	8 772	11.7%	9.4%
Training and development	237	63	12	(160)	-187.7%	0.1%	–	–	–	-100.0%	–
Operating payments	530	113	215	796	14.5%	0.8%	652	683	714	-3.6%	0.9%
Venues and facilities	1 605	4 010	3 445	934	-16.5%	4.6%	1 298	1 359	1 422	15.0%	1.5%
Interest and rent on land	27	28	12	146	75.5%	0.1%	104	107	115	-7.6%	0.1%
Transfers and subsidies	745	873	462	1 400	23.4%	1.6%	1 050	1 113	1 150	-6.3%	1.4%
Foreign governments and international organisations	745	684	462	1 000	10.3%	1.3%	1 050	1 113	1 150	4.8%	1.3%
Non-profit institutions	–	–	–	400	–	0.2%	–	–	–	-100.0%	0.1%
Households	–	189	–	–	–	0.1%	–	–	–	–	–
Payments for capital assets	564	353	431	996	20.9%	1.1%	326	340	355	-29.1%	0.6%
Machinery and equipment	564	353	431	996	20.9%	1.1%	326	340	355	-29.1%	0.6%
Payments for financial assets	2	117	4	–	-100.0%	0.1%	–	–	–	–	–
Total	40 422	46 182	60 914	67 902	18.9%	100.0%	84 055	89 301	92 967	11.0%	100.0%
Proportion of total programme expenditure to vote expenditure	0.2%	0.2%	0.3%	0.3%			0.3%	0.3%	0.3%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	–	189	–	–	–	0.1%	–	–	–	–	–
Gifts on retirement	–	189	–	–	–	0.1%	–	–	–	–	–
Foreign governments and international organisations											
Current	745	684	462	1 000	10.3%	1.3%	1 050	1 113	1 150	4.8%	1.3%
Habitat Foundation	745	684	462	1 000	10.3%	1.3%	1 050	1 113	1 150	4.8%	1.3%
Non-profit institutions											
Current	–	–	–	400	–	0.2%	–	–	–	-100.0%	0.1%
South African Planning Institute	–	–	–	400	–	0.2%	–	–	–	-100.0%	0.1%

Personnel information

Table 31.8 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Human Settlements Policy, Strategy and Planning																			
Salary Level	120	–	78	35.7	0.5	76	38.0	0.5	120	61.5	0.5	120	65.1	0.5	120	69.4	0.6	16.4%	100.0%
1–6	14	–	9	1.0	0.1	9	1.2	0.1	14	2.6	0.2	14	2.7	0.2	14	2.9	0.2	15.9%	11.7%
7–10	48	–	30	8.9	0.3	30	9.4	0.3	48	15.7	0.3	48	16.6	0.3	48	17.7	0.4	17.0%	39.9%
11–12	35	–	24	12.8	0.5	24	14.9	0.6	35	21.2	0.6	35	22.5	0.6	35	24.0	0.7	13.4%	29.6%
13–16	23	–	15	13.0	0.9	13	12.5	1.0	23	22.0	1.0	23	23.3	1.0	23	24.8	1.1	20.9%	18.8%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on strengthening the planning processes in provinces and municipalities to develop a programmatic approach to human settlements development planning, and improving collaboration with stakeholders in the sector.

Spending on compensation of employees is the most significant contributor to expenditure growth in this programme. Expenditure on this item is expected to increase over the medium term as vacant posts are filled as the department implements its organisational structure following the completion of the organisational review in 2011/12. The number of additional municipalities being assessed for level 2 accreditation increased from 6 in

2010/11 to 10 in 2012/13 as part of the department's commitment to incrementally devolve the housing function from provinces to municipalities.

The increase in spending on consultants in 2011/12 can be attributed to an increase in the cost of consultancy services contracted to assess the capacity of 6 metropolitan municipalities to perform the housing function in terms of the municipal accreditation framework. Expenditure on travel and subsistence is expected to increase over the medium term due to department personnel visiting more housing projects and programmes across the country and attending international engagements.

As part of the Cabinet approved reductions, the programme will reduce spending by R15.6 million over the medium term on non-core goods and services, such as agency and support services. The programme had 120 funded posts on the approved establishment, 76 of which were filled as at 30 September 2012. The remainder are to be filled by 2013/14 as the department completes the implementation of its turnaround strategy.

Programme 3: Programme Delivery Support

Objectives

- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing ongoing technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects.
- Promote better human settlements outcomes in informal settlements through the progressive implementation of the national upgrading support programme in 49 municipalities.
- Ensure progress towards universal access to sanitation by improving access to household sanitation and regularly monitoring the implementation of the rural sanitation programme.
- 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 for Programme Delivery Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Programme Implementation Facilitation* is discussed in more detail below.
- *Technical Capacity Development* manages the development of sector specific technical skills for the human settlements sector through human settlements skills development programmes, develops national technical skills development strategies, provides support to provincial departments and manages the scholarship programme. This subprogramme had a staff complement of 30 in 2012/13.
- *Programme and Project Planning Support* monitors and reports on progress of specific strategic projects and programmes, including progress on provincial delivery agreements in terms of outcome 8. This subprogramme had a staff complement of 6 in 2012/13.
- *National Sanitation Programme* is discussed in more detail below.

Expenditure estimates

Table 31.9 Programme Delivery Support

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R thousand						2009/10 - 2012/13					2012/13 - 2015/16	
Management for Programme Delivery Support	28 504	4 670	1 387	2 887	-53.4%	6.4%	3 530	3 717	3 913	10.7%	1.5%	
Programme Implementation Facilitation	5 362	5 578	6 253	83 780	150.0%	17.3%	111 056	117 248	122 791	13.6%	47.6%	
Technical Capacity Development	31 503	27 464	38 741	31 454	-0.1%	22.2%	25 064	26 446	27 819	-4.0%	12.1%	
Programme and Project Planning Support	3 896	3 004	4 048	9 130	32.8%	3.4%	13 999	14 776	15 591	19.5%	5.9%	
National Sanitation Programme	41 895	85 254	98 648	68 715	17.9%	50.6%	73 273	77 148	81 191	5.7%	32.9%	
Total	111 160	125 970	149 077	195 966	20.8%	100.0%	226 922	239 335	251 305	8.6%	100.0%	
Change to 2012 Budget estimate				1 090			(3 518)	(3 901)	251 305			

Table 31.9 Programme Delivery Support (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R thousand											
Current payments	103 374	69 022	108 454	181 952	20.7%	79.5%	218 487	230 419	241 980	10.0%	95.5%
Compensation of employees	24 056	37 455	44 377	63 922	38.5%	29.2%	69 923	74 041	81 678	8.5%	31.7%
Goods and services	79 297	31 556	64 048	117 744	14.1%	50.3%	148 499	156 310	160 227	10.8%	63.8%
of which:											
Administration fees	–	–	9	16	–	–	7	2	7	-24.1%	–
Advertising	4 850	1 380	617	1 059	-39.8%	1.4%	950	999	1 041	-0.6%	0.4%
Assets less than the capitalisation threshold	260	177	152	429	18.2%	0.2%	328	344	360	-5.7%	0.2%
Audit cost: External	–	–	–	3	–	–	127	133	140	260.0%	–
Bursaries: Employees	182	352	–	–	-100.0%	0.1%	–	–	–	–	–
Catering: Departmental activities	79	240	672	990	132.3%	0.3%	157	164	171	-44.3%	0.2%
Communication	477	989	1 161	2 520	74.2%	0.9%	3 193	3 344	3 497	11.5%	1.4%
Computer services	–	–	–	133	–	–	243	254	266	26.0%	0.1%
Consultants and professional services:	23 363	10 043	43 778	97 979	61.3%	30.1%	126 209	132 973	135 812	11.5%	54.0%
Business and advisory services											
Contractors	281	85	166	174	-14.8%	0.1%	261	273	284	17.7%	0.1%
Agency and support / outsourced services	20 250	2 169	–	230	-77.5%	3.9%	1 182	1 237	1 294	77.9%	0.4%
Entertainment	11	8	83	80	93.7%	–	128	134	141	20.8%	0.1%
Fleet services (including government motor transport)	–	–	–	100	–	–	–	–	–	-100.0%	–
Inventory: Food and food supplies	1	–	–	47	260.9%	–	51	52	56	6.0%	–
Inventory: Fuel, oil and gas	36	112	–	62	19.9%	–	65	68	71	4.6%	–
Inventory: Materials and supplies	–	2	–	–	–	–	–	–	–	–	–
Inventory: Other consumables	143	3	22	91	-14.0%	–	82	85	90	-0.4%	–
Inventory: Stationery and printing	484	1 123	618	1 847	56.3%	0.7%	1 398	1 464	1 532	-6.0%	0.7%
Operating leases	134	83	152	767	78.9%	0.2%	912	955	999	9.2%	0.4%
Property payments	1	–	–	–	-100.0%	–	–	–	–	–	–
Travel and subsistence	24 001	12 063	14 566	8 959	-28.0%	10.2%	9 086	9 514	9 952	3.6%	4.1%
Training and development	301	133	17	30	-53.6%	0.1%	–	–	–	-100.0%	–
Operating payments	226	643	383	938	60.7%	0.4%	2 603	2 727	2 852	44.9%	1.0%
Venues and facilities	4 217	1 951	1 652	1 290	-32.6%	1.6%	1 517	1 588	1 662	8.8%	0.7%
Interest and rent on land	21	11	29	286	138.8%	0.1%	65	68	75	-36.0%	0.1%
Transfers and subsidies	6 993	9 646	7 961	12 090	20.0%	6.3%	7 464	7 891	8 263	-11.9%	3.9%
Higher education institutions	–	–	–	3 090	–	0.5%	3 244	3 406	3 577	5.0%	1.5%
Households	6 993	9 646	7 961	9 000	8.8%	5.8%	4 220	4 485	4 686	-19.6%	2.5%
Payments for capital assets	773	47 302	32 656	1 924	35.5%	14.2%	971	1 025	1 062	-18.0%	0.5%
Buildings and other fixed structures	–	46 945	32 324	–	–	13.6%	–	–	–	–	–
Machinery and equipment	773	357	332	1 898	34.9%	0.6%	971	1 025	1 062	-17.6%	0.5%
Software and other intangible assets	–	–	–	26	–	–	–	–	–	-100.0%	–
Payments for financial assets	20	–	6	–	-100.0%	–	–	–	–	–	–
Total	111 160	125 970	149 077	195 966	20.8%	100.0%	226 922	239 335	251 305	8.6%	100.0%
Proportion of total programme expenditure to vote expenditure	0.7%	0.7%	0.7%	0.8%			0.8%	0.8%	0.8%		

Details of transfers and subsidies

Households											
Other transfers to households											
Current	6 993	9 646	7 961	9 000	8.8%	5.8%	4 220	4 485	4 686	-19.6%	2.5%
Gifts	5	–	–	–	-100.0%	–	–	–	–	–	–
Bursaries non-employees	6 988	9 646	7 961	9 000	8.8%	5.8%	4 220	4 485	4 686	-19.6%	2.5%
Higher education institutions											
Current	–	–	–	3 090	–	0.5%	3 244	3 406	3 577	5.0%	1.5%
Nelson Mandela University	–	–	–	3 090	–	0.5%	3 244	3 406	3 577	5.0%	1.5%

Personnel information

Table 31.10 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
Programme	Delivery Support	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary Level	165	–	115	43.5	0.4	115	47.8	0.4	165	69.9	0.4	165	74.0	0.4	165	78.9	0.5	12.8%	100.0%
1 – 6	35	–	21	2.6	0.1	21	3.2	0.2	35	6.8	0.2	35	7.2	0.2	35	7.7	0.2	18.6%	20.7%
7 – 10	77	–	54	16.2	0.3	54	16.3	0.3	77	25.1	0.3	77	26.6	0.3	77	28.3	0.4	12.6%	46.7%
11 – 12	35	–	30	16.4	0.5	30	18.7	0.6	35	20.9	0.6	35	22.1	0.6	35	23.6	0.7	5.3%	22.1%
13 – 16	18	–	10	8.3	0.8	10	9.6	1.0	18	17.2	1.0	18	18.2	1.0	18	19.4	1.1	21.6%	10.5%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on providing project level technical assistance to 49 municipalities through the national upgrading support programme, and monitoring and managing the implementation of the sanitation programme. This is reflected in spending in the *Programme Implementation Facilitation* and *National Sanitation Programme* subprogrammes, both of which are discussed in more detail in the sections that follow. The other major spending items in this programme relate to monitoring and reporting on the progress of specific strategic projects and providing skills development programmes to the human settlements sector.

