



VOTE 38

HUMAN SETTLEMENTS



BUDGET 2017

ESTIMATES
OF NATIONAL
EXPENDITURE



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

22 February 2017



ISBN: 978-0-621-45118-4
RP: 09/2017

The Estimates of National Expenditure 2017 is 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 Estimates of National Expenditure publication, the e-publications for each vote contain more comprehensive coverage of all public entities. Also included are tables containing information on programme specific personnel expenditure, conditional grants to provinces and municipalities, public private partnerships and information on donor funding. Expenditure information at the level of site service delivery is included, where appropriate.

Foreword

The 2017 Budget is presented at a time when indications are that the global economy could grow moderately better than the last forecast. Global GDP is expected to grow at 3.4 per cent in 2017, 0.3 percentage points higher than 2016. But uncertainty persists. The trade policies that the United States of America will pursue are unclear. The exact nature of Britain's exit from the European Union and economic impact are unknown. There is also evidence that globalisation is losing favour in some parts of the world and protectionism is growing. The global economy could be very different in future, depending on how these trends evolve.

Given the uncertainty, we have revised down South Africa's GDP growth projections and expect that tax revenue will be lower over the MTEF period as a result. We have also reduced the expenditure ceiling by R10.3 billion in 2017/18 and R15.9 billion in 2018/19, in line with government's fiscal objective of reducing the deficit, achieving a primary surplus and stabilising debt. Since its introduction in 2012, the expenditure ceiling in each financial year has never been breached.

Government is committed to delivering on its priorities despite the lowered revenue forecast and expenditure ceiling. It is critical that we allocate our limited resources wisely and use them effectively. In the 2017 Budget process, measures were taken to free-up resources and baselines were reduced across all departments by R7.5 billion in 2017/18, R7 billion in 2018/19 and R6.7 billion in 2019/20. The contingency reserve was also drawn down, and provisionally reserved funds were reallocated. However, the bulk of the funds allocated to priority areas within and across functions were reprioritised from lower-priority budget areas.

To ensure that funding remains focused on frontline service delivery, efforts have been intensified to improve efficiency in expenditure. Budget limits on compensation of employees introduced in the 2016 Appropriation Act are carried over to 2017. Departments will manage personnel headcount and employee earnings in line with these budget allocations.

Overall non-interest expenditure is still set to grow by an annual average of 1.4 per cent in real terms, from R1.24 trillion in 2017/18 to R1.43 trillion in 2019/20. Proposals in the budget include net increases in funding for the Post-School Education and Training, Basic Education, Economic Affairs and Health functions. The Post-School Education and Training function is the fastest growing, at 9.4 per cent over the medium term. The funding is mainly for universities to subsidise fee increases and for the National Student Financial Aid Scheme.

The publication is a concrete expression of the collaborative effort of highly dedicated civil servants across government throughout the process to prepare the Budget. We are particularly appreciative of this, as well as the contributions from the Ministers' Committee on the Budget and the Directors-General in central government. We are also thankful to all National Treasury staff who, under the expert guidance and leadership of the Minister of Finance, Pravin Gordhan, and his Deputy, Mcebisi Jonas, worked tirelessly to produce this crucial document.

The wide-ranging coverage of the Estimates of National Expenditure provides a coherent and summarised account of the prioritisation, spending plans and service delivery commitments of all 40 national votes and of government agencies. These plans constitute an important mechanism through which Parliament and the public hold institutions, including the National Treasury and its entities, to account.

Within the current difficult fiscal context not everything we believe would be beneficial to do, can be done now. Thus it is imperative that activities planned on budget be done effectively and efficiently.



Lungisa Fuzile
Director-General: National Treasury

Introduction

The Estimates of National Expenditure publications

The Estimates of National Expenditure (ENE) publications describe in detail government's expenditure plans over the next three financial years, also known as the medium-term expenditure framework (MTEF) period. The 2017 MTEF period is from 2017/18 to 2019/20.

The ENE publications contain information on: what government institutions aim to achieve over the medium term, and why; how they plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce. The publications also provide information on how institutions have spent their budgets in previous years, tables with performance data and targets, personnel data and detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and the entities that report to the vote's executive authority. Explanatory narratives detail the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes. Summary data tables at the end of each vote contain data on infrastructure, provincial and municipal conditional grants, departmental public private partnerships, donor funding, and expenditure at the level of site service delivery, where applicable.

A separate 2017 ENE Overview publication is also available on www.treasury.gov.za and summarises the ENE information across all votes. The 2017 ENE Overview contains a narrative explanation and budget-wide summary tables; a description of the budgeting approach; and it also has a write-up on how to interpret the information that is contained in each section of the publications.

Human Settlements

**National Treasury
Republic of South Africa**



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Vote 38

Human Settlements

Budget summary

R million	2017/18					2018/19	2019/20
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Administration	457.7	454.1	–	3.5	–	450.2	479.8
Human Settlements Policy, Strategy and Planning	93.6	89.9	2.8	0.9	–	89.8	95.7
Human Settlements Delivery Support	217.3	206.4	9.8	1.1	–	216.4	229.7
Housing Development Finance	32 695.8	26.9	32 518.6	0.2	150.0	34 658.3	36 642.2
Total expenditure estimates	33 464.3	777.4	32 531.3	5.7	150.0	35 414.7	37 447.5
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, personnel, entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, and expenditure information at the level of site service delivery, where appropriate.

Vote purpose

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

Mandate

The Department of Human Settlements derives its core mandate and responsibilities from section 26 of the Constitution and section 3 of the Housing Act (1997), read in conjunction with approved policies and chapter 8 of the National Development Plan (NDP). This allows the department, in collaboration with provinces and municipalities, to establish and facilitate a sustainable national housing development process. The department does this by: determining national policy and national norms and standards for housing and human settlements development; and setting broad national housing delivery goals, and monitoring the financial and non-financial performance of provinces and municipalities against these goals. In executing these roles and responsibilities, the department also builds capacity for provinces and municipalities, and promotes consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

Selected performance indicators

Table 38.1 Performance indicators by programme and related outcome

Indicator	Programme	Outcome	Past				Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Number of municipalities provided with technical assistance for informal settlement upgrading per year	Human Settlements Delivery Support	Outcome 8: Sustainable human settlements and improved quality of household life	20	62	91	53	41	41	39	
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		148	336	76	473	446	546	475	
Number of title deeds registered to eradicate backlog per year	Housing Development Finance		–1	–1	–1	–1	207 146	247 500	247 000	
Number of title deeds registered for new developments per year	Housing Development Finance		–1	–1	–1	–1	170 240	170 240	170 241	
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Housing Development Finance		–1	4 802	8 498	7 000	7 500	8 000	8 500	
Number of subsidy housing units completed per year	Housing Development Finance		105 936	94 566	99 904	108 017	113 341	117 105	138 084	
Number of additional households living in affordable rental housing units per year	Housing Development Finance		4 984	5 668	12 097	5 447	13 920	20 429	20 822	
Number of households benefiting from informal settlements upgraded to level 2 per year	Housing Development Finance		41 496	74 017	52 349	189 039	189 039	204 943	229 653	
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		–1	1 193	2 253	17 231	17 231	18 680	30 643	
Number of integrated and catalytic projects initiated per year	Housing Development Finance		–1	–1	13	12	8	7	10	

1. No historical data available.

Expenditure analysis

The Department of Human Settlements is committed to the NDP's vision of transforming human settlements and the spatial economy to create more functionally integrated, balanced and vibrant urban settlements by 2030. Outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework guides the department's work over the medium term towards ensuring that poor households have access to adequate housing in better living environments, and that institutional capacity and coordination is improved.