The decline in expenditure on consultants, agency services, and travel and subsistence in 2010/11 was due to the conclusion of the intervention in Eastern Cape in terms of section 100(1)(b) of the Constitution. The administration of housing programmes was handed back to the province in 2010/11 when the intervention was concluded.

As part of the Cabinet approved reductions, the programme will reduce spending by R25.6 million over the medium term on compensation of employees due to vacant posts and on other non-core goods and services items, such as consultants. As at 30 September 2012, the programme had a vacancy rate of 30.3 per cent, mainly in levels 7 to 10 and at the senior management level, as a result of the organisational review completed in 2011/12. The department expects to fill these vacancies in 2013/14.

Subprogramme: Programme Implementation Facilitation

This subprogramme manages the national upgrading support programme and provides support in the unblocking of blocked provincial housing projects that have stalled for different reasons. The upgrading support programme is designed to assist provinces and municipalities in taking a programmatic approach to upgrading informal settlements, and improve municipalities' technical capacity in dealing with upgrading informal settlements. Through establishing dedicated forums in all provinces and 49 prioritised municipalities, developing an informal settlement upgrading capacity building programme and providing technical support, the subprogramme enables provinces and municipalities to categorise informal settlements, prepare settlement upgrading plans and implement these plans.

Expenditure estimates

Table 31.11 Programme Implementation Facilitation

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
	R thousand										
Current payments	5 275	5 563	6 233	83 737	151.3%	99.8%	110 988	117 176	122 717	13.6%	99.9%
Compensation of employees	3 796	4 799	5 133	10 082	38.5%	23.6%	10 895	11 539	15 482	15.4%	11.0%
Goods and services	1 479	764	1 100	73 635	267.9%	76.2%	100 083	105 627	107 224	13.3%	88.9%
of which:											
Advertising	12	–	–	271	182.7%	0.3%	141	148	155	-17.0%	0.2%
Assets less than the capitalisation threshold	107	15	17	46	-24.5%	0.2%	48	50	53	4.8%	–
Bursaries: Employees	27	20	–	–	-100.0%	–	–	–	–	–	–
Catering: Departmental activities	–	8	7	20	–	–	–	–	–	-100.0%	–
Communication	73	274	252	418	78.9%	1.0%	436	457	478	4.6%	0.4%
Consultants and professional services:	375	–	307	70 549	473.0%	70.5%	97 000	102 400	103 847	13.8%	86.0%
Business and advisory services											
Contractors	13	–	–	17	9.4%	–	18	19	19	3.8%	–
Agency and support / outsourced services	–	–	–	59	–	0.1%	62	64	67	4.3%	0.1%
Entertainment	4	1	1	4	–	–	4	4	4	–	–
Inventory: Food and food supplies	–	–	–	13	–	–	14	14	15	4.9%	–
Inventory: Other consumables	3	–	12	32	120.1%	–	33	34	36	4.0%	–
Inventory: Stationery and printing	108	29	–	481	64.5%	0.6%	550	576	603	7.8%	0.5%
Operating leases	–	–	–	200	–	0.2%	197	207	216	2.6%	0.2%
Travel and subsistence	611	354	503	1 245	26.8%	2.7%	1 272	1 332	1 393	3.8%	1.2%
Training and development	12	5	–	–	-100.0%	–	–	–	–	–	–
Operating payments	1	2	1	271	547.1%	0.3%	298	312	327	6.5%	0.3%
Venues and facilities	133	56	–	9	-59.2%	0.2%	10	10	11	6.9%	–
Interest and rent on land	–	–	–	20	–	–	10	10	11	-18.1%	–
Payments for capital assets	79	15	19	43	-18.4%	0.2%	68	72	74	19.8%	0.1%
Machinery and equipment	79	15	19	43	-18.4%	0.2%	68	72	74	19.8%	0.1%
Payments for financial assets	8	–	1	–	-100.0%	–	–	–	–	–	–
Total	5 362	5 578	6 253	83 780	150.0%	100.0%	111 056	117 248	122 791	13.6%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	4.8%	4.4%	4.2%	42.8%			48.9%	49.0%	48.9%		

Personnel information

Table 31.12 Details of approved establishment and personnel numbers according to salary level¹

Programme Implementation Facilitation	Salary Level	Post status as at 30 September 2012	Number of funded posts	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
					Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
					2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
					Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost
	20	–	8	4.9	0.6	8	6.0	0.8	20	10.9	0.5	20	11.5	0.6	20	12.3	0.6	35.7%	100.0%	
	1–6	2	–	–	–	–	–	–	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	–	8.8%	
	7–10	8	–	2	0.5	0.3	2	0.5	0.3	8	2.6	0.3	8	2.8	0.4	8	3.0	0.4	58.7%	38.2%
	11–12	6	–	3	1.8	0.6	3	2.2	0.7	6	3.6	0.6	6	3.9	0.6	6	4.1	0.7	26.0%	30.9%
	13–16	4	–	3	2.6	0.9	3	3.2	1.1	4	4.2	1.1	4	4.5	1.1	4	4.8	1.2	10.1%	22.1%

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on implementing the national upgrading support programme, which provides technical assistance for informal settlements upgrading to prioritised municipalities. Over the medium term, expenditure is expected to increase due to the rollout of the informal settlements capacity building programme and the increased provision of project level technical support to municipalities. This is reflected in spending on consultants and professional services, which is expected to increase to R103.8 million over the medium term.

Between 2009/10 and 2012/13, expenditure in this subprogramme increased significantly to allow the national upgrading support programme to provide project level technical support for 19 priority projects and conduct an assessment of informal settlements in 20 municipalities. Given the policy priority to upgrade informal settlements, savings of R205 000 are to be effected over the medium term, largely from spending on compensation of employees and various non-core goods and services items.

Subprogramme: National Sanitation Programme

This subprogramme manages the rural household infrastructure grant, that provides funding for on site water and sanitation facilities in rural municipalities and monitors the quality of sanitation provided through other programmes, such as the municipal infrastructure grant and the delivery of free basic services. Since the inception of the rural household infrastructure grant in 2010/11, 39 356 toilet facilities have been provided to rural households in 57 municipalities. An additional 36 742 toilet facilities are projected to be provided over the medium term.

Expenditure estimates

Table 31.13 National Sanitation Programme

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	Average	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average
R thousand												
Current payments	41 582	38 212	66 215	67 339		17.4%	72.4%	72 626	76 471	80 482	6.1%	98.9%
Compensation of employees	10 444	21 947	26 598	35 034		49.7%	31.9%	35 908	38 025	40 267	4.7%	49.7%
Goods and services	31 138	16 263	39 617	32 115		1.0%	40.5%	36 698	38 425	40 194	7.8%	49.1%
of which:												
Advertising	–	315	421	174		–	0.3%	192	201	210	6.5%	0.3%
Assets less than the capitalisation threshold	–	2	42	203		–	0.1%	186	195	204	0.2%	0.3%
Bursaries: Employees	–	8	–	–		–	–	–	–	–	–	–
Catering: Departmental activities	–	101	322	340		–	0.3%	–	–	–	-100.0%	0.1%
Communication	–	346	447	1 064		–	0.6%	1 537	1 610	1 684	16.5%	2.0%
Consultants and professional services:	16 138	6 188	28 447	23 683		13.6%	25.3%	26 948	28 215	29 513	7.6%	36.1%
Business and advisory services												
Contractors	–	84	13	40		–	–	–	–	–	-100.0%	–
Agency and support / outsourced services	5 000	–	–	1		-94.2%	1.7%	316	331	347	602.7%	0.3%
Entertainment	–	–	2	8		–	–	–	–	–	-100.0%	–
Inventory: Food and food supplies	–	–	–	–		–	–	–	–	–	–	–
Inventory: Other consumables	–	–	–	10		–	–	–	–	–	-100.0%	–
Inventory: Stationery and printing	–	885	427	777		–	0.7%	179	188	197	-36.7%	0.4%
Operating leases	–	11	3	361		–	0.1%	386	404	423	5.4%	0.5%
Travel and subsistence	10 000	7 357	8 445	4 136		-25.5%	10.2%	4 030	4 219	4 414	2.2%	5.6%
Training and development	–	60	4	–		–	–	–	–	–	–	–
Operating payments	–	392	279	481		–	0.4%	2 050	2 147	2 245	67.1%	2.3%
Venues and facilities	–	403	758	613		–	0.6%	640	670	701	4.6%	0.9%
Interest and rent on land	–	2	–	190		–	0.1%	20	21	21	-52.0%	0.1%
Payments for capital assets	308	47 042	32 428	1 376		64.7%	27.6%	647	677	709	-19.8%	1.1%
Machinery and equipment	308	97	104	1 350		63.7%	0.6%	647	677	709	-19.3%	1.1%
Payments for financial assets	–	–	5	–		–	–	–	–	–	–	–
Total	41 895	85 254	98 648	68 715		17.9%	100.0%	73 273	77 148	81 191	5.7%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	37.7%	67.7%	66.2%	35.1%				32.3%	32.2%	32.3%		

Personnel information

Table 31.14 Details of approved establishment and personnel numbers according to salary level¹

Post status as at 30 September 2012		Number and cost ² of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate ³			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)							
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost			
National Sanitation Programme		93			71	26.4	0.4	71	28.3	0.4	93	35.9	0.4	93	38.0	0.4	93	40.5	0.4	9.4%	100.0%	
Salary Level																						
1 – 6	21			9	1.3	0.1	9	1.7	0.2	21	4.3	0.2	21	4.5	0.2	21	4.8	0.2	32.6%	20.6%		
7 – 10	50			39	11.9	0.3	39	11.9	0.3	50	16.6	0.3	50	17.5	0.4	50	18.7	0.4	8.6%	54.0%		
11 – 12	18			21	11.6	0.6	21	13.0	0.6	18	11.4	0.6	18	12.1	0.7	18	12.9	0.7	-5.0%	21.4%		
13 – 16	4			2	1.6	0.8	2	1.7	0.9	4	3.6	0.9	4	3.8	1.0	4	4.1	1.0	26.0%	4.0%		

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

2. Rand million.

3. As at 30 September 2012.

Expenditure trends

The spending focus over the medium term will be on providing planning and implementation support to rural municipalities and strengthening the department's capacity to monitor the delivery of basic household sanitation. The main items of expenditure where this is reflected are compensation of employees and consultants, which account for the increase in spending in the subprogramme over the seven-year period.

Spending on goods and services increased to R32.1 million in 2012/13 to accommodate the continuing support of the provision of on site sanitation in rural areas, the increased agency support and the contracting of service providers for the implementation of the rural household infrastructure programme. The subprogramme implemented savings of R10.5 million over the medium term, mainly from savings in spending on compensation of employees due to vacant positions. The department expects to fill all vacancies by 2013/14 as it implements the new organisational structure.

The decrease in expenditure on payments for capital assets in 2012/13 relates to the completion of the accelerated community infrastructure programme, which provided for a two-year period of accelerated delivery of sanitation to poor households. The decrease in spending on consultants in the same year is related to grant funding for toilet facilities being moved to the municipal level, thus reducing the department's dependency on consultants' services.

Programme 4: Housing Development Finance

Objectives

- Manage the accountability of public entities, provinces and municipalities by monitoring expenditure and performance of human settlements development and housing programmes on a quarterly basis.
- Accelerate the delivery of housing and human settlements by providing funding from the human settlements development grant, the urban settlements development grant, the rural household infrastructure grant and transfers to public entities.
- Improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low and middle income households.
- Ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

Subprogrammes

- *Management for Housing Development Finance* provides strategic leadership to the programme. This subprogramme had a staff complement of 1 in 2012/13.

- *Chief Investment Officer* monitors the spending and performance of provinces and municipalities implementing housing and human settlements programmes, mobilises the financial sector in providing financial resources to human settlements development, and monitors and reports on the lending patterns by financial institutions through the Office of Disclosure. In 2012/13, the unit produced a report on lending practices of banks in terms of the Home Loan and Mortgage Disclosure Act (2000). This subprogramme had a staff complement of 21 in 2012/13.
- *Regulatory Compliance Services* provides regulatory, strategic and policy oversight to the public entities reporting to the department on an ongoing basis. This subprogramme examines the budget, strategic plans and annual performance plans of public entities and had a staff complement of 21 in 2012/13.
- *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.
- *Contributions* makes transfers to public entities reporting to the department, such as the Social Housing Regulatory Authority and the Housing Development Agency. Funds are transferred on the basis of ministerial approval of strategic and business plans.
- *Rural Households Infrastructure Grant* reflects the conditional grant allocation to rural municipalities' on site water and sanitation solutions in rural areas.
- *Urban Settlements Development Grant* reflects the conditional grant transferred to municipalities for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.
- *Programme Monitoring and Evaluation* manages the monitoring, evaluation and assessment of the performance of human settlements projects, policies and programmes. 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. This subprogramme had a staff complement of 31 in 2012/13.

Expenditure estimates

Table 31.15 Housing Development Finance

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R thousand											
Management for Housing Development Finance	2 389	607	1 152	3 013	8.0%	-	3 175	3 345	3 524	5.4%	-
Chief Investment Officer	18 220	15 855	14 795	23 985	9.6%	0.1%	20 880	24 363	22 629	-1.9%	0.1%
Regulatory Compliance Services	20 447	21 981	22 252	24 175	5.7%	0.1%	21 593	22 809	24 089	-0.1%	0.1%
Human Settlements Development Grant	10 819 252	13 032 112	15 121 516	15 725 959	13.3%	67.5%	16 983 872	17 918 321	19 667 205	7.7%	62.1%
Contributions	352 613	346 193	484 074	912 808	37.3%	2.6%	1 133 751	1 002 070	1 388 035	15.0%	3.9%
Rural Households Infrastructure Grant	-	61 614	187 353	340 625	-	0.7%	106 721	113 124	118 328	-29.7%	0.6%
Backlogs in Water and Sanitation at Schools and Clinics Grant	350 000	-	-	-	-100.0%	0.4%	-	-	-	-	-
Urban Settlements Development Grant	4 418 189	4 968 023	6 266 998	7 392 206	18.7%	28.4%	9 076 906	10 334 684	10 699 773	13.1%	33.1%
Programme Monitoring and Evaluation	30 798	14 796	16 247	20 888	-12.1%	0.1%	30 189	31 867	33 632	17.2%	0.1%
Total	16 011 908	18 461 181	22 114 387	24 443 659	15.1%	100.0%	27 377 087	29 450 583	31 957 215	9.3%	100.0%
Change to 2012 Budget estimate				(141 965)			(123 602)	101 211	31 957 215		
Economic classification											
Current payments	71 390	51 557	54 067	70 149	-0.6%	0.3%	75 581	82 120	83 596	6.0%	0.3%
Compensation of employees	30 410	34 623	37 632	46 277	15.0%	0.2%	56 491	60 604	62 739	10.7%	0.2%
Goods and services	40 930	16 899	16 421	23 737	-16.6%	0.1%	19 046	21 469	20 810	-4.3%	0.1%
of which:											
Administration fees	-	47	-	139	-	-	-	-	-	-100.0%	-
Advertising	1 618	376	464	1 978	6.9%	-	443	464	486	-37.4%	-
Assets less than the capitalisation threshold	69	348	189	1 025	145.8%	-	809	848	885	-4.8%	-
Bursaries: Employees	211	49	-	-	-100.0%	-	-	-	-	-	-
Catering: Departmental activities	91	132	93	587	86.2%	-	437	458	479	-6.6%	-
Communication	441	873	913	1 371	45.9%	-	1 411	1 478	1 546	4.1%	-
Computer services	16	1 047	5 113	1 267	329.4%	-	2 223	2 327	2 434	24.3%	-
Consultants and professional services: Business and advisory services	21 056	6 657	3 435	5 595	-35.7%	-	1 379	2 971	1 461	-36.1%	-

Table 31.15 Housing Development Finance (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand												
Contractors	7	9	1	502	315.5%	-	569	596	622	7.4%	-	
Agency and support / outsourced services	6 603	-	7	1 179	-43.7%	-	1 235	1 293	1 352	4.7%	-	
Entertainment	25	16	16	74	43.6%	-	85	89	93	7.9%	-	
Fleet services (including government motor transport)	-	-	-	1	-	-	-	-	-	-100.0%	-	
Inventory: Food and food supplies	1	-	217	38	236.2%	-	42	43	46	6.6%	-	
Inventory: Materials and supplies	-	-	-	22	-	-	-	-	-	-100.0%	-	
Inventory: Other consumables	5	3	-	68	138.7%	-	37	38	41	-15.5%	-	
Inventory: Stationery and printing	3 060	820	177	1 287	-25.1%	-	1 998	2 093	2 189	19.4%	-	
Operating leases	225	306	64	(46)	-158.9%	-	298	311	326	-292.1%	-	
Property payments	1	-	-	2	26.0%	-	8	8	9	65.1%	-	
Travel and subsistence	5 589	4 219	5 219	6 792	6.7%	-	5 970	6 250	6 539	-1.3%	-	
Training and development	489	449	14	210	-24.6%	-	156	164	171	-6.6%	-	
Operating payments	1 034	296	397	1 020	-0.5%	-	1 221	1 279	1 337	9.4%	-	
Venues and facilities	389	1 252	102	626	17.2%	-	725	759	794	8.2%	-	
Interest and rent on land	50	35	14	135	39.2%	-	44	47	47	-29.7%	-	
Transfers and subsidies	15 940 078	18 347 400	21 872 588	24 031 023	14.7%	99.0%	27 301 250	29 368 199	31 873 341	9.9%	99.4%	
Provinces and municipalities	15 237 441	18 000 135	21 388 514	23 118 165	14.9%	95.9%	26 167 499	28 366 129	30 485 306	9.7%	95.5%	
Departmental agencies and accounts	352 613	346 193	484 074	912 808	37.3%	2.6%	1 133 751	1 002 070	1 388 035	15.0%	3.9%	
Households	350 024	1 072	-	50	-94.8%	0.4%	-	-	-	-100.0%	-	
Payments for capital assets	423	62 216	187 723	342 487	832.0%	0.7%	256	264	278	-90.7%	0.3%	
Buildings and other fixed structures	-	61 614	187 353	340 625	-	0.7%	-	-	-	-100.0%	0.3%	
Machinery and equipment	423	602	370	1 862	63.9%	-	256	264	278	-46.9%	-	
Payments for financial assets	17	8	9	-	-100.0%	-	-	-	-	-	-	
Total	16 011 908	18 461 181	22 114 387	24 443 659	15.1%	100.0%	27 377 087	29 450 583	31 957 215	9.3%	100.0%	
Proportion of total programme expenditure to vote expenditure	97.6%	97.6%	97.9%	97.2%			97.4%	97.5%	97.6%			

Details of transfers and subsidies

Households												
Other transfers to households												
Current	24	1 072	-	50	27.7%	-	-	-	-	-100.0%	-	
Gifts on retirement	24	1 072	-	50	27.7%	-	-	-	-	-100.0%	-	
Capital	350 000	-	-	-	-100.0%	0.4%	-	-	-	-	-	
Backlogs in water and sanitation at schools and clinics grant	350 000	-	-	-	-100.0%	0.4%	-	-	-	-	-	
Departmental agencies and accounts												
Departmental agencies (non-business entities)												
Current	352 613	213 876	257 905	265 407	-9.0%	1.3%	229 648	134 527	139 175	-19.4%	0.7%	
Social Housing Regulatory Authority	-	54 455	19 305	21 096	-	0.1%	32 151	33 480	34 560	17.9%	0.1%	
Rural Housing Loan Fund	-	49 500	49 500	51 975	-	0.2%	-	-	-	-100.0%	-	
Housing Development Agency	62 650	69 300	89 100	92 336	13.8%	0.4%	97 497	101 047	104 615	4.2%	0.3%	
National Urban Reconstruction and Housing Agency	3 500	-	100 000	100 000	205.7%	0.3%	100 000	-	-	-100.0%	0.2%	
Social Housing Foundation	262 960	6 621	-	-	-100.0%	0.3%	-	-	-	-	-	
Thubelisha Homes	23 503	-	-	-	-100.0%	-	-	-	-	-	-	
Servcon	-	34 000	-	-	-	-	-	-	-	-	-	
Capital	-	132 317	226 169	647 401	-	1.2%	904 103	867 543	1 248 860	24.5%	3.2%	
Social Housing Regulatory Authority: Restructuring Capital Grant	-	132 317	226 169	647 401	-	1.2%	904 103	867 543	1 248 860	24.5%	3.2%	
Provinces and municipalities												
Municipalities												
Municipal bank accounts												
Capital	4 418 189	4 968 023	6 266 998	7 392 206	18.7%	28.4%	9 183 627	10 447 808	10 818 101	13.5%	33.4%	
Urban settlements development grant	4 418 189	4 968 023	6 266 998	7 392 206	18.7%	28.4%	9 076 906	10 334 684	10 699 773	13.1%	33.1%	
Rural households infrastructure grant	-	-	-	-	-	-	106 721	113 124	118 328	-	0.3%	
Provinces and municipalities												
Provinces												
Provincial Revenue Funds												
Capital	10 819 252	13 032 112	15 121 516	15 725 959	13.3%	67.5%	16 983 872	17 918 321	19 667 205	7.7%	62.1%	
Human settlements development grant	10 819 252	13 032 112	15 121 516	15 725 959	13.3%	67.5%	16 983 872	17 918 321	19 667 205	7.7%	62.1%	

- enhance building standards and promote the building of quality homes
- increase homebuilders' compliance with the provisions of the act
- grow, protect and sustain the warranty fund
- provide innovative quality products and services to builders
- strengthen operating processes, systems and procedures to deliver value added products and services to the home building industry.

Selected performance indicators

Table 31.17 National Home Builders Registration Council

Indicator	Programme/ Activity/Objective	Past ¹			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new builders registered per year	Grow and protect the warranty fund	3 616	3 650	2 686	3 335	2 975	3 124	3 280
Number of builders membership renewed per year	Grow and protect the warranty fund	10 366	11 115	11 220	11 431	10 480	11 004	11 554
Number of additional home enrolments in the non-subsidy sector per year	Grow and protect the warranty fund	26 903	31 458	37 671	33 919	40 094	42 099	44 204
Number of additional late home enrolments per year	Grow and protect the warranty fund	2 130	966	980	1 696	1 002	1 052	1 105
Number of additional homes enrolled in the subsidy sector per year	Grow and protect the warranty fund	41 616	94 000	138 883	181 800	211 300	221 865	232 958
Number of inspections carried out per year (subsidy and non-subsidy)	Enhance building standards	237 400	270 693	514 175	797 840	1 027 602	1 078 982	1 132 931
Percentage of non-subsidy home enrolments processed within 24 hours from receipt	Grow and protect the warranty fund	- ¹	- ¹	- ¹	90%	90%	90%	90%
Percentage subsidy project enrolments assessed within 15 days of receipt	Grow and protect the warranty fund	- ¹	- ¹	- ¹	90%	90%	90%	90%
Percentage subsidy project enrolments assessed within 15 days of application	Grow and protect the warranty fund	- ¹	- ¹	- ¹	90%	90%	90%	90%
Percentage of registrations certified or rejected within 5 days of application	Grow and protect the warranty fund	- ¹	- ¹	- ¹	70%	75%	80%	80%
Percentage of registrations certified or rejected within 3 days of application	Grow and protect the warranty fund	- ¹	- ¹	- ¹	70%	75%	80%	80%
Percentage of home builders prosecuted within 180 days of receipt	Grow and protect the warranty fund	- ¹	- ¹	- ¹	70%	75%	80%	80%

1. No past data, as the indicators are new.

Programmes/activities/objectives

Table 31.18 National Home Builders Registration Council

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Warranty fund administration	18 070	21 704	36 330	28 970	17.0%	5.0%	38 747	40 273	41 855	13.0%	5.0%
Customer service and administration	163 063	175 545	98 545	142 230	-4.5%	29.3%	170 933	169 806	176 477	7.5%	22.2%
Information technology and technical support	59 947	54 457	255 450	71 604	6.1%	20.1%	219 253	227 891	231 486	47.9%	23.7%
Legislative framework review and legal services	12 670	8 893	8 806	13 575	2.3%	2.2%	23 087	23 997	24 940	22.5%	2.8%
Home builder training and development	1 825	2 097	7 759	2 948	17.3%	0.7%	8 082	8 400	8 730	43.6%	0.9%
Staff training and development	8 338	10 128	28 195	14 317	19.7%	2.8%	15 990	16 620	17 273	6.5%	2.2%
Marketing and communications	22 978	11 242	24 532	16 562	-10.3%	3.6%	23 606	19 636	20 408	7.2%	2.7%
Quality assurance	194 624	153 635	147 957	237 861	6.9%	36.2%	315 430	327 856	340 736	12.7%	40.6%
Total expense	481 515	437 700	607 573	528 067	3.1%	100.0%	815 129	834 479	861 905	17.7%	100.0%