Delivery channels

The department's budget for 2016/17 amounts to R30.7 billion and is expected to increase to R37.4 billion in 2019/20, at an average annual rate of 6.9 per cent. Over the next three years, the department plans to initiate 25 catalytic projects that it will use as the main driver for delivering housing opportunities. Housing opportunities are implemented by provinces, metropolitan municipalities and public entities that are funded through conditional grants and transfers to departmental agencies and accounts. The budget for these transfers is located in the *Housing Development Finance* programme and is expected to increase at an average annual rate of 7 per cent over the medium term, from R29.8 billion in 2016/17 to R36.6 billion in 2019/20. As a result, the department expects to facilitate the delivery of 368 530 fully subsidised units, disburse 66 554 finance-linked individual subsidies and upgrade 623 635 houses in informal settlements by 2019. This will be funded through the *human settlements development grant*, which is expected to increase from R18.3 billion in 2016/17 to R22.3 billion by 2019/20, at an average annual rate of 6.9 per cent. The cost of delivering these programmes in metropolitan municipalities will be supported through the *urban settlements development grant*, a supplementary capital grant to the eight metropolitan municipalities that focuses on providing land, bulk infrastructure and basic services to poor households and, in particular, for the upgrading of households in informal settlements. This grant is expected to increase at an average annual rate of 5.2 per cent to R12.6 billion by 2019/20.

In addition, 55 171 social rental housing units are expected to be delivered by 2019. This will primarily be funded and facilitated through the Social Housing Regulatory Authority's capital programme, which is expected to total R3.2 billion over the medium term. This budget is the largest and most rapidly growing component of the department's transfers to departmental agencies and accounts over the period, increasing at an average annual rate of 42.9 per cent. Another of the department's focus areas through its implementing agencies is providing title deeds for subsidised housing beneficiaries. The title deeds restoration programme, which is funded through the provincial *human settlements development grant*, is expected to deliver 701 646 title deeds related to the backlog (pre-1994), as well as 510 721 title deeds linked to new beneficiaries.

Aligning policy with delivery models

Building on the 2004 breaking new ground strategy, the department expects to produce a new white paper on human settlements by 2017/18. The document is intended to formalise the shift in the department's approach from providing housing to developing sustainable human settlements. Under the new approach, the state seeks to develop partnerships with the private sector, communities and individual households to deliver sustainable and affordable accommodation in close proximity to social and economic opportunities. When approved, the white paper will form the basis of new human settlements legislation to replace the Housing Act (1997). Development of the white paper will be funded through the *Human Settlements Policy, Strategy and Planning* programme.

Further work is expected to be undertaken by the department in systematically reviewing and improving policies and delivery models related to affordable rental (social housing), demand-side subsidies such as finance-linked individual subsidies and the upgrading of informal settlements through an evidence-based approach over the medium term. As a result of these expected activities, expenditure in the *Human Settlements Policy, Strategy and Planning* programme is expected to increase from R88.1 million in 2016/17 to R95.7 million in 2019/20.

Creating operational capacity

Over the MTEF period, the department expects to finalise the consolidation of the National Housing Finance Corporation, the National Urban Reconstruction and Housing Agency, and the Rural Housing Loan Fund into a single human settlements development finance institution. Once established, the new institution is expected to

provide more effective access to affordable housing finance. The department expects to complete the strategic framework and legislation for the new institution by the end of 2017/18.

Through the national upgrading support programme, which is allocated R150 million over the medium term, the department plans to continue providing project-level technical support to 121 municipalities and providing 1 467 informal settlement upgrade plans to related municipalities. As a result, the budget of the *Human Settlements Delivery Support* programme is expected to increase at an average annual rate of 1.9 per cent to R229.7 million in 2019/20.

As at September 2016, the department had 648 filled posts, of which 69.4 per cent were in the *Administration* programme. Spending on compensation of employees was estimated at R371.5 million in 2016/17, and is expected to increase at an average annual rate of 3 per cent over the medium term as a result of the Cabinet-approved compensation of employees ceiling. As a result, the number of filled posts is expected to be 595 by 2019, largely through natural attrition and lapsed contracts over the next three years.

Expenditure trends

Table 38.2 Vote expenditure trends by programme and economic classification

Programmes														
1. Administration														
2. Human Settlements Policy, Strategy and Planning														
3. Human Settlements Delivery Support														
4. Housing Development Finance														
Programme	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Audited outcome	Annual budget	Adjusted appropriation	Revised estimate	Average: Outcome/Annual budget (%)	Average: Outcome/Adjusted appropriation (%)
R million	2013/14			2014/15			2015/16			2016/17			2013/14 - 2016/17	
Programme 1	422.4	422.4	280.4	425.9	433.3	433.1	435.1	440.6	411.1	442.3	460.1	460.1	91.8%	90.2%
Programme 2	84.1	84.1	73.3	89.4	87.0	78.7	74.3	73.5	75.7	83.1	88.1	88.1	95.5%	94.9%
Programme 3	153.6	188.9	98.7	207.0	183.5	133.7	169.8	165.6	120.8	224.6	217.3	217.3	75.6%	75.5%
Programme 4	27 377.1	27 280.0	26 990.8	28 695.3	28 713.9	28 712.7	30 264.1	29 863.6	29 426.9	29 940.9	29 930.9	29 930.9	99.0%	99.4%
Total	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 696.4	98.7%	99.1%
Change to 2016 Budget estimate											5.5			
Economic classification														
Current payments	724.2	700.2	454.5	733.0	696.6	605.8	687.0	674.8	603.7	758.9	757.8	757.8	83.4%	85.6%
Compensation of employees	330.1	326.9	240.2	351.7	328.8	290.9	322.2	320.8	310.2	383.5	371.5	371.5	87.4%	90.0%
Goods and services	393.7	373.2	214.3	381.3	367.7	314.9	364.7	354.0	293.5	375.4	386.3	386.3	79.8%	81.6%
Interest and rent on land	0.4	-	-	-	-	-	-	-	-	-	-	-	18.2%	711.1%
Transfers and subsidies	27 209.8	27 165.6	26 879.7	28 450.6	28 480.9	28 507.6	30 252.4	29 692.7	29 255.4	29 826.5	29 821.5	29 821.5	98.9%	99.4%
Provinces and municipalities	26 167.5	26 105.2	26 105.2	27 669.1	27 669.1	27 669.1	28 857.0	28 957.0	28 957.0	29 123.5	29 123.5	29 123.5	100.0%	100.0%
Departmental agencies and accounts	1 033.8	1 050.8	764.6	772.1	793.2	798.0	1 385.5	724.5	287.9	692.4	682.4	682.4	-	-
Higher education institutions	3.2	3.7	3.9	3.9	4.5	4.5	-	-	-	-	-	-	118.2%	102.4%
Foreign governments and international organisations	1.1	1.6	1.1	1.1	1.1	1.3	1.2	1.2	1.4	1.2	1.2	1.2	108.8%	98.0%
Public corporations and private enterprises	-	-	-	-	4.0	4.0	-	-	-	-	5.0	5.0	-	100.0%
Households	4.2	4.3	4.8	4.5	9.0	30.8	8.8	10.0	9.2	9.4	9.4	9.4	201.6%	165.6%
Payments for capital assets	3.3	9.7	8.9	3.9	10.2	14.7	4.0	14.8	14.1	5.5	17.1	17.1	328.6%	105.9%
Buildings and other fixed structures	-	-	-	-	-	-	-	0.2	0.2	-	-	-	-	96.3%
Machinery and equipment	3.0	9.2	8.2	3.7	9.9	13.3	3.7	14.5	13.8	5.2	16.8	16.8	332.4%	103.3%
Software and other intangible assets	0.2	0.5	0.7	0.2	0.2	1.4	0.3	0.1	0.1	0.3	0.3	0.3	245.1%	229.1%
Payments for financial assets	100.0	100.0	100.2	230.0	230.0	230.1	-	161.1	161.3	100.0	100.0	100.0	137.6%	100.1%
Total	28 037.2	27 975.4	27 443.3	29 417.6	29 417.6	29 358.2	30 943.4	30 543.4	30 034.5	30 690.9	30 696.4	30 696.4	98.7%	99.1%