Expenditure estimates

Table 31.19 National Home Builders Registration Council

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	692 595	799 355	740 997	742 810	2.4%	100.0%	932 334	975 880	1 022 502	11.2%	100.0%
Sale of goods and services other than capital assets	425 812	468 864	467 317	529 066	7.5%	63.6%	727 625	764 006	802 153	14.9%	76.5%
<i>of which:</i>											
<i>Sales by market establishment</i>	425 812	468 864	467 317	529 066	7.5%	63.6%	727 625	764 006	802 153	14.9%	76.5%
<i>Insurance premium revenue</i>	–	–	–	–	7.4%	44.6%	524 314	550 530	578 056	12.2%	56.1%
<i>Fee revenue</i>	–	–	–	–	12.1%	7.1%	74 311	78 027	81 874	5.2%	8.4%
<i>Technical services revenue</i>	–	–	–	–	2.8%	12.0%	129 000	135 450	142 223	42.6%	12.1%
<i>Other non-tax revenue</i>	266 783	330 491	273 680	213 745	-7.1%	36.4%	204 709	211 874	220 349	1.0%	23.5%
Total revenue	692 595	799 355	740 997	742 810	2.4%	100.0%	932 334	975 880	1 022 502	11.2%	100.0%
Expenses											
Current expenses	479 855	436 015	605 613	524 911	3.0%	99.6%	812 584	831 835	859 157	17.8%	99.6%
Compensation of employees	147 724	162 439	174 721	257 007	20.3%	36.3%	294 261	307 310	320 904	7.7%	39.7%
Goods and services	313 289	256 896	415 765	247 702	-7.5%	59.8%	491 131	483 527	497 674	26.2%	55.7%
Depreciation	18 834	16 679	15 127	20 202	2.4%	3.5%	27 192	40 997	40 579	26.2%	4.2%
Interest, dividends and rent on land	9	0	–	–	-100.0%	0.0%	–	–	–	–	–
Transfers and subsidies	1 659	1 685	1 960	3 157	23.9%	0.4%	2 544	2 645	2 749	-4.5%	0.4%
Total expenses	481 515	437 701	607 573	528 067	3.1%	100.0%	815 129	834 479	861 905	17.7%	100.0%
Surplus/(Deficit)	211 080	361 655	133 424	214 743	0.6%		117 206	141 401	160 597	-9.2%	
Statement of financial position											
Carrying value of assets	71 782	58 511	48 085	92 194	8.7%	1.9%	331 716	300 980	267 146	42.6%	6.1%
<i>of which:</i>											
<i>Acquisition of assets</i>	10 887	3 440	5 259	64 410	80.9%	0.6%	249 427	7 840	7 760	-50.6%	2.1%
Investments	2 934 899	3 118 842	3 693 649	3 684 255	7.9%	93.6%	3 576 358	3 728 237	3 894 096	1.9%	92.5%
Inventory	99	120	395	422	62.0%	0.0%	452	483	517	7.0%	0.0%
Receivables and prepayments	51 212	35 606	59 128	38 807	-8.8%	1.3%	27 204	27 341	27 545	-10.8%	0.8%
Cash and cash equivalents	30 665	354 257	43 051	25 029	-6.5%	3.2%	25 031	25 033	25 035	0.0%	0.6%
Total assets	3 088 657	3 567 336	3 844 307	3 840 708	7.5%	100.0%	3 960 761	4 082 075	4 214 341	3.1%	100.0%
Accumulated surplus/(deficit)	2 038 969	2 407 928	2 546 896	2 761 658	10.6%	67.9%	2 870 631	2 995 001	3 128 942	4.2%	73.0%
Capital and reserves	106 010	42 369	55 631	55 631	-19.3%	1.9%	50 631	45 131	40 131	-10.3%	1.2%
Trade and other payables	120 620	328 031	251 762	46 769	-27.1%	5.2%	62 849	65 293	68 618	13.6%	1.5%
Provisions	823 058	789 008	990 017	976 649	5.9%	25.0%	976 649	976 649	976 649	–	24.3%
Total equity and liabilities	3 088 657	3 567 335	3 844 307	3 840 708	7.5%	100.0%	3 960 761	4 082 075	4 214 341	3.1%	100.0%

Personnel information

Table 31.20 National Home Builders Registration Council

Salary level	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
	352	-	349	167.3	0.5	424	257.0	0.6	482	287.9	0.6	484	303.7	0.6	484	320.5	0.7	4.5%	100.0%
1-6	14	-	31	2.1	0.1	19	2.4	0.1	24	2.8	0.1	24	3.0	0.1	24	3.1	0.1	8.1%	4.8%
7-10	136	-	140	45.1	0.3	147	56.4	0.4	166	62.4	0.4	169	65.9	0.4	169	69.5	0.4	4.8%	34.7%
11-12	59	-	59	30.0	0.5	75	44.3	0.6	83	48.7	0.6	82	51.3	0.6	82	54.2	0.7	3.0%	17.2%
13-16	139	-	115	82.7	0.7	176	140.3	0.8	200	156.6	0.8	200	165.2	0.8	200	174.3	0.9	4.4%	41.4%
17-22	4	-	4	7.4	1.9	7	13.6	1.9	9	17.4	1.9	9	18.4	2.0	9	19.4	2.2	8.7%	1.8%

1. Rand million.

Expenditure trends

The National Home Builders Registration Council's main source of revenue is derived from fees charged to enrol new homes to be covered for structural defects by the warranty fund. Other revenue sources include registration and renewal fees paid by builders and technical services provided by the council to provinces. Insurance premium revenue decreased in 2011/12 due to the slowdown in the construction of new houses due to adverse economic conditions. Over this period, revenue for technical services provided to provinces for the rectification of subsidised houses increased to R183.7 million in 2011/12. Over the medium term, revenue is expected to increase, reaching R1 billion in 2015/16, mainly due to the increase in the number of homes enrolled in both the non-subsidy and subsidy sector.

The spending focus over the medium term will be on increasing the quality assurance of the home building industry. Quality assurance consumes the greatest proportion of expenditure in 2012/13, which reflects the strategic intent to improve the regulatory functions of the council relating to all subsidy houses delivered by government.

Spending on goods and services is the main reason for the overall increase in spending over the medium term. This is as a result of the consumer awareness campaigns and the expansion of the training and development of builders programme to improve the quality of home builders in the construction industry. As a result, the number of home builders trained is expected to increase from 2 948 in 2012/13 to 8 730 in 2015/16. Given the expected growth in the warranty fund, the administrative costs to manage the fund are also expected to increase over this period.

The anticipated growth in spending on compensation of employees over the medium term is related to the strengthening of the legal and enforcement unit in the council to improve compliance with the building norms and standards in the built environment and to improve the levels of legal services delivered. Over the medium term, more capacity will be added to the inspectorate unit for subsidised housing to meet the requirement that all new subsidy houses are inspected.

The number of filled posts is expected to increase to 482 in 2013/14, and 484 in 2014/15 and 2015/16 to provide for a project management unit, the capacitation of the subsidy housing inspectorate unit, and the capacitation of the IT unit and the compliance section. The ratio of line function to support staff is 1.43:1.

National Housing Finance Corporation

Mandate and goals

The National Housing Finance Corporation was established in 1996 as a development finance institution with the principal mandate of broadening and deepening access to affordable housing finance for low to middle income households by facilitating private sector lending for housing purposes. The corporation also acts as a fund and risk manager in the affordable housing market.

The corporation's strategic goals over the medium term are to:

- expand housing finance activities through the effective provision of housing finance solutions
- facilitate the increased and sustained lending by financial institutions to the lower end of the housing market
- mobilise funding into the human settlements space on a sustainable basis, in partnership with the broadest range of institutions
- conduct the corporation's business activities in a way that ensures its continued economic sustainability, while promoting lasting social, ethical and environmental development.

Selected performance indicators

Table 31.21 National Housing Finance Corporation

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new loans disbursed through project finance activities per year	Project finance	7 869	5 757	5 604	4 722	5 174	6 147	7 397
Number of new loans disbursed through retail finance activities per year ¹	Retail finance	1 073	709	361	29	- ¹	- ¹	- ¹
Number of additional housing finance opportunities created through commercial finance activities per year	Commercial finance	2 218	3 073	5 717	8 063	5 080	7 434	8 210
Number of additional housing opportunities created through strategic partnerships per year ²	Strategic partnerships and investments	- ²	- ²	- ²	1 000	2 178	2 388	2 794

1. No targets as there will be no new retail finance activities going forward.

2. No past data, as the indicator is new.

Programmes/activities/objectives

Table 31.22 National Housing Finance Corporation

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Retail finance	28 051	20 452	28 574	16 632	-16.0%	10.8%	-	-	-	-100.0%	1.6%
Commercial finance	56 102	40 902	26 397	69 471	7.4%	21.0%	120 138	91 842	62 128	-3.7%	22.4%
Project finance	170 857	124 565	135 359	133 980	-7.8%	63.6%	273 914	205 694	348 877	37.6%	59.3%
Strategic partnerships and investments	-	-	3 801	44 660	-	4.7%	86 499	66 125	66 908	14.4%	16.8%
Total expense	255 011	185 919	194 132	264 743	1.3%	100.0%	480 551	363 660	477 914	21.8%	100.0%

Expenditure estimates

Table 31.23 National Housing Finance Corporation

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue	301 653	245 777	215 302	277 369	-2.8%	99.1%	502 687	363 660	491 371	21.0%	100.0%
Sale of goods and services other than capital assets	178 690	179 010	173 104	231 955	9.1%	73.5%	468 273	327 584	438 623	23.7%	89.0%
of which:											
Administrative fees	24	182	-	-	-100.0%	0.0%	-	-	-	-	-
Sales by market establishment	178 666	178 828	173 104	231 955	9.1%	73.5%	468 273	327 584	438 623	23.7%	89.0%
Sale of Houses	61 176	118 923	146 229	176 062	42.2%	49.8%	215 210	-	-	-100.0%	26.6%
Interest on Advances	160 484	5 440	5 961	4 384	-69.9%	14.5%	245 523	322 854	433 420	362.4%	56.9%
Rental Income	6 390	5 440	5 961	5 766	-3.4%	-	7 540	4 730	5 203	-3.4%	1.5%
Other non-tax revenue	122 963	66 767	42 197	45 414	-28.3%	25.6%	34 414	36 076	52 748	5.1%	11.0%
Total revenue	312 837	245 777	215 302	277 369	-3.9%	100.0%	502 687	363 660	491 371	21.0%	100.0%

Table 31.23 National Housing Finance Corporation (continued)

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R thousand					2009/10 - 2012/13						
Expenses												
Current expenses	239 395	170 230	181 080	262 322	3.1%	94.5%	480 551	363 660	477 914	22.1%	99.8%	
Compensation of employees	47 608	69 980	78 037	83 598	20.6%	32.0%	90 875	83 404	88 067	1.8%	23.0%	
Goods and services	189 842	98 193	87 891	151 343	-7.3%	57.4%	318 305	146 584	178 715	5.7%	50.3%	
Depreciation	931	907	918	1 435	15.5%	0.5%	3 483	4 421	3 783	38.1%	0.8%	
Interest, dividends and rent on land	1 014	1 150	14 234	25 946	194.6%	4.5%	67 889	129 250	207 349	99.9%	25.7%	
Total expenses	255 011	185 918	194 132	264 743	1.3%	100.0%	480 551	363 660	477 914	21.8%	100.0%	
Surplus/(Deficit)	57 826	59 858	21 170	12 626	-39.8%		22 136	-	13 457	2.1%		
Statement of financial position												
Carrying value of assets	61 030	73 236	74 630	79 537	9.2%	2.3%	81 408	55 422	55 589	-11.3%	1.6%	
<i>of which:</i>												
<i>Acquisition of assets</i>	<i>1 332</i>	<i>1 064</i>	<i>1 599</i>	<i>3 750</i>	<i>41.2%</i>	<i>0.1%</i>	<i>5 550</i>	<i>3 350</i>	<i>3 950</i>	<i>1.7%</i>	<i>0.1%</i>	
Investments	1 113 043	979 659	1 180 814	915 320	-6.3%	33.0%	872 923	994 455	1 045 148	4.5%	21.6%	
Inventory	54 334	64 015	63 910	137 645	36.3%	2.5%	184 145	-	-	-100.0%	2.1%	
Loans	1 330 922	1 562 794	1 831 092	2 058 158	15.6%	52.6%	2 601 227	3 581 693	4 359 988	28.4%	68.0%	
Receivables and prepayments	36 386	66 402	16 068	32 068	-4.1%	1.2%	33 245	22 046	23 368	-10.0%	0.6%	
Cash and cash equivalents	262 984	215 839	282 000	195 965	-9.3%	7.5%	189 420	206 855	215 656	3.2%	4.6%	
Taxation	27 229	28 576	9 248	9 248	-30.2%	0.6%	9 248	9 248	9 248	-	0.2%	
Derivatives financial instruments	-	-	4 364	41 345	-	0.3%	166 345	-	-	-100.0%	1.3%	
Total assets	2 885 928	2 990 521	3 462 126	3 469 286	6.3%	100.0%	4 137 961	4 869 719	5 708 997	18.1%	100.0%	
Accumulated surplus/(deficit)	1 136 635	1 196 586	1 217 079	1 229 707	2.7%	37.5%	1 251 843	1 248 141	1 261 599	0.9%	28.4%	
Capital and reserves	1 080 000	1 080 000	1 080 000	1 080 000	-	34.0%	1 080 000	1 080 000	1 080 000	-	24.6%	
Borrowings	16 234	65 340	438 317	521 403	217.9%	7.6%	1 094 539	1 861 790	2 651 743	72.0%	31.5%	
Trade and other payables	23 234	9 722	7 780	22 875	-0.5%	0.5%	65 450	746	791	-67.4%	0.6%	
Provisions	14 047	12 919	17 123	8 158	-16.6%	0.4%	8 629	8 822	9 351	4.7%	0.2%	
Managed funds (e.g. poverty alleviation fund)	615 778	625 954	697 462	607 143	-0.5%	20.0%	637 500	670 220	705 513	5.1%	14.8%	
Total equity and liabilities	2 885 928	2 990 521	3 457 762	3 469 286	6.3%	100.0%	4 137 961	4 869 719	5 708 997	18.1%	100.0%	

Personnel information

Table 31.24 National Housing Finance Corporation

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment																Number		
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	124	3	118	78.0	0.7	121	83.6	0.7	121	90.9	0.8	91	83.4	0.9	91	88.1	1.0	-9.1%	100.0%
1-6	2	-	2	0.1	0.1	2	0.1	0.1	2	0.2	0.1	-	-	-	-	-	-	-100.0%	0.8%
7-10	7	-	7	1.4	0.2	7	1.6	0.2	7	2.1	0.3	-	1.5	-	-	2.3	-	-100.0%	2.9%
11-12	65	1	63	21.8	0.3	64	21.3	0.3	64	23.3	0.4	48	19.3	0.4	48	20.0	0.4	-9.1%	52.8%
13-16	35	2	31	25.7	0.8	33	28.7	0.9	33	31.5	1.0	28	27.5	1.0	28	29.5	1.1	-5.3%	29.0%
17-22	15	-	15	29.0	1.9	15	31.9	2.1	15	33.8	2.3	15	35.2	2.3	15	36.3	2.4	-	14.4%

1. Rand million.

Expenditure trends

The National Housing Finance Corporation mainly generates revenue from interest on loans disbursed. Between 2009/10 and 2011/12, revenue decreased as a result of the slowdown in the housing market following the global

financial crisis of 2009. Revenue increased in 2012/13 as the housing finance market recovered to increase the value of loans issued. The expected decline in revenue in 2014/15 is due to the higher than normal sale of properties by the Cape Town Community Housing Company in 2013/14 and the sale of the majority shareholding in the company in the same year.

The corporation's spending focus over the medium term will be on growing the lending business, and increasing the provision of housing finance options and the availability of funding in the human settlements sector through strategic partnerships. Project finance expenditure in 2013/14 is expected to grow significantly as the entity scales up operations to finance the growing social housing sector. This is expected to increase the number of loans disbursed through project finance and strategic partnerships from 4 722 in 2012/13 to an expected 7 397 in 2015/16. As a result, expenditure is expected to increase significantly over the medium term. The decrease in the expenditure on goods and services in 2010/11 was a result of the reversal of an impairment charge following the conclusion of a settlement agreement with one of the corporation's borrowers. Spending is expected to increase in 2013/14 mainly due to costs associated to the sale of houses by the Cape Town Community Housing Company.

The growth in expenditure on compensation of employees between 2009/10 and 2012/13 was a result of new initiatives introduced into the low income housing market, including the expansion of funding for social housing. Expenditure on compensation of employees is expected to increase further in 2013/14 due to the inflationary adjustment of wages and the filling of vacant posts. Due to the disposal of majority shareholding in the Cape Town Community Housing Company and the associated recognition of employee costs, expenditure on compensation of employees is expected to decrease in 2014/15.

The approved establishment of the corporation provides for 124 posts, all of which are funded. The corporation had 121 staff members and 3 vacant positions in 2012/13. The number of funded posts is expected to decrease over the medium term due to the fact that the Cape Town Community Housing Company will no longer be a subsidiary of the corporation.

National Urban Reconstruction and Housing Agency

Mandate and goals

The National Urban Reconstruction and Housing Agency is a non-profit public entity established in 1995 as a joint venture between the South African government and the Open Society Institute of New York. The agency ensures the availability of bridging finance to small, medium sized and established contractors building low to moderate income housing and related community facilities and infrastructure.

The agency's strategic goals over the medium term are to:

- maximise access to bridging finance for contractors and developers
- facilitate the delivery of subsidised and affordable housing, as well as human settlement infrastructure, at scale
- improve client, market and stakeholder relations.

Selected performance indicators

Table 31.25 National Urban Reconstruction and Housing Agency

Indicator	Programme/ Activity/Objective	Past			Current ¹	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of new loans signed: Subsidy housing and sites per year (R thousand)	Loans for subsidy housing	R149 485	R83 316	R134 883	R35 300	R124 000	R136 000	R164 500
Value of new loans signed: Affordable housing and sites per year (R thousand)	Loans for affordable housing	R240 922	R84 983	R299 476	R113 322	R363 000	R400 000	R450 000
Value of new loans signed: Infrastructure projects per year (R thousand)	Loans for infrastructure projects	R164 407	R99 614	R62 630	R12 428	R79 000	R87 000	R112 000
Number of fully subsidised new houses/sites completed per year	Loans for subsidiary housing	18 702	10 668	7 066	7 648	5 082	5 590	6 841
Number of new infrastructure projects completed per year	Loans for infrastructure projects	41	33	25	16	10	12	17

1. As at 31 December 2012.

Programmes/activities/objectives

Table 31.26 National Urban Reconstruction and Housing Agency

R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Loans for affordable housing	29 957	41 512	6 246	11 813	-26.7%	22.3%	8 434	8 852	9 969	-5.5%	11.0%
Loans for subsidiary housing	12 839	17 791	5 771	2 237	-44.1%	9.4%	1 711	1 247	1 410	-14.3%	1.9%
Loans for infrastructure projects	25 678	35 582	3 534	2 137	-56.3%	16.4%	1 887	1 714	2 215	1.2%	2.2%
Programme management	17 118	23 721	559	27 924	17.7%	18.3%	59 111	30 816	33 124	5.9%	42.9%
Other Shared services	-	-	104 110	41 084	-	33.7%	12 162	48 100	51 202	7.6%	42.0%
Total expense	85 592	118 605	120 220	85 195	-0.2%	100.0%	83 305	90 729	97 920	4.7%	100.0%

Expenditure estimates

Table 31.27 National Urban Reconstruction and Housing Agency

Statement of financial performance											
R thousand	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Revenue											
Non-tax revenue	63 266	52 207	76 097	77 466	7.0%	98.7%	104 349	117 174	114 774	14.0%	100.0%
Sale of goods and services other than capital assets	56 871	46 212	61 041	60 927	2.3%	83.1%	83 981	86 200	83 246	11.0%	76.3%
<i>of which:</i>											
Administrative fees	-	-	15 856	24 014	-	13.0%	39 287	40 119	35 722	14.2%	33.5%
Sales by market establishment	56 871	46 212	45 185	36 913	-13.4%	70.2%	44 694	46 081	47 524	8.8%	42.8%
Interest on loans for construction projects	47 291	41 031	37 907	31 062	-13.1%	59.8%	39 025	40 224	41 471	10.1%	37.0%
Fees on loans for construction projects	9 580	5 181	7 278	5 851	-15.2%	10.3%	5 669	5 857	6 053	1.1%	5.8%
Other non-tax revenue	6 395	5 995	15 056	16 539	37.3%	15.5%	20 368	30 974	31 528	24.0%	23.7%
Transfers received	3 500	-	-	-	-100.0%	1.3%	-	-	-	-	-
Total revenue	66 766	52 207	76 097	77 466	5.1%	100.0%	104 349	117 174	114 774	14.0%	100.0%
Expenses											
Current expenses	85 592	118 605	120 158	85 195	-0.2%	100.0%	83 305	90 729	97 920	4.7%	100.0%
Compensation of employees	25 968	23 389	28 087	25 795	-0.2%	25.9%	27 257	28 674	30 352	5.6%	31.4%
Goods and services	39 123	77 562	76 876	45 893	5.5%	57.2%	40 794	46 146	51 871	4.2%	51.7%
Depreciation	528	1 084	1 543	1 455	40.2%	1.1%	1 525	1 590	1 651	4.3%	1.7%
Interest, dividends and rent on land	19 973	16 570	13 652	12 052	-15.5%	15.7%	13 729	14 320	14 046	5.2%	15.2%
Total expenses	85 592	118 605	120 220	85 195	-0.2%	100.0%	83 305	90 729	97 920	4.7%	100.0%
Surplus/(Deficit)	(18 826)	(66 398)	(44 123)	(7 729)	-25.7%		21 044	26 445	16 854	-229.7%	
Statement of financial position											
Carrying value of assets	2 603	4 068	3 598	2 930	4.0%	0.7%	2 117	1 581	1 341	-22.9%	0.3%
<i>of which:</i>											
Acquisition of assets	1 763	2 549	1 080	1 397	-7.5%	0.4%	325	320	340	-37.6%	0.1%
Investments	4 432	-	1 397	1 397	-31.9%	0.4%	1 397	1 397	1 397	-	0.2%
Loans	352 143	272 272	190 856	261 150	-9.5%	57.5%	271 453	282 213	293 450	4.0%	39.7%
Receivables and prepayments	1 110	958	22 248	19 337	159.2%	2.0%	19 599	19 661	19 684	0.6%	2.8%
Cash and cash equivalents	133 766	71 167	292 518	316 947	33.3%	39.4%	441 727	448 240	397 940	7.9%	57.0%
Total assets	494 054	348 465	510 617	601 761	6.8%	100.0%	736 293	753 092	713 812	5.9%	100.0%
Accumulated surplus/(deficit)	228 532	162 133	218 011	310 283	10.7%	46.8%	430 487	455 082	468 908	14.8%	59.1%
Capital and reserves	38 300	38 300	38 300	38 300	-	8.2%	38 300	38 300	38 300	-	5.5%
Borrowings	219 658	142 058	137 958	242 750	3.4%	38.2%	159 943	168 503	115 082	-22.0%	25.2%
Trade and other payables	7 564	5 974	116 286	7 431	-0.6%	6.8%	107 564	91 207	91 522	130.9%	10.2%
Managed funds (e.g. poverty alleviation fund)	-	-	62	-	-	0.0%	-	-	-	-	-
Total equity and liabilities	494 054	348 465	510 617	598 764	6.6%	100.0%	736 294	753 092	713 812	6.0%	100.0%

Personnel information

Table 31.28 National Urban Reconstruction and Housing Agency

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	48	19	39	23.3	0.6	49	25.8	0.5	48	27.3	0.6	49	28.7	0.6	49	30.4	0.6	-	100.0%
7 – 10	14	7	16	4.3	0.3	12	1.7	0.1	11	1.8	0.2	12	2.0	0.2	12	2.1	0.2	-	24.1%
11 – 12	19	-	10	5.7	0.6	30	15.8	0.5	30	16.9	0.6	30	18.0	0.6	30	19.0	0.6	-	61.5%
13 – 16	13	10	12	7.7	0.6	7	8.3	1.2	7	8.5	1.2	7	8.7	1.2	7	9.3	1.3	-	14.4%
17 – 22	2	2	1	5.6	5.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Rand million.

Expenditure trends

The National Urban Reconstruction and Housing Agency generates revenue from interest on loans disbursed and programme management fees in assisting emerging contractors in project development and execution to minimise the risk of these contractors defaulting on their loans. Revenue is expected to increase to R114.8 million in 2015/16 mainly due to an increase in interest earned on loans disbursed as the loan book expands.