Expenditure estimates

Table 38.3 Vote expenditure estimates by programme and economic classification

Programmes										
1. Administration										
2. Human Settlements Policy, Strategy and Planning										
3. Human Settlements Delivery Support										
4. Housing Development Finance										
Programme	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)		
R million	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20			
Programme 1	460.1	2.9%	1.3%	457.7	450.2	479.8	1.4%	1.3%		
Programme 2	88.1	1.6%	0.3%	93.6	89.8	95.7	2.8%	0.3%		
Programme 3	217.3	4.8%	0.5%	217.3	216.4	229.7	1.9%	0.6%		
Programme 4	29 930.9	3.1%	97.9%	32 695.8	34 658.3	36 642.2	7.0%	97.7%		
Total	30 696.4	3.1%	100.0%	33 464.3	35 414.7	37 447.5	6.9%	100.0%		
Change to 2016 Budget estimate				(1 102.0)	(1 205.3)	(1 230.9)				
Economic classification										
Current payments	757.8	2.7%	2.1%	777.4	766.6	816.5	2.5%	2.3%		
Compensation of employees	371.5	4.4%	1.0%	383.3	376.9	405.7	3.0%	1.1%		
Goods and services	386.3	1.2%	1.0%	394.1	389.7	410.9	2.1%	1.2%		
Transfers and subsidies	29 821.5	3.2%	97.4%	32 531.3	34 562.1	36 574.7	7.0%	97.4%		
Provinces and municipalities	29 123.5	3.7%	95.2%	31 351.6	33 071.3	34 969.0	6.3%	93.8%		
Departmental agencies and accounts	682.4	-13.4%	2.2%	1 167.0	1 479.0	1 593.2	32.7%	3.6%		
Foreign governments and international organisations	1.2	-7.9%	-	1.3	1.3	1.4	5.5%	-		
Public corporations and private enterprises	5.0	-	-	1.5	-	-	-100.0%	-		
Households	9.4	30.0%	-	9.9	10.4	11.0	5.5%	-		
Payments for capital assets	17.1	20.8%	-	5.7	6.0	6.3	-28.2%	-		
Machinery and equipment	16.8	22.2%	-	5.7	6.0	6.3	-27.8%	-		
Software and other intangible assets	0.3	-15.6%	-	-	-	-	-100.0%	-		
Payments for financial assets	100.0	-	0.5%	150.0	80.0	50.0	-20.6%	0.3%		
Total	30 696.4	3.1%	100.0%	33 464.3	35 414.7	37 447.5	6.9%	100.0%		

Goods and services expenditure trends and estimates

Table 38.4 Vote goods and services expenditure trends and estimates

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand					2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20	
Administrative fees	533	375	324	465	-4.4%	0.1%	314	314	330	-10.8%	0.1%
Advertising	23 262	29 607	20 019	24 712	2.0%	8.1%	24 650	22 698	23 932	-1.1%	6.1%
Minor assets	586	605	1 664	3 736	85.4%	0.5%	7 821	7 821	8 247	30.2%	1.7%
Audit costs: External	8 689	6 392	7 169	8 894	0.8%	2.6%	9 161	9 161	9 658	2.8%	2.3%
Bursaries: Employees	935	1 222	974	1 980	28.4%	0.4%	2 039	2 039	2 150	2.8%	0.5%
Catering: Departmental activities	6 077	5 016	4 568	3 393	-17.7%	1.6%	3 863	3 863	4 075	6.3%	1.0%
Communication	7 682	10 887	9 798	10 296	10.3%	3.2%	10 962	10 962	11 555	3.9%	2.8%
Computer services	26 812	31 044	43 874	69 340	37.3%	14.1%	58 351	58 351	61 535	-3.9%	15.7%
Consultants: Business and advisory services	30 856	72 082	34 484	119 815	57.2%	21.3%	128 701	126 219	133 098	3.6%	32.1%
Legal services	2 210	-	-	3 181	12.9%	0.4%	-	-	-	-100.0%	0.2%
Science and technological services	-	11 161	2 994	-	-	1.2%	3 130	3 130	3 300	-	0.6%
Contractors	1 020	2 864	749	3 585	52.0%	0.7%	1 770	1 770	1 867	-19.5%	0.6%
Agency and support/outourced services	1 309	1 873	2 207	2 949	31.1%	0.7%	2 364	2 364	2 492	-5.5%	0.6%
Entertainment	166	178	200	516	45.9%	0.1%	868	868	948	22.5%	0.2%
Fleet services (including government motor transport)	876	1 524	1 777	1 710	25.0%	0.5%	2 049	2 049	2 160	8.1%	0.5%
Inventory: Clothing material and accessories	-	-	267	456	-	0.1%	-	-	-	-100.0%	-
Inventory: Food and food supplies	-	-	-	41	-	-	48	48	50	6.8%	-
Inventory: Materials and supplies	228	156	27	127	-17.7%	-	32	32	33	-36.2%	-
Inventory: Medical supplies	4	-	-	-	-100.0%	-	-	-	-	-	-
Inventory: Other supplies	2	-	-	43	178.1%	-	53	58	59	11.1%	-
Consumable supplies	10 961	1 240	918	1 823	-45.0%	1.2%	2 571	2 583	2 721	14.3%	0.6%

Table 38.4 Vote goods and services expenditure trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Consumables: Stationery, printing and office supplies	4 246	3 560	4 082	8 205	24.6%	1.7%	13 322	13 305	14 027	19.6%	3.1%
Operating leases	23 246	25 369	34 216	28 893	7.5%	9.2%	29 039	29 039	30 618	2.0%	7.4%
Rental and hiring	8	19	788	-	-100.0%	0.1%	-	-	-	-	-
Property payments	1 585	6 784	8 113	12 145	97.1%	2.4%	15 071	15 071	15 890	9.4%	3.7%
Transport provided: Departmental activity	-	30 067	25 672	-	-	4.6%	-	-	-	-	-
Travel and subsistence	42 259	36 587	46 539	53 051	7.9%	14.8%	52 439	52 439	55 258	1.4%	13.5%
Training and development	1 854	10 239	3 656	4 704	36.4%	1.7%	4 936	4 936	5 204	3.4%	1.3%
Operating payments	6 240	7 308	7 515	10 135	17.5%	2.6%	9 732	9 732	10 260	0.4%	2.5%
Venues and facilities	12 633	18 759	30 920	12 107	-1.4%	6.2%	10 811	10 811	11 400	-2.0%	2.9%
Total	214 279	314 918	293 514	386 302	21.7%	100.0%	394 097	389 663	410 867	2.1%	100.0%

Transfers and subsidies expenditure trends and estimates

Table 38.5 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Provinces and municipalities											
Municipal bank accounts											
Current		300 000	100 000			0.3%					
Municipal human settlements capacity grant	-	300 000	100 000	-	-	0.3%	-	-	-	-	-
Capital	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.6%	11 382 247	11 956 137	12 630 786	5.2%	35.1%
Urban settlements development grant	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.6%	11 382 247	11 956 137	12 630 786	5.2%	35.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	146 648	200 466	178 696	258 007	20.7%	0.7%	315 373	335 394	354 822	11.2%	0.9%
Public Service Sector Education and Training Authority	-	1 170	-	-	-	-	-	-	-	-	-
Social Housing Regulatory Authority: Operational	32 151	33 480	34 560	36 392	4.2%	0.1%	46 815	51 980	55 201	14.9%	0.1%
Housing Development Agency	97 497	100 966	104 615	147 512	14.8%	0.4%	210 668	222 177	234 955	16.8%	0.6%
National Home Builders Registration Council	-	3 990	-	-	-	-	-	-	-	-	-
Servcon Housing Solutions	-	860	-	-	-	-	-	-	-	-	-
Housing Development Agency: National upgrade support programme	-	20 000	-	10 000	-	-	-	-	-	-100.0%	-
Community Schemes Ombud Services	17 000	40 000	39 521	23 920	12.1%	0.1%	29 400	31 105	32 847	11.2%	0.1%
Social Housing Regulatory Authority: Institutional Investment	-	-	-	34 183	-	-	20 490	20 132	21 259	-14.6%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	-	6 000	-	-	8 000	10 000	10 560	20.7%	-
Capital	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Social Housing Regulatory Authority: Restructuring capital grant	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Foreign governments and international organisations											
Current	1 075	1 269	1 368	1 211	4.1%	-	1 272	1 346	1 421	5.5%	-
Habitat Foundation	1 075	1 269	1 368	1 211	4.1%	-	1 272	1 346	1 421	5.5%	-
Public corporations and private enterprises											
Other transfers to public corporations											
Current	-	4 000	-	5 000	-	-	1 500	-	-	-100.0%	-
Council for Scientific and Industrial Research	-	4 000	-	5 000	-	-	1 500	-	-	-100.0%	-
Households											
Other transfers to households											
Current	4 842	30 764	9 155	9 404	24.8%	-	9 868	10 442	11 027	5.5%	-
Bursaries for non-employees	4 553	8 974	7 301	9 355	27.1%	-	9 822	10 392	10 974	5.5%	-
Gifts and donations	75	748	226	46	-15.0%	-	46	50	53	4.8%	-
Transfers to households	153	21 042	1 445	3	-73.0%	-	-	-	-	-100.0%	-
Leave gratuity	61	-	183	-	-100.0%	-	-	-	-	-	-
Higher education institutions											
Current	3 949	4 499	-	-	-100.0%	-	-	-	-	-	-
Nelson Mandela Metropolitan University	3 949	4 499	-	-	-100.0%	-	-	-	-	-	-
Provinces and municipalities											
Provincial revenue funds											
Capital	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.8%	19 969 343	21 115 175	22 338 182	6.9%	61.2%
Human settlements development grant	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.8%	19 969 343	21 115 175	22 338 182	6.9%	61.2%
Total	26 879 746	28 507 594	29 255 449	29 821 469	3.5%	100.0%	32 531 261	34 562 134	36 574 652	7.0%	100.0%

Personnel information

Table 38.6 Vote personnel numbers and cost by salary level and programme¹

Programmes		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			Medium-term expenditure estimate									Average growth rate (%)	Average: Salary level/Total (%)		
		2015/16			2016/17			2017/18			2018/19			2019/20					2016/17 - 2019/20	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
Human Settlements		680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	-4.4%	100.0%
Salary level		680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	-4.4%	100.0%
1 – 6	174	13	206	38.6	0.2	174	34.2	0.2	142	35.9	0.3	135	35.5	0.3	135	39.7	0.3	-8.1%	23.3%	
7 – 10	257	40	233	81.3	0.3	257	107.6	0.4	273	122.1	0.4	250	119.5	0.5	250	130.4	0.5	-0.9%	41.0%	
11 – 12	120	5	121	90.6	0.7	120	92.4	0.8	128	102.0	0.8	123	106.6	0.9	122	112.7	0.9	0.6%	19.6%	
13 – 16	129	9	88	99.5	1.1	129	137.4	1.1	101	123.2	1.2	88	115.4	1.3	88	122.9	1.4	-12.0%	16.1%	
Programme		680	67	648	310.2	0.5	680	371.5	0.5	644	383.3	0.6	596	376.9	0.6	595	405.7	0.7	-4.4%	100.0%
Programme 1	456	63	450	186.8	0.4	456	216.5	0.5	418	224.8	0.5	393	222.3	0.6	392	239.6	0.6	-4.9%	66.0%	
Programme 2	83	2	75	49.8	0.7	83	55.7	0.7	85	63.9	0.8	75	61.6	0.8	75	65.9	0.9	-3.3%	12.6%	
Programme 3	111	2	94	58.0	0.6	111	81.3	0.7	111	74.7	0.7	99	72.3	0.7	99	77.8	0.8	-3.7%	16.7%	
Programme 4	30	-	29	15.6	0.5	30	18.1	0.6	30	19.9	0.7	29	20.8	0.7	29	22.4	0.8	-1.1%	4.7%	

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

2. Rand million.

Departmental receipts

Table 38.7 Departmental receipts by economic classification

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Average: Receipt item/ Total (%)	Medium-term receipts estimate			Average growth rate (%)	Average: Receipt item/ Total (%)
	2013/14	2014/15	2015/16					2016/17	2017/18	2018/19		
Departmental receipts	763	1 014	1 237	764	764	-	100.0%	235	238	242	-31.8%	100.0%
Sales of goods and services produced by department	190	200	199	205	205	2.6%	21.0%	217	220	223	2.8%	58.5%
Sales by market establishments	52	57	66	66	66	8.3%	6.4%	60	61	62	-2.1%	16.8%
of which:												
Parking	52	57	66	66	66	8.3%	6.4%	60	61	62	-2.1%	16.8%
Administrative fees	1	-	-	136	136	414.3%	3.6%	154	156	157	4.9%	40.8%
of which:												
Commission on insurance	1	-	-	136	136	414.3%	3.6%	154	156	157	4.9%	40.8%
Other sales	137	143	133	3	3	-72.0%	11.0%	3	3	4	10.1%	0.9%
of which:												
Replacement of security cards	137	143	133	3	3	-72.0%	11.0%	3	3	4	10.1%	0.9%
Sales of scrap, waste, arms and other used current goods	3	4	3	2	2	-12.6%	0.3%	5	5	6	44.2%	1.2%
of which:												
Waste paper	3	4	3	2	2	-12.6%	0.3%	5	5	6	44.2%	1.2%
Interest, dividends and rent on land	63	286	166	12	12	-42.5%	13.9%	13	13	13	2.7%	3.4%
Interest	63	286	166	12	12	-42.5%	13.9%	13	13	13	2.7%	3.4%
Transactions in financial assets and liabilities	507	524	869	545	545	2.4%	64.7%	-	-	-	-100.0%	36.8%
Total	763	1 014	1 237	764	764	-	100.0%	235	238	242	-31.8%	100.0%