The spending focus over the medium term will be on providing affordable loans to housing contractors, as well as providing project management assistance to emerging contractors. Expenditure over the medium term is focused on extending the contractor finance through the agency's three finance programmes. The most significant growth in the value of loans is projected for the affordable housing programme, which is expected to increase from R330 million in 2012/13 to R450 million in 2015/16. However, costs related to the affordable housing programme are projected to decrease from R11.8 million in 2012/13 to R10 million in 2015/16. The value of loans in the subsidy housing programme is projected to increase from R112.8 million in 2012/13 to R164.5 million in 2015/16, which will have a moderate impact on the costs related to this programme. The growth in the programme is supported by the implementation of the contractor finance and development programme, which provides financial and project management support to emerging contractors, enabling them to grow their business and improve their grading in terms of the Construction Industry Development Board.

Expenditure related to the programme management objective is expected to increase from R27.9 million in 2012/13 to R33.1 million due to the appointment of temporary staff while the programmes are managed on behalf of provinces. The expenditure on shared services is expected to increase from R12.2 million in 2013/14 to R48.1 million in 2014/15 and to R51.2 million in 2015/16 and reflects the entity's increased focus over the medium term on fee based initiatives, such as the contractor finance and development programme.

The agency expects to appoint 16 temporary staff members over the medium term in support of the programme management objective, which provides project management to provinces. The ratio of line function to support staff is 0.53:1.

Social Housing Regulatory Authority

Mandate and goals

The Social Housing Act (2008) provides for the establishment of the Social Housing Regulatory Authority. The authority is mandated to regulate the social housing sector and support the restructuring of urban spaces through investments in social housing.

The authority's strategic goal over the medium term is to develop a transparent, effective, efficient and legislatively compliant operating, regulatory and investment environment for the social housing sector.

Selected performance indicators

Table 31.29 Social Housing Regulatory Authority

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new social housing units invested in per year	Investment in social housing sector	- ¹	1 685	4 127	5 593	5 561	5 422	7 805
Number of additional social housing projects receiving the project feasibility grant per year	Investment in social housing sector	- ¹	14	6	14	20	20	30
Number of additional social housing institutions supported through start-up/ gearing grant per year	Investment in social housing sector	- ¹	- ²	13	15	20	25	30
Number of additional social housing institutions supported through specific intervention grants per year	Investment in social housing sector	- ¹	50	3	15	20	15	20
Number of new inspections and audits per year	Investment in social housing sector	- ¹	- ³	2	12	20	30	30

1. The Social Housing Regulatory Authority was formally established in 2010/11, hence indicators only begin from 2010/11.

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

3. As the Social Housing Regulatory Authority was 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 31.30 Social Housing Regulatory Authority

	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Investment in social housing sector	-	-	226 169	640 927	-	-	813 693	867 543	1 123 974	20.6%	91.7%
Regulation in social housing sector	-	-	-	-	-	-	63 287	-	87 420	-	3.4%
Administration	-	59 281	19 305	27 570	-	-	32 151	33 480	35 020	8.3%	3.5%
Intervention management	-	-	-	-	-	-	27 123	-	37 006	-	1.4%
Other objectives	-	-	293 706	-	-	-	-	-	-	-	-
Total expense	-	59 281	539 180	668 497	-	-	936 254	901 023	1 283 420	24.3%	100.0%

Expenditure estimates

Table 31.31 Social Housing Regulatory Authority

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R thousand											
Revenue											
Non-tax revenue	-	825	7 283	-	-	-	-	-	-	-	-
Other non-tax revenue	-	825	7 283	-	-	-	-	-	-	-	-
Transfers received	-	186 771	463 174	668 497	-	-	936 254	901 023	1 283 420	24.3%	100.0%
Total revenue	-	187 596	470 457	668 497	-	-	936 254	901 023	1 283 420	24.3%	100.0%
Expenses											
Current expenses	-	59 281	539 180	49 774	-	-	49 393	46 419	48 534	-0.8%	5.4%
Compensation of employees	-	757	10 947	14 816	-	-	23 344	25 444	27 734	23.2%	2.4%
Goods and services	-	58 457	527 294	33 958	-	-	24 949	19 975	20 560	-15.4%	2.9%
Depreciation	-	67	939	1 000	-	-	1 100	1 000	240	-37.9%	0.1%
Transfers and subsidies	-	-	-	618 723	-	-	886 861	854 604	1 234 886	25.9%	94.6%
Total expenses	-	59 281	539 180	668 497	-	-	936 254	901 023	1 283 420	24.3%	100.0%
Surplus/(Deficit)	-	128 315	(68 723)	-	-	-	-	-	-	-	-
Statement of financial position											
Carrying value of assets of which:	-	1 256	3 633	6 272	-	-	5 340	4 470	3 600	-16.9%	10.8%
Acquisition of assets	-	1 076	3 415	1 400	-	-	1 200	940	-	-100.0%	1.9%
Receivables and prepayments	-	264	602	602	-	-	602	602	602	-	1.4%
Cash and cash equivalents	-	129 221	59 109	54 524	-	-	34 500	36 500	35 500	-13.3%	87.8%
Total assets	-	130 741	63 344	61 398	-	-	40 442	41 572	39 702	-13.5%	100.0%
Accumulated surplus/(deficit)	-	128 268	59 649	59 649	-	-	38 892	40 222	38 582	-13.5%	96.8%
Trade and other payables	-	2 473	3 695	1 749	-	-	1 550	1 350	1 120	-13.8%	3.2%
Total equity and liabilities	-	130 741	63 344	61 398	-	-	40 442	41 572	39 702	-13.5%	100.0%

Personnel information

Table 31.32 Social Housing Regulatory Authority

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number		
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
			2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	24	-	19	10.9	0.6	24	14.8	0.6	38	23.3	0.6	38	25.4	0.7	38	27.7	0.7	16.6%	100.0%	
1-6	3	-	3	0.5	0.2	3	0.4	0.1	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	-	9.0%	
7-10	9	-	7	1.3	0.2	9	3.6	0.4	20	9.1	0.5	20	9.9	0.5	20	10.8	0.5	30.5%	48.8%	
11-12	6	-	3	2.8	0.9	6	4.1	0.7	9	6.6	0.7	9	7.1	0.8	9	7.8	0.9	14.5%	24.0%	
13-16	4	-	4	3.4	0.9	4	3.6	0.9	4	3.9	1.0	4	4.2	1.1	4	4.6	1.2	-	12.1%	
17-22	2	-	2	3.0	1.5	2	3.1	1.5	2	3.3	1.7	2	3.6	1.8	2	4.0	2.0	-	6.0%	

1. Rand million.

Expenditure trends

The Social Housing Regulatory Authority's spending over the medium term will focus on investing in social housing through the restructuring capital grant paid to accredited social housing institutions. As a result, total expenditure is expected to increase significantly over the medium term. The increased investment in social housing will allow for the delivery of an additional 6 000 medium density rental housing units per year in designated restructuring zones.

The additional investment in social housing requires more capacity to regulate the social housing sector. To support the improved regulation of the growing sector, the authority expects to increase its personnel from 24 in 2012/13 to 38 over the medium term. As a result, spending on compensation of employees is expected to increase over the medium term.

The authority had an approved establishment of 24 funded posts in 2012/13 and relied on consultants to perform the regulation function due to the lack of in-house capacity. Over the medium term, the authority will appoint additional staff members to perform the regulatory work and related functions.

Estate Agency Affairs Board

Mandate and goals

The Estate Agency Affairs Act (1976) provides for the establishment of the Estate Agency Affairs Board. The board is mandated to regulate, maintain and promote the standard of conduct of estate agents, issue Estate Agents Fidelity Fund certificates, prescribe the standard of training of estate agents, investigate complaints lodged against estate agents, and manage and control the Estate Agents Fidelity Fund.

The board's strategic goals over the medium term are to:

- improve enforcement through increased inspections of estate agencies
- expand the education and training support provided to estate agents by establishing a knowledge centre
- enhance the governance of the Estate Agents Fidelity Fund
- transform the industry to reflect the demographic profile of South Africa.

Selected performance indicators

Table 31.33 Estate Agency Affairs Board

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Turnaround time on the issue of Fidelity Fund certificate (days)	Compliance	14	14	14	14	14	14	14
Turnaround time in addressing customer queries (days)	Compliance	14	6	5	5	5	5	5
Number of inspections performed per year	Inspectorate	16	66	364	484	500	600	700
Time taken to deal with appeals (months)	Compliance	3	3	3	3	3	3	3
Claims and fines recovered as a percentage of all fines issued	Compliance	0%	25%	0%	25%	25%	25%	25%
Number of Fidelity Fund certificates issued per year	Compliance	50 350	49 980	52 304	49 238	54 162	59 578	65 536

Programmes/activities/objectives

Table 31.34 Estate Agency Affairs Board

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Governance and strategy	5 579	5 915	2 226	10 496	23.4%	9.2%	9 792	12 047	12 601	6.3%	12.9%	
Compliance	8 937	13 050	24 387	27 890	46.1%	24.8%	25 066	30 032	28 493	0.7%	32.2%	
Education and training	2 832	4 700	23 030	6 047	28.8%	11.2%	5 627	6 923	7 241	6.2%	7.4%	
Corporate services	24 200	47 424	45 364	38 680	16.9%	54.8%	35 838	44 063	46 090	6.0%	47.4%	
Total expense	41 548	71 089	95 007	83 113	26.0%	100.0%	76 323	93 065	94 426	4.3%	100.0%	

Expenditure estimates

Table 31.35 Estate Agency Affairs Board

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Revenue												
Non-tax revenue	54 698	103 577	89 997	83 625	15.2%	100.0%	89 479	95 742	102 445	7.0%	100.0%	
Sale of goods and services other than capital assets	45 132	48 329	43 112	74 446	18.2%	66.5%	79 657	85 233	91 200	7.0%	89.0%	
<i>of which:</i>												
<i>Sales by market establishment</i>	45 132	48 329	43 112	74 446	18.2%	66.5%	79 657	85 233	91 200	7.0%	89.0%	
<i>Contributions</i>	45 132	41 957	39 021	73 762	17.8%	63.6%	78 925	84 450	90 362	7.0%	88.2%	
<i>Other non-tax revenue</i>	9 566	55 249	46 885	9 179	-1.4%	33.5%	9 822	10 509	11 245	7.0%	11.0%	
Total revenue	54 698	103 577	89 997	83 625	15.2%	100.0%	89 479	95 742	102 445	7.0%	100.0%	
Expenses												
Current expenses	40 253	70 886	95 007	83 113	27.3%	99.1%	76 323	93 065	94 426	4.3%	100.0%	
Compensation of employees	20 533	32 074	40 872	51 206	35.6%	49.8%	39 205	58 626	61 323	6.2%	60.2%	
Goods and services	17 652	36 749	52 436	30 213	19.6%	46.4%	35 503	32 386	30 956	0.8%	37.6%	
Depreciation	1 722	1 979	1 658	1 694	-0.5%	2.7%	1 615	2 053	2 147	8.2%	2.2%	
Interest, dividends and rent on land	346	84	41	-	-100.0%	0.2%	-	-	-	-	-	
Transfers and subsidies	1 295	203	-	-	-100.0%	0.9%	-	-	-	-	-	
Total expenses	41 548	71 089	95 007	83 113	26.0%	100.0%	76 323	93 065	94 426	4.3%	100.0%	
Surplus/(Deficit)	13 150	32 488	(5 010)	512	-66.1%		13 155	2 677	8 019	150.2%		

Personnel information

Table 31.36 Estate Agency Affairs Board

Post status estimated for 31 March 2013	Number and cost ¹ of personnel posts filled/planned for on funded establishment		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual 2011/12			Revised estimate 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
									2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost
Salary level	90	1	90	30.6	0.3	89	39.6	0.4	90	30.7	0.3	90	46.9	0.5	90	48.8	0.5	0.4%	100.0%
1-6	4	-	4	0.4	0.1	4	0.4	0.1	4	0.4	0.1	4	0.5	0.1	4	0.5	0.1	-	4.5%
7-10	38	-	38	7.3	0.2	38	9.3	0.2	38	8.9	0.2	38	10.7	0.3	38	11.4	0.3	-	42.3%
11-12	16	-	16	4.5	0.3	16	5.5	0.3	16	4.3	0.3	16	6.3	0.4	16	6.7	0.4	-	17.8%
13-16	31	-	31	17.1	0.6	31	24.4	0.8	31	15.7	0.5	31	28.0	0.9	31	28.5	0.9	-	34.5%
17-22	1	1	1	1.3	1.3	-	-	-	1	1.4	1.4	1	1.5	1.5	1	1.6	1.6	-	0.8%

1. Rand million.

Expenditure trends

The Estate Agency Affairs Board generates revenue from membership and subscription fees from registered estate agents. Total revenue increased significantly between 2011/12 and 2012/13 due to the increased number of estate agents registered as a result of work undertaken by the board to clamp down on illegally operating agents. The board also received revenue from interest in short term investments, which matured in 2011/12. Over the medium term, total revenue is expected to increase at an average annual rate of 7 per cent, mainly due to the moderate growth in the numbers of estate agents registered.