Programme 1: Administration

Programme purpose

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

Expenditure trends and estimates

Table 38.8 Administration expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20		
R thousand											
Ministry	28 739	66 437	78 568	60 222	28.0%	14.8%	63 488	58 172	60 805	0.3%	13.1%
Departmental Management	53 508	101 857	56 575	102 143	24.0%	19.8%	101 479	97 671	104 036	0.6%	21.9%
Corporate Services	134 141	190 534	188 384	205 944	15.4%	45.4%	196 055	197 711	211 880	1.0%	43.9%
Property Management	24 699	32 153	42 039	39 900	17.3%	8.8%	41 097	41 097	43 332	2.8%	9.0%
Financial Management	39 312	42 099	45 508	51 849	9.7%	11.3%	55 546	55 518	59 790	4.9%	12.1%
Total	280 399	433 080	411 074	460 058	17.9%	100.0%	457 665	450 169	479 843	1.4%	100.0%
Change to 2016				17 784			(12 255)	(17 153)	(18 226)		
Budget estimate											
Economic classification											
Current payments	272 908	397 840	398 858	445 345	17.7%	95.6%	454 137	446 638	476 121	2.3%	98.6%
Compensation of employees	140 578	178 849	186 765	216 458	15.5%	45.6%	224 770	222 295	239 570	3.4%	48.9%
Goods and services	132 294	218 970	212 089	228 887	20.0%	50.0%	229 367	224 343	236 551	1.1%	49.7%
of which:											
Advertising	19 876	29 479	19 094	24 601	7.4%	5.9%	24 208	22 256	23 466	-1.6%	5.1%
Computer services	9 412	16 090	43 835	42 439	65.2%	7.1%	30 831	30 831	32 518	-8.5%	7.4%
Consultants: Business and advisory services	16 058	44 144	8 076	39 362	34.8%	6.8%	40 565	37 493	39 532	0.1%	8.5%
Operating leases	23 246	25 369	34 216	28 600	7.2%	7.0%	28 737	28 737	30 300	1.9%	6.3%
Property payments	1 567	6 784	8 113	12 145	97.9%	1.8%	15 071	15 071	15 890	9.4%	3.1%
Travel and subsistence	23 936	11 869	18 696	26 007	2.8%	5.1%	26 473	26 473	27 884	2.4%	5.8%
Interest and rent on land	36	21	4	-	-100.0%	-	-	-	-	-	-
Transfers and subsidies¹	175	22 706	1 038	49	-34.6%	1.5%	46	50	53	2.7%	-
Departmental agencies and accounts	-	1 170	-	-	-	0.1%	-	-	-	-	-
Households	175	21 536	1 038	49	-34.6%	1.4%	46	50	53	2.7%	-
Payments for capital assets	7 198	12 426	10 928	14 632	26.7%	2.9%	3 482	3 481	3 669	-36.9%	1.4%
Buildings and other fixed structures	-	-	236	-	-	-	-	-	-	-	-
Machinery and equipment	6 617	11 019	10 630	14 342	29.4%	2.7%	3 482	3 481	3 669	-36.5%	1.4%
Software and other intangible assets	581	1 407	62	290	-20.7%	0.1%	-	-	-	-100.0%	-
Payments for financial assets	118	108	250	32	-35.3%	-	-	-	-	-100.0%	-
Total	280 399	433 080	411 074	460 058	17.9%	100.0%	457 665	450 169	479 843	1.4%	100.0%
Proportion of total programme expenditure to vote expenditure	1.0%	1.5%	1.4%	1.5%	-	-	1.4%	1.3%	1.3%	-	-
Details of transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	-	1 170	-	-	-	0.1%	-	-	-	-	-
Public Service Sector Education and Training Authority	-	1 170	-	-	-	0.1%	-	-	-	-	-
Households											
Other transfers to households											
Current	175	21 536	1 038	49	-34.6%	1.4%	46	50	53	2.7%	-
Gifts and donations	63	736	226	46	-10.0%	0.1%	46	50	53	4.8%	-
Transfers to households	112	20 800	812	3	-70.1%	1.4%	-	-	-	-100.0%	-

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 389 Administration personnel numbers and cost by salary level¹

Number of posts estimated for 31 March 2017			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	Number of posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Administration																			
Salary level	456	63	450	186.8	0.4	456	216.5	0.5	418	224.8	0.5	393	222.3	0.6	392	239.6	0.6	-4.9%	100.0%
1 – 6	161	13	195	36.6	0.2	161	31.2	0.2	129	32.5	0.3	125	32.7	0.3	125	36.6	0.3	-8.1%	32.5%
7 – 10	167	40	149	52.3	0.4	167	69.5	0.4	174	76.4	0.4	162	75.5	0.5	162	82.3	0.5	-1.0%	40.1%
11 – 12	56	4	57	41.4	0.7	56	40.3	0.7	59	46.1	0.8	58	49.1	0.8	57	51.4	0.9	0.6%	13.9%
13 – 16	72	6	49	56.4	1.2	72	75.4	1.0	56	69.8	1.2	48	65.0	1.4	48	69.2	1.4	-12.6%	13.5%

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

2. Rand million.

Programme 2: Human Settlements Policy, Strategy and Planning

Programme purpose

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

Objectives

- Ensure compliance with frameworks on the governance of human settlements by developing and maintaining policies, programmes, and norms and standards for human settlements development on an ongoing basis.
- Promote the sustainable development of human settlements by drafting the human settlements macro policy (white paper) and strategy, as referred to in the NDP, by 2017/18.
- Facilitate a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the planning frameworks and processes on human settlements on an ongoing basis.
- Improve the development of sustainable human settlements by assessing 11 municipalities for accreditation by 2019/20.
- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the value chain of human settlements development on an ongoing basis.

Subprogrammes

- *Management for Policy, Strategy and Planning* provides strategic leadership to the programme.
- *Human Settlements Policy Frameworks* manages the implementation 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.
- *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.

Expenditure trends and estimates

Table 38.10 Human Settlements Policy, Strategy and Planning expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2013/14 - 2016/17	2017/18		
R thousand											
Management for Policy, Strategy and Planning	3 568	3 902	7 420	7 424	27.7%	7.1%	7 730	8 067	8 525	4.7%	8.6%
Human Settlements Policy Frameworks	27 756	29 731	29 177	30 952	3.7%	37.2%	32 143	33 387	35 722	4.9%	36.0%
Human Settlements Strategy and Planning	42 003	45 070	39 141	49 687	5.8%	55.7%	53 700	48 353	51 494	1.2%	55.3%
Total	73 327	78 703	75 738	88 063	6.3%	100.0%	93 573	89 807	95 741	2.8%	100.0%
Change to 2016 Budget estimate				5 000			5 275	2 856	2 759		
Economic classification											
Current payments	71 572	72 128	72 882	80 865	4.2%	94.2%	89 908	87 568	93 378	4.9%	95.8%
Compensation of employees	38 322	45 311	49 805	55 724	13.3%	59.9%	63 892	61 552	65 946	5.8%	67.3%
Goods and services ¹	33 250	26 817	23 077	25 141	-8.9%	34.3%	26 016	26 016	27 432	2.9%	28.5%
of which:											
Catering: Departmental activities	1 986	1 662	628	1 149	-16.7%	1.7%	1 289	1 289	1 359	5.8%	1.4%
Communication	1 173	1 623	1 311	1 471	7.8%	1.8%	1 459	1 459	1 538	1.5%	1.6%
Consultants: Business and advisory services	4 549	3 201	2 149	4 759	1.5%	4.6%	6 474	6 474	6 827	12.8%	6.7%
Travel and subsistence	9 493	12 437	14 240	11 476	6.5%	15.1%	10 624	10 624	11 201	-0.8%	12.0%
Operating payments	850	327	649	817	-1.3%	0.8%	846	846	891	2.9%	0.9%
Venues and facilities	2 044	6 846	2 892	3 441	19.0%	4.8%	3 151	3 151	3 323	-1.2%	3.6%
Transfers and subsidies¹	1 148	5 394	1 609	6 211	75.6%	4.5%	2 772	1 346	1 421	-38.8%	3.2%
Foreign governments and international organisations	1 075	1 269	1 368	1 211	4.1%	1.6%	1 272	1 346	1 421	5.5%	1.4%
Public corporations and private enterprises	–	4 000	–	5 000	–	2.8%	1 500	–	–	-100.0%	1.8%
Households	73	125	241	–	-100.0%	0.1%	–	–	–	–	–
Payments for capital assets	575	1 170	1 221	986	19.7%	1.3%	893	893	942	-1.5%	1.0%
Machinery and equipment	575	1 170	1 221	986	19.7%	1.3%	893	893	942	-1.5%	1.0%
Payments for financial assets	32	11	26	1	-68.5%	–	–	–	–	-100.0%	–
Total	73 327	78 703	75 738	88 063	6.3%	100.0%	93 573	89 807	95 741	2.8%	100.0%
Proportion of total programme expenditure to vote expenditure	0.3%	0.3%	0.3%	0.3%	–	–	0.3%	0.3%	0.3%	–	–
Details of transfers and subsidies											
Foreign governments and international organisations											
Current	1 075	1 269	1 368	1 211	4.1%	1.6%	1 272	1 346	1 421	5.5%	1.4%
Habitat Foundation	1 075	1 269	1 368	1 211	4.1%	1.6%	1 272	1 346	1 421	5.5%	1.4%
Households											
Other transfers to households	73	125	241	–	-100.0%	0.1%	–	–	–	–	–
Current	73	125	241	–	-100.0%	0.1%	–	–	–	–	–
Gifts and donations	12	–	–	–	-100.0%	–	–	–	–	–	–
Transfers to households	–	125	69	–	–	0.1%	–	–	–	–	–
Leave gratuity	61	–	172	–	-100.0%	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations	–	4 000	–	5 000	–	2.8%	1 500	–	–	-100.0%	1.8%
Current	–	4 000	–	5 000	–	2.8%	1 500	–	–	-100.0%	1.8%
Council for Scientific and Industrial Research	–	4 000	–	5 000	–	2.8%	1 500	–	–	-100.0%	1.8%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 38.11 Human Settlements Policy, Strategy and Planning personnel numbers and cost by salary level¹