The spending focus over the medium term will be on strengthening the agency's regulatory capacity through increased inspections of estate agencies. The greatest proportion of the total expenditure of the board is consumed by the corporate services objective, which includes the information technology, human resources and finance functions. The increase in spending on goods and services in 2011/12 relates to the once-off expenditure on special forensic audits undertaken in that year and the associated legal costs.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 due to the inspections function, which was initially outsourced. Expenditure on this item is expected to increase over the medium term due to the expected appointment of the chief executive officer, the expansion of the inspectorate and the establishment of the customer relations management department.

The entity had a funded establishment of 90 posts and there were no vacancies in 2012/13. The ratio of support to line function staff is 1:2.7.

Estate Agents Fidelity Fund

Table 31.37 Estate Agents Fidelity Fund

Statement of financial performance	Audited outcome				Revised estimate 2012/13	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2013/14				2014/15	2015/16			
	R thousand											
Revenue												
Non-tax revenue	79 946	72 859	61 252	69 479	-4.6%	100.0%	68 111	72 878	87 190	7.9%	100.0%	
Sale of goods and services other than capital assets	40 545	32 467	28 672	37 010	-3.0%	48.8%	34 251	36 648	47 424	8.6%	52.1%	
of which:												
Administration fees	33 412	24 541	20 987	30 310	-3.2%	38.3%	27 082	28 977	31 006	0.8%	39.7%	
Interest on trust funds	32 131	22 966	19 407	23 300	-10.2%	34.2%	24 931	26 676	28 544	7.0%	34.9%	
Contribution from estate agents	1 281	1 575	1 580	2 010	16.2%	2.3%	2 151	2 301	2 462	7.0%	3.0%	
Sales by market establishment	7 133	7 926	7 685	6 700	-2.1%	10.5%	7 169	7 671	16 418	34.8%	12.4%	
Other non-tax revenue	39 401	40 392	32 580	32 469	-6.2%	51.2%	33 860	36 230	39 766	7.0%	47.9%	
Total revenue	79 946	72 859	61 252	69 479	-4.6%	100.0%	68 111	72 878	87 190	7.9%	100.0%	

Table 31.37 Estate Agents Fidelity Fund (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Expenses											
Current expenses	36 623	48 389	54 166	63 748	20.3%	100.0%	68 211	72 985	78 095	7.0%	100.0%
Goods and services	36 623	47 751	53 565	63 748	20.3%	99.4%	68 211	72 985	78 095	7.0%	100.0%
Interest, dividends and rent on land	–	639	601	–	–	0.6%	–	–	–	–	–
Total expenses	36 623	48 389	54 166	63 748	20.3%	100.0%	68 211	72 985	78 095	7.0%	100.0%
Surplus/(Deficit)	43 323	24 470	7 086	5 731	-49.0%		(100)	(107)	9 095	16.6%	
Loans	2 464	–	–	–	-100.0%	0.1%	–	–	–	–	–
Receivables and prepayments	2 789	3 652	7 774	11 218	59.0%	20.1%	12 003	12 843	13 742	7.0%	1.8%
Cash and cash equivalents	15 047	29 443	2 248	2 849	-42.6%	7.6%	3 048	3 261	3 490	7.0%	0.5%
Derivatives financial instruments	537 085	570 922	–	600 486	3.8%	72.1%	642 520	687 496	735 621	7.0%	97.7%
Total assets	557 385	604 017	10 022	614 553	3.3%	100.0%	657 571	703 601	752 853	7.0%	100.0%
Accumulated surplus/(deficit)	557 144	581 611	588 698	598 351	2.4%	97.6%	640 236	685 053	733 006	7.0%	97.4%
Trade and other payables	–	–	–	7 687	–	0.3%	8 225	8 801	9 417	7.0%	1.3%
Taxation	47	4 574	5 593	–	-100.0%	0.4%	–	–	–	–	–
Provisions	194	–	281	515	38.4%	0.0%	551	590	631	7.0%	0.1%
Derivatives financial instruments	–	17 831	13 437	8 000	–	1.6%	8 560	9 159	9 800	7.0%	1.3%
Total equity and liabilities	557 385	604 016	608 009	614 553	3.3%	100.0%	657 572	703 602	752 854	7.0%	100.0%

Expenditure trends

The Estate Agents Fidelity Fund's main revenue source is the share of interest earned by estate agents trust accounts paid into the Fidelity Fund. The fund also generates revenue from fees paid by newly registered agents and interest earned on investments. Revenue decreased between 2009/10 and 2011/12 as a result of the conditions in the housing market due to the global financial crises and the subsequent recession. Revenue is expected to increase over the medium term as the residential property market recovers.

Expenditure is driven by management fees paid to the Estate Agency Affairs Board for the administration of the fund. The significant growth in expenditure between 2009/10 and 2012/13 relates to the increased management fees paid to the Estate Agency Affairs Board, increased claims against the fund and the associated legal costs. Over the medium term, expenditure is expected to increase moderately as the claims ratio is maintained at the acceptable threshold of less than 2.5 per cent of the fund.

Housing Development Agency

Mandate and goals

The Housing Development Agency was established in terms of the Housing Development Agency Act (2008). The objectives of the agency, as defined in section 4 of the act, are to identify, acquire, hold, develop and release state owned and privately owned land for residential and community purposes, and project manage housing development for the creation of sustainable human settlements.

The agency's strategic goals over the medium term are to:

- develop and lead a sector wide land assembly strategy for sustainable human settlements in partnership with key sector stakeholders, such as provinces and municipalities
- provide land and housing development support services to provinces and municipalities on national strategic projects and programmes
- provide programme and project portfolio planning, management and implementation support to provinces and municipalities in priority housing development areas.

Selected performance indicators

Table 31.38 Housing Development Agency

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Hectares of publicly owned land released for human settlements per year ¹	Land assembly and partnerships	- ¹	- ¹	8 000	4 250	2 000	3 000	3 000
Number and extent of properties and/or land acquired by the agency for human settlements (portions and hectares) per year ²	Land assembly and partnerships	70	90	30	- ²	- ²	- ²	- ²
Number of priority housing development areas indicated per year ¹	Intergovernmental relations and strategy alignment	- ¹	- ¹	-	- ¹	2	2	2
Total number of intergovernmental relations protocols established, implemented and maintained	Intergovernmental relations and strategy alignment	4	15	15	15	15	15	15

1. No past data, as this is a new activity.

2. The agency will be changing its strategic focus from being a land owner to assisting provinces and municipalities in acquiring land.

Programmes/activities/objectives

Table 31.39 Housing Development Agency

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Organisational effectiveness and financial sustainability	17 549	22 463	33 218	55 964	47.2%	33.9%	43 543	65 559	68 454	6.9%	34.9%
Land assembly and partnerships	3 898	16 573	25 022	72 890	165.4%	24.6%	54 912	53 617	46 461	-13.9%	33.9%
Land and housing services	17 844	36 981	35 802	41 448	32.4%	37.3%	52 612	47 610	49 422	6.0%	28.5%
Intergovernmental relations and strategy alignment	4 545	3	6 389	-	-100.0%	4.2%	18 099	0	-	-	2.7%
Total expense	43 836	76 020	100 431	170 302	57.2%	100.0%	169 166	166 785	164 337	-1.2%	100.0%

Expenditure estimates

Table 31.40 Housing Development Agency

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Revenue											
Non-tax revenue	835	11 952	7 225	77 966	353.7%	16.5%	71 668	65 739	59 722	-8.5%	41.0%
Sale of goods and services other than capital assets	-	7 842	4 002	74 084	-	13.8%	67 580	61 451	55 236	-9.3%	38.5%
of which:											
Administrative fees	-	7 842	4 002	74 084	-	13.8%	67 580	61 451	55 236	-9.3%	38.5%
Project Management fee- Zanemvula	-	7 842	4 002	11 613	-	4.6%	12 229	13 418	12 828		
Other non-tax revenue	835	4 110	3 223	3 882	66.9%	2.7%	4 088	4 288	4 486	4.9%	2.5%
Transfers received	62 650	82 573	111 038	92 336	13.8%	83.5%	97 497	101 047	104 615	4.2%	59.0%
Total revenue	63 485	94 525	118 263	170 302	38.9%	100.0%	169 165	166 786	164 337	-1.2%	100.0%
Expenses											
Current expenses	43 836	76 020	100 431	170 302	57.2%	100.0%	169 165	166 785	164 337	-1.2%	100.0%
Compensation of employees	19 813	22 527	34 602	73 298	54.7%	38.1%	92 533	95 314	90 561	7.3%	52.5%
Goods and services	23 215	51 970	63 464	94 823	59.9%	60.0%	74 335	69 062	71 256	-9.1%	46.1%
Depreciation	522	1 182	2 145	2 181	61.1%	1.5%	2 297	2 409	2 520	4.9%	1.4%
Interest, dividends and rent on land	286	341	220	-	-100.0%	0.3%	-	-	-	-	-
Total expenses	43 836	76 020	100 431	170 302	57.2%	100.0%	169 165	166 785	164 337	-1.2%	100.0%
Surplus/(Deficit)	19 649	18 505	17 832	-	-100.0%		-	-	-	-	

Personnel information

Table 31.41 Housing Development Agency

Salary level	Post status estimated for 31 March 2013		Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	127	34	73	47.4	0.6	99	27.2	0.3	139	92.5	0.7	139	95.3	0.7	127	90.6	0.7	8.7%	100.0%
1-6	3	-	-	-	-	3	0.1	0.0	3	0.4	0.1	3	0.4	0.1	3	0.4	0.1	-	2.4%
7-10	43	9	-	-	-	36	4.4	0.1	44	13.0	0.3	44	13.1	0.3	37	11.7	0.3	0.9%	32.2%
11-12	35	10	30	8.8	0.3	25	5.2	0.2	43	22.8	0.5	43	23.3	0.5	40	22.7	0.6	17.0%	29.7%
13-16	41	15	37	30.3	0.8	30	13.2	0.4	44	46.2	1.0	44	47.8	1.1	42	44.4	1.1	11.9%	31.7%
17-22	5	-	6	8.3	1.4	5	4.3	0.9	5	10.3	2.1	5	10.8	2.2	5	11.4	2.3	-	4.0%

1. Rand million.

Expenditure trends

The Housing Development Agency's main revenue source is a transfer from the national department of human settlements. The agency also generates other revenue from fees for project management services provided to provinces for national priority projects, such as the Zanemvula project. In 2011/12, the agency signed agreements with provinces related to land assembly (identifying state land, undertaking feasibility studies, commissioning valuations, preparing development plans and meeting state departments) and project packaging. As a result, revenue from sales of goods and services increased by 13.8 per cent in 2012/13.

The spending focus over the medium term will be on facilitating the release of land for human settlements development in provinces and municipalities. Over the medium term, revenue from sales is expected to decrease from R74.1 million in 2012/13 to R55.2 million in 2015/16 due to the nature of the agency's business, which is project based, with the agency relying heavily on provincial housing departments' planning in projecting its revenue. Savings of R5.3 million have been effected on transfers from the department over the medium term.

The spike in goods and services expenditure in 2012/13 is mainly attributable to land survey and servitude costs, as well as project management activities in relation identifying and assembling land for human settlement development purposes.

The largest component of expenditure in the agency is compensation of employees. Spending on this item increased significantly in 2012/13, as the agency increased its capacity to assist provinces with packaging and assembling land for human settlements development. This resulted in spending on this item increasing significantly between 2009/10 and 2012/13 to provide for an additional 32 posts on the establishment. The agency has an establishment of 139 to be filled in the next two years. As at 30 November 2012, the agency had a staff complement of 99, including 4 fixed term contract staff members. There were 41 vacant positions as at the same date, 15 of which are expected to be filled by the end of 2012/13. The increase in staff was the result of two regional offices being established in Limpopo and Free State in 2012/13 and preparations to establish regional offices in North West and Northern Cape. The ratio of line function to support staff is 3:1.

Rural Housing Loan Fund

Mandate and goals

The Rural Housing Loan Fund was established as a section 21 company in 1996 by the Department of Human Settlements with initial grant capital from the German development bank, Kreditanstalt für Wiederaufbau. The entity is mandated to facilitate access to housing credit to low income rural households by providing wholesale finance through a network of retail intermediaries and community based organisations.