Salary level	Number of posts estimated for 31 March 2017	Number of posts funded	Number of posts additional to the establishment	Number and cost ² of personnel posts filled / planned for on funded establishment												Number			
				Actual 2015/16			Revised estimate 2016/17			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)		
				Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18		2018/19		2019/20				2016/17 - 2019/20	
Human Settlements Policy, Strategy and Planning	83	2	75	49.8	0.7	83	55.7	0.7	85	63.9	0.8	75	61.6	0.8	75	65.9	0.9	-3.3%	100.0%
1 – 6	6	–	4	0.7	0.2	6	1.2	0.2	6	1.5	0.2	4	1.1	0.3	4	1.2	0.3	-12.6%	6.3%
7 – 10	25	–	24	7.1	0.3	25	8.4	0.3	29	13.0	0.4	25	11.6	0.5	25	12.7	0.5	–	32.7%
11 – 12	27	1	29	23.0	0.8	27	20.2	0.7	29	24.3	0.8	27	24.8	0.9	27	26.5	1.0	–	34.6%
13 – 16	25	1	18	19.0	1.1	25	25.9	1.0	21	25.1	1.2	19	24.0	1.3	19	25.5	1.3	-8.7%	26.4%

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

2. Rand million.

Programme 3: Human Settlements Delivery Support

Programme purpose

Support the execution, and monitor and evaluate the implementation of human settlements programmes and projects. Manage the building of capacity and skills in the sector and provide oversight of public entities.

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 by implementing the national upgrading support programme in 121 municipalities over the next three years.
- Ensure and verify the delivery of quality housing opportunities by monitoring and evaluating the performance of provinces and municipalities, as reported on in the housing subsidy system, through quarterly project-level site visits, and review sessions and workshops.
- Develop professional and institutional capacity to support roles and responsibilities at the provincial and municipal levels by managing ongoing training and skills development programmes for officials and communities.
- Manage the performance of public entities, provinces and municipalities by monitoring the performance of human settlements development and housing programmes on a quarterly basis.

Subprogrammes

- *Management for Human Settlements Delivery Support* provides strategic leadership to the programme.
- *Programme Management Unit* provides support to provinces and municipalities for the implementation of housing and human settlements projects and programmes, including catalytic projects.
- *Chief of Operations* provides regulatory, strategic and policy oversight to the public entities reporting to the department; and manages the development of sector-specific technical skills development, programmes and strategies, as well as the scholarship programme.

Expenditure trends and estimates

Table 38.12 Human Settlements Delivery Support expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Management for Human Settlements											
Delivery Support	4 071	7 019	7 533	9 240	31.4%	4.9%	9 403	8 584	9 093	-0.5%	4.1%
Programme Management Unit	50 480	69 598	70 587	153 021	44.7%	60.2%	159 731	158 765	168 284	3.2%	72.6%
Chief of Operations	44 194	57 095	42 676	55 037	7.6%	34.9%	48 168	49 049	52 343	-1.7%	23.2%
Total	98 745	133 712	120 796	217 298	30.1%	100.0%	217 302	216 398	229 720	1.9%	100.0%
Economic classification											
Current payments	89 275	119 096	111 806	206 742	32.3%	92.4%	206 399	204 632	217 296	1.7%	94.8%
Compensation of employees	47 245	53 001	57 991	81 259	19.8%	42.0%	74 700	72 343	77 806	-1.4%	34.8%
Goods and services ¹	42 030	66 092	53 815	125 483	44.0%	50.4%	131 699	132 289	139 490	3.6%	60.1%
of which:											
Communication	1 375	1 374	1 156	1 627	5.8%	1.0%	1 885	1 885	1 985	6.9%	0.8%
Computer services	17 400	14 954	39	26 901	15.6%	10.4%	27 520	27 520	29 017	2.6%	12.6%
Consultants: Business and advisory services	9 427	24 546	24 143	74 743	99.4%	23.3%	80 064	80 654	85 055	4.4%	36.4%
Consumables: Stationery, printing and office supplies	390	381	269	1 946	70.9%	0.5%	2 264	2 264	2 386	7.0%	1.0%
Travel and subsistence	7 721	12 281	11 987	13 114	19.3%	7.9%	12 832	12 832	13 528	1.0%	5.9%
Venues and facilities	3 007	3 530	13 681	3 538	5.6%	4.2%	1 834	1 834	1 934	-18.2%	1.0%
Interest and rent on land	—	3	—	—	—	—	—	—	—	—	—
Transfers and subsidies	8 543	13 602	7 865	9 355	3.1%	6.9%	9 822	10 392	10 974	5.5%	4.6%
Higher education institutions	3 949	4 499	—	—	-100.0%	1.5%	—	—	—	—	—
Households	4 594	9 103	7 865	9 355	26.8%	5.4%	9 822	10 392	10 974	5.5%	4.6%

Table 38.12 Human Settlements Delivery Support expenditure trends and estimates by subprogramme and economic classification

R thousand	Audited outcome			Adjusted appropriation 2016/17	Average growth rate (%) 2013/14 - 2016/17	Average: Expenditure/Total (%) 2013/14 - 2016/17	Medium-term expenditure estimate			Average growth rate (%) 2016/17 - 2019/20	Average: Expenditure/Total (%) 2016/17 - 2019/20
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
Payments for capital assets	922	1 011	1 083	1 201	9.2%	0.7%	1 081	1 374	1 450	6.5%	0.6%
Machinery and equipment	806	1 011	1 083	1 201	14.2%	0.7%	1 081	1 374	1 450	6.5%	0.6%
Software and other intangible assets	116	–	–	–	-100.0%	–	–	–	–	–	–
Payments for financial assets	5	3	42	–	-100.0%	–	–	–	–	–	–
Total	98 745	133 712	120 796	217 298	30.1%	100.0%	217 302	216 398	229 720	1.9%	100.0%
Proportion of total programme expenditure to vote expenditure	0.4%	0.5%	0.4%	0.7%	–	–	0.6%	0.6%	0.6%	–	–
Details of transfers and subsidies											
Households											
Other transfers to households											
Current	4 594	9 103	7 865	9 355	26.8%	5.4%	9 822	10 392	10 974	5.5%	4.6%
Bursaries for non-employees	4 553	8 974	7 301	9 355	27.1%	5.3%	9 822	10 392	10 974	5.5%	4.6%
Gifts and donations	–	12	–	–	–	–	–	–	–	–	–
Transfers to households	41	117	564	–	-100.0%	0.1%	–	–	–	–	–
Higher education institutions											
Current	3 949	4 499	–	–	-100.0%	1.5%	–	–	–	–	–
Nelson Mandela Metropolitan University	3 949	4 499	–	–	-100.0%	1.5%	–	–	–	–	–

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 38.13 Human Settlements Delivery Support personnel numbers and cost by salary level¹

Human Settlements Delivery Support	Number of posts estimated for 31 March 2017		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			Medium-term expenditure estimate			Average growth rate (%)	Average: Salary level/Total (%)						
			2015/16	Unit cost	Cost	2016/17	Unit cost	Cost	2017/18	Unit cost	Cost			2018/19	Unit cost	Cost	2019/20	Unit cost	Cost
Salary level	111	2	94	58.0	0.6	111	81.3	0.7	111	74.7	0.7	99	72.3	0.7	99	77.8	0.8	-3.7%	100.0%
1–6	6	–	6	1.2	0.2	6	1.5	0.2	6	1.6	0.3	5	1.4	0.3	5	1.6	0.3	-5.9%	5.2%
7–10	51	–	45	17.2	0.4	51	23.2	0.5	54	25.4	0.5	48	25.1	0.5	48	27.4	0.6	-2.0%	47.9%
11–12	29	–	28	21.3	0.8	29	26.2	0.9	32	25.5	0.8	30	26.1	0.9	30	27.8	0.9	1.1%	28.8%
13–16	25	2	15	18.3	1.2	25	30.4	1.2	19	22.2	1.2	16	19.8	1.2	16	21.1	1.3	-13.8%	18.1%

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

2. Rand million.

Programme 4: Housing Development Finance

Programme purpose

Fund the delivery of housing and human settlements programmes, and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

Objectives

- Manage the performance of provinces and municipalities by monitoring the expenditure and non-financial performance of human settlements development and housing programmes on a monthly and quarterly basis.
- Accelerate the delivery of housing and human settlements by providing funding from the *human settlements development grant*, the *urban settlements development grant* and transfers to public entities on an ongoing basis.
- 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 on an ongoing basis.
- 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.

- *Chief Investment Officer* monitors the spending and performance of provinces and municipalities implementing housing and human settlements programmes, mobilises the financial sector to provide financial resources to human settlements development, and monitors and reports on the lending patterns by financial institutions through the Office of Disclosure on an ongoing basis.
- *Human Settlements Development Grant* reflects the conditional allocation that is transferred to all provinces for delivering housing projects as per the National Housing Code.
- *Contributions* makes transfers to certain public entities reporting to the department, such as the Social Housing Regulatory Authority and the Housing Development Agency.
- *Urban Settlements Development Grant* reflects the conditional allocations transferred to metropolitan municipalities to supplement their capital budgets for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.
- *Municipal Human Settlements Capacity Grant* reflects the conditional grant transferred to municipalities to build capacity within metropolitan municipalities. This subprogramme has been discontinued as the conditional grant no longer exists.

Expenditure trends and estimates

Table 38.14 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
R thousand											
Management for Housing Development Finance	1 940	357	1 036	3 741	24.5%	–	4 082	4 247	4 506	6.4%	–
Chief Investment Officer	19 023	16 488	19 974	21 342	3.9%	0.1%	23 057	23 752	25 488	6.1%	0.1%
Human Settlements Development Grant	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.4%	19 969 343	21 115 175	22 338 182	6.9%	61.0%
Contributions	864 648	1 026 839	448 906	782 395	-3.3%	2.7%	1 317 031	1 559 034	1 643 236	28.1%	4.0%
Urban Settlements Development Grant	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.4%	11 382 247	11 956 137	12 630 786	5.2%	35.0%
Municipal Human Settlements Capacity Grant	–	300 000	100 000	–	–	0.3%	–	–	–	–	–
Total	26 990 843	28 712 737	29 426 936	29 930 937	3.5%	100.0%	32 695 760	34 658 345	36 642 198	7.0%	100.0%
Change to 2016 Budget estimate				(10 000)			(1 104 009)	(1 207 488)	(1 232 500)		
Economic classification											
Current payments	20 788	16 734	20 123	24 841	6.1%	0.1%	26 910	27 770	29 752	6.2%	0.1%
Compensation of employees	14 083	13 695	15 590	18 050	8.6%	0.1%	19 895	20 755	22 358	7.4%	0.1%
Goods and services ¹	6 705	3 039	4 533	6 791	0.4%	–	7 015	7 015	7 394	2.9%	–
of which:											
Catering: Departmental activities	146	40	15	241	18.2%	–	248	248	262	2.8%	–
Communication	202	270	214	397	25.3%	–	409	409	431	2.8%	–
Consultants: Business and advisory services	822	191	116	951	5.0%	–	1 598	1 598	1 684	21.0%	–
Consumables: Stationery, printing and office supplies	1 806	113	255	572	-31.8%	–	1 483	1 483	1 563	39.8%	–
Travel and subsistence	1 109	–	1 616	2 454	30.3%	–	2 510	2 510	2 645	2.5%	–
Venues and facilities	149	–	44	259	20.2%	–	298	298	315	6.7%	–
Transfers and subsidies¹	26 869 880	28 465 892	29 244 937	29 805 854	3.5%	99.4%	32 518 621	34 550 346	36 562 204	7.0%	99.6%
Provinces and municipalities	26 105 232	27 669 053	28 957 020	29 123 459	3.7%	97.2%	31 351 590	33 071 312	34 968 968	6.3%	96.0%
Departmental agencies and accounts	764 648	796 839	287 906	682 395	-3.7%	2.2%	1 167 031	1 479 034	1 593 236	32.7%	3.7%
Households	–	–	11	–	–	–	–	–	–	–	–
Payments for capital assets	175	110	876	242	11.4%	–	229	229	242	–	–
Machinery and equipment	175	110	876	242	11.4%	–	229	229	242	–	–
Payments for financial assets	100 000	230 001	161 000	100 000	–	0.5%	150 000	80 000	50 000	-20.6%	0.3%
Total	26 990 843	28 712 737	29 426 936	29 930 937	3.5%	100.0%	32 695 760	34 658 345	36 642 198	7.0%	100.0%
Proportion of total programme expenditure to vote expenditure	98.4%	97.8%	98.0%	97.5%	–	–	97.7%	97.9%	97.8%	–	–