The fund's strategic goals over the medium term are to:

- establish sound distribution channels that can contribute to the attainment of the mandate of the fund and achieve housing impact

- increase the use of community based organisations with a view to reaching under-served markets such as the self-employed and informally employed
- provide support to distressed intermediaries
- increase exposure to low risk intermediaries that give the entity a national geographic reach, to scale up lending to rural households
- introduce low interest rate products for retail intermediaries who meet the criteria outlined in the fund's mandate.

Performance indicators

Table 31.42 Rural Housing Loan Fund

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total value of loan book per year	Provide access to housing credit to low income rural households	R230.4m	R302m	R336.8m	R375.5m	R385m	R361.2m	R398.1m
Average interest on loans granted per year	Provide access to housing credit to low income rural households	15%	13%	12%	11%	11%	11%	10%
Percentage impairment provision per year	Provide access to housing credit to low income rural households	21%	18%	17%	19%	19%	22%	18%

Programmes/activities/objectives

Table 31.43 Rural Housing Loan Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Provide access to housing credit to low income rural households	35 019	27 579	30 469	34 778	-0.2%	100.0%	39 731	38 667	40 034	4.8%	100.0%
Total expense	35 019	27 579	30 469	34 778	-0.2%	100.0%	39 731	38 667	40 034	4.8%	100.0%

Expenditure estimates

Table 31.44 Rural Housing Loan Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand											
Revenue											
Non-tax revenue	63 963	45 831	45 913	46 587	-10.0%	100.0%	56 453	59 888	74 213	16.8%	100.0%
Sale of goods and services other than capital assets	31 970	35 377	35 551	40 555	8.3%	72.9%	47 084	50 020	63 500	16.1%	84.9%
<i>of which:</i>											
<i>Sales by market establishment</i>	31 970	35 377	35 551	40 555	8.3%	72.9%	47 084	50 020	63 500	16.1%	84.9%
<i>Other non-tax revenue</i>	31 993	10 453	10 362	6 032	-42.7%	27.1%	9 369	9 868	10 713	21.1%	15.1%
Total revenue	63 963	45 831	45 913	46 587	-10.0%	100.0%	56 453	59 888	74 213	16.8%	100.0%
Expenses											
Current expenses	29 561	21 254	24 284	30 289	0.8%	82.1%	34 192	35 005	40 034	9.7%	90.9%
Compensation of employees	5 287	6 718	7 733	8 651	17.8%	22.4%	9 993	10 347	13 571	16.2%	27.7%
Goods and services	14 303	4 137	6 142	10 787	-9.0%	26.8%	13 407	13 903	15 666	13.2%	35.0%
Depreciation	129	114	106	137	2.0%	0.4%	126	89	131	-1.6%	0.3%
Interest, dividends and rent on land	9 842	10 285	10 303	10 714	2.9%	32.5%	10 666	10 666	10 666	-0.1%	28.0%
Total expenses	35 019	27 579	30 469	34 778	-0.2%	100.0%	39 731	38 667	40 034	4.8%	100.0%
Surplus/(Deficit)	28 944	18 252	15 444	11 809	-25.8%		16 722	21 221	34 179	42.5%	

Table 31.44 Rural Housing Loan Fund (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R thousand											
Carrying value of assets	138	224	272	229	18.4%	0.1%	168	329	341	14.2%	0.1%
of which:											
Acquisition of assets	27	201	154	100	54.7%	0.0%	65	250	-	-100.0%	0.0%
Investments	4 632	5 407	3 393	3 650	-7.6%	1.1%	3 650	3 650	3 650	-	0.8%
Loans	182 772	224 204	311 691	310 152	19.3%	60.6%	377 457	396 279	398 060	8.7%	81.7%
Receivables and prepayments	28 331	1 508	1 279	1 315	-64.1%	2.4%	1 315	1 315	1 315	-	0.3%
Cash and cash equivalents	103 292	155 304	138 400	159 510	15.6%	33.2%	49 645	27 366	18 979	-50.8%	13.5%
Non-current assets held for sale	-	-	1 482	1 482	-	0.2%	1 482	1 482	1 482	-	0.3%
Taxation	10 179	10 564	7 614	14 946	13.7%	2.6%	14 946	14 946	14 946	-	3.3%
Total assets	329 344	397 212	464 131	491 284	14.3%	100.0%	448 663	445 367	438 773	-3.7%	100.0%
Accumulated surplus/(deficit)	10 097	28 348	43 792	42 619	61.6%	7.1%	-	-	-	-100.0%	2.2%
Capital and reserves	23 014	23 014	23 014	23 014	-	5.6%	23 014	23 014	23 014	-	5.1%
Capital reserve fund	154 763	204 263	253 762	285 737	22.7%	52.8%	285 737	285 737	285 737	-	62.8%
Borrowings	139 642	139 642	139 671	138 729	-0.2%	34.0%	138 729	135 433	128 839	-2.4%	29.7%
Trade and other payables	861	876	123	312	-28.7%	0.1%	312	312	312	-	0.1%
Taxation	46	-	1 817	3	-59.7%	0.1%	1	1	1	-30.7%	0.0%
Provisions	921	1 070	1 952	870	-1.9%	0.3%	870	870	870	-	0.2%
Total equity and liabilities	329 344	397 212	464 131	491 284	14.3%	100.0%	448 663	445 367	438 773	-3.7%	100.0%

Personnel information

Table 31.45 Rural Housing Loan Fund

Salary level	Number of funded posts	Number of vacant posts	Number and cost ¹ of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost		Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
7 - 10	11	-	11	7.7	0.7	11	8.9	0.8	11	9.6	0.9	11	10.3	0.9	11	13.6	1.2	-	100.0%
13 - 16	4	-	4	1.2	0.3	4	1.7	0.4	4	1.8	0.5	4	1.9	0.5	4	3.1	0.8	-	36.4%
17 - 22	5	-	5	5.3	1.1	5	5.8	1.2	5	6.2	1.2	5	7.0	1.4	5	8.9	1.8	-	45.5%
	2	-	2	1.2	0.6	2	1.4	0.7	2	1.5	0.8	2	1.5	0.8	2	1.6	0.8	-	18.2%

1. Rand million.

Expenditure trends

The Rural Housing Loan Fund generates revenue from interest on loans disbursed to retail credit intermediaries. Other revenue generated by the fund emanates from interest on investment income. Between 2009/10 and 2012/13, revenue increased as the value and number of new loans disbursed rose over this period. Over the medium term, revenue is expected to increase at a slower rate as the fund expands its business downmarket, meaning smaller sized loans and resulting in reduced margins. In addition, the objective over the medium term is to reduce the interest rates of borrowers as the fund reduces its lending rates to intermediaries.

The spending focus of the fund is to provide low income rural households with access to housing credit. Expenditure between 2009/10 and 2012/13 declined marginally as the fund improved efficiencies in its operations. Spending in this period was driven by growth in spending on compensation of employees, which increased significantly as the entity appointed more staff members. Spending on goods and services decreased significantly in 2010/11 and 2011/12 due to adjustments in the financial statements for loss of expected income. The increase in spending on this item in 2012/13 was attributable to additional travelling expenses relating to the identification and servicing of potential new clients, as well as impairment adjustments to the loan book. Over the medium term, expenditure is expected to increase to R15.7 million in 2015/16 in line with the increase

in the administrative capacity of the fund to effectively service the increasing client base, as well as increased provisions for impairments of the loan book. The number of new community based organisations supported by fund is expected to increase from 5 in 2012/13 to 20 in 2015/16. The fund intends to reduce the average interest rate on housing credit advanced to the intermediaries from 11 per cent in 2012/13 to 10 per cent in 2015/16 to reduce the interest cost of credit for the rural end users.

Currently, the entity does not have enough internal capacity to verify the impact reported by its retail intermediaries and has acquired the services of consultants for this purpose. However, in future, this function will be performed by the loan usage investigators to be appointed in 2014/15. The ratio of line to support staff is 4.5:1. The entity has reduced expected expenditure over the medium term by R2.4 million to curb spending on non-core 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	2011/12		2011/12	2012/13			2012/13
Administration	389 127	389 127	274 542	414 778	15 500	430 278	420 278
Human Settlements Policy, Strategy and Planning	68 378	68 378	60 914	67 902	–	67 902	67 902
Programme Delivery Support	156 806	156 806	149 077	194 876	1 090	195 966	150 966
Housing Development Finance	21 964 184	22 211 230	22 114 387	24 585 624	(141 965)	24 443 659	24 243 659
Total	22 578 495	22 825 541	22 598 920	25 263 180	(125 375)	25 137 805	24 882 805
Economic classification							
Current payments	642 204	648 888	494 251	738 279	(4 091)	734 188	679 188
Compensation of employees	319 004	302 267	242 748	336 989	(16 983)	320 006	320 006
Goods and services	322 670	346 072	251 306	400 780	12 450	413 230	358 230
Interest and rent on land	530	549	197	510	442	952	952
Transfers and subsidies	21 700 605	21 881 276	21 881 070	24 036 373	8 157	24 044 530	24 044 530
Provinces and municipalities	21 208 514	21 388 514	21 388 514	23 118 165	–	23 118 165	23 118 165
Departmental agencies and accounts	487 091	487 091	484 074	912 808	–	912 808	912 808
Higher education institutions	–	–	–	–	3 090	3 090	3 090
Foreign governments and international organisations	1 000	1 000	462	1 000	–	1 000	1 000
Non-profit institutions	–	–	–	400	–	400	400
Households	4 000	4 671	8 020	4 000	5 067	9 067	9 067
Payments for capital assets	235 686	295 367	223 575	488 528	(129 441)	359 087	159 087
Buildings and other fixed structures	231 500	288 643	219 677	479 500	(138 875)	340 625	140 625
Machinery and equipment	3 961	6 489	3 870	8 802	8 104	16 906	16 906
Software and other intangible assets	225	235	28	226	1 330	1 556	1 556
Payments for financial assets	–	10	24	–	–	–	–
Total	22 578 495	22 825 541	22 598 920	25 263 180	(125 375)	25 137 805	24 882 805

Table 31.B Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Compensation of employees (R thousand)	166 857	216 455	242 748	320 006	365 984	390 001	417 819
Training expenditure (R thousand)	2 301	3 025	3 197	5 362	5 211	5 458	5 708
Training spend as percentage of compensation	1.4%	1.4%	1.3%	1.7%	1.4%	1.4%	1.4%
Total number trained (headcount)	236	629	–	–	–	–	–
<i>of which:</i>							
Employees receiving bursaries (headcount)	35	68	–	–	–	–	–
Learnerships (headcount)	–	36	–	–	–	–	–
Internships (headcount)	–	40	–	–	–	–	–
Households receiving bursaries (R thousand)	128	9 646	1 135	2 265	2 306	2 415	2 526
Households receiving bursaries (headcount)	86	116	–	–	–	–	–

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

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Conditional grants to provinces							
Housing Development Finance							
Human settlements development grant	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 918 321	19 667 205
Total	10 819 252	13 032 112	15 121 516	15 725 959	16 983 872	17 918 321	19 667 205
Conditional grants to municipalities							
Housing Development Finance							
Urban settlements development grant	4 418 189	4 968 023	6 266 998	7 392 206	9 076 906	10 334 684	10 699 773
Rural households infrastructure grant	–	–	–	–	106 721	113 124	118 328
Total	4 418 189	4 968 023	6 266 998	7 392 206	9 183 627	10 447 808	10 818 101

1. Detail provided in the Division of Revenue Act (2013).

Table 31.D Summary of donor funding

Donor	Project	Departmental programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate	Medium-term expenditure estimate		
							2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
							R thousand						
Foreign In cash													
Denmark	Energy efficiency project 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	-	-	-	-	-	-
Total				2 133			1 463	-	-	-	-	-	-

Table 31.E Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
				R thousand						
Departmental infrastructure										
Rural households infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	61 614	187 353	340 625	-	-	-
Accelerated community infrastructure programme	Basic water and sanitation infrastructure provided	Various	-	-	46 945	-	-	-	-	-
Infrastructure transfers to other spheres, agencies and departments										
Human settlements development grant	Houses completed and sites serviced	Various	-	10 819 252	13 032 112	-	15 725 959	16 983 872	17 918 321	19 667 205
Urban settlements development grant	Bulk infrastructure installed	Identification	-	4 418 189	4 968 023	-	7 392 206	9 076 906	10 334 683	10 699 773
Rural households infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	-	-	-	106 721	113 124	118 328
Total			-	15 237 441	18 108 694	187 353	23 458 790	26 167 499	28 366 128	30 485 306

BUDGET 2013
ESTIMATES OF NATIONAL EXPENDITURE

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