Table 38.14 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification

Details of transfers and subsidies	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20		
	2016/17	2013/14 - 2016/17	2016/17 - 2019/20								
R thousand											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	146 648	199 296	178 696	258 007	20.7%	0.7%	315 373	335 394	354 822	11.2%	0.9%
Social Housing Regulatory Authority: Operational	32 151	33 480	34 560	36 392	4.2%	0.1%	46 815	51 980	55 201	14.9%	0.1%
Housing Development Agency	97 497	100 966	104 615	147 512	14.8%	0.4%	210 668	222 177	234 955	16.8%	0.6%
National Home Builders Registration Council	-	3 990	-	-	-	-	-	-	-	-	-
Servcon Housing Solutions	-	860	-	-	-	-	-	-	-	-	-
Housing Development Agency: National upgrade support programme	-	20 000	-	10 000	-	-	-	-	-	-100.0%	-
Community Schemes Ombud Services	17 000	40 000	39 521	23 920	12.1%	0.1%	29 400	31 105	32 847	11.2%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	-	34 183	-	-	20 490	20 132	21 259	-14.6%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	-	6 000	-	-	8 000	10 000	10 560	20.7%	-
Capital	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Social Housing Regulatory Authority: Restructuring capital grant	618 000	597 543	109 210	424 388	-11.8%	1.5%	851 658	1 143 640	1 238 414	42.9%	2.7%
Households											
Other transfers to households											
Current	-	-	11	-	-	-	-	-	-	-	-
Leave gratuity	-	-	11	-	-	-	-	-	-	-	-
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current	-	300 000	100 000	-	-	0.3%	-	-	-	-	-
Municipal human settlements capacity grant	-	300 000	100 000	-	-	0.3%	-	-	-	-	-
Capital	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.4%	11 382 247	11 956 137	12 630 786	5.2%	35.0%
Urban settlements development grant	9 076 906	10 284 684	10 554 345	10 839 468	6.1%	35.4%	11 382 247	11 956 137	12 630 786	5.2%	35.0%
Provinces and municipalities											
Provincial revenue funds											
Capital	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.4%	19 969 343	21 115 175	22 338 182	6.9%	61.0%
Human settlements development grant	17 028 326	17 084 369	18 302 675	18 283 991	2.4%	61.4%	19 969 343	21 115 175	22 338 182	6.9%	61.0%

1. Estimates of National Expenditure data tables are available and can be downloaded from www.treasury.gov.za. These data tables contain detailed information by goods and services, and transfers and subsidies item by programme.

Personnel information

Table 38.15 Housing Development Finance personnel numbers and cost by salary level¹

Housing Development Finance	Number of posts estimated for 31 March 2017			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			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)			
				2015/16			2016/17			2017/18		2018/19		2019/20						
				Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost
Salary level	30	-	-	29	15.6	0.5	30	18.1	0.6	30	19.9	0.7	29	20.8	0.7	29	22.4	0.8	-1.1%	100.0%
1 - 6	1	-	-	1	0.1	0.1	1	0.2	0.2	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	-	3.4%
7 - 10	14	-	-	15	4.7	0.3	14	6.5	0.5	16	7.4	0.5	15	7.3	0.5	15	8.0	0.5	2.3%	50.8%
11 - 12	8	-	-	7	5.0	0.7	8	5.7	0.7	8	6.1	0.8	8	6.6	0.8	8	7.1	0.9	-	27.1%
13 - 16	7	-	-	6	5.8	1.0	7	5.7	0.8	5	6.1	1.2	5	6.6	1.3	5	7.0	1.4	-10.6%	18.6%

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

2. Rand million.

Entities¹

National Home Builders Registration Council

Mandate

The National Home Builders Registration Council was established as a schedule 3A public entity in terms of the Housing Consumers Protection Measures Act (1998). The entity is mandated to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the

¹ This section has been compiled with the latest available information from the entities concerned.

home building industry. The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment.

Selected performance indicators

Table 38.16 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of subsidy inspections carried out per year ¹	Regulation	Outcome 8: Sustainable human settlements and improved quality of household life	230 217	223 915	230 103	408 312	560 784	560 784	560 784
Number of non-subsidy inspections carried out per year ¹	Regulation		221 107	304 267	258 446	212 869	228 769	242 495	257 045
Number of home inspectors to be trained per year	Regulation		– ²	– ²	310	400	400	400	400
Number of home builders to be trained per year	Regulation		1 369	2 629	2 463	2 000	2 000	2 000	2 000
Number of people to be trained in construction for government projects (youth, women, people with disabilities and military veterans) per year	Regulation		934	1 184	1 623	1 200	1 200	1 200	1 200
Number of subsidy home enrolments per year	Protection		119 440	168 753	77 004	140 196	133 301	133 301	133 301
Number of late enrolments per year	Protection		1 743	1 483	1 028	1 349	1 430	1 515	1 606
Number of forensic assessments conducted per year	Protection		40 500	19 875	12 414	20 000	– ³	– ³	– ³
Number of geotechnical assessments conducted per year	Protection		45 000	2 613	17 443	12 000	– ³	– ³	– ³
Number of non-subsidy enrolments per year	Protection		50 622	52 632	49 612	52 966	55 879	58 953	62 785

1. Inspections carried out range from a minimum of four to a maximum of eight inspection stages per home.

2. No historical data available.

3. Indicators have been discontinued.

Expenditure analysis

Over the medium term, the council will continue to focus on providing warranty protection against defects in new homes and regulating the home building industry. This contributes to the realisation of the NDP's vision of adequate housing and improved living environments, and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

The council's total expenditure is expected to increase to R1 billion over the medium term, at an average annual rate of 8.4 per cent. Spending on consumer protection is estimated to increase from R362.2 million in 2016/17 to R450 million in 2019/20. This increase is expected to result in 399 903 subsidy home enrolments and 177 616 non-subsidy home enrolments over the medium term.

In terms of providing regulation, spending is projected to increase from R196.1 million in 2016/17 to R235.3 million in 2019/20 because of an expected increase in activities related to inspections, training and registrations. In the subsidy market, 1.7 million inspections are expected, while 728 309 inspections are expected in the non-subsidy market. Training in home building skills related to government housing projects is expected to be provided to 6 000 home builders and 3 600 youth, women, people with disabilities and military veterans; and 16 240 new homebuilders are expected to be registered by 2019.

The council's spending on compensation of employees is expected to increase from R418.2 million in 2016/17 to R500.2 million in 2019/20, at an average annual rate of 6.1 per cent. This increase will assist the council in strengthening capacity in its quality assurance division and the Centre for Research and Housing Innovation, and provides for cost-of-living adjustments over the medium term.

The council expects to earn surplus funds amounting to R1.3 billion over the medium term as a result of the increasing income generated from home enrolment fees. The entity uses its surplus funds in investment policies to make provisions for claims related to the warranty scheme. Revenue is expected to increase over the medium term to R1.5 billion in 2019/20, at an average annual rate of 5.6 per cent. This is largely because of an expected steady increase in the growth of construction activity in the non-subsidy sector, particularly for housing units in the sub-R500 000 price range and, to a lesser extent, housing units in the R500 000 to R1 million price range.

Another contributing factor to the council's anticipated growth in revenue over the medium is the expected increase in the delivery of fully subsidised houses as well as continued compliance in the subsidy sector with regards to the enrolment of subsidy homes.

Programmes/objectives/activities

Table 38.17 National Home Builders Registration Council expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	157 507	274 303	630 376	253 764		17.2%	43.4%	250 278	330 387	349 337	11.2%	31.9%
Regulation	248 262	298 045	169 209	196 107		-7.6%	34.2%	211 419	223 048	235 315	6.3%	23.5%
Protection	102 775	89 409	100 898	362 242		52.2%	22.4%	404 337	426 574	450 036	7.5%	44.6%
Total	508 544	661 757	900 483	812 113		16.9%	100.0%	866 034	980 009	1 034 688	8.4%	100.0%

Statements of historical financial performance and position

Table 38.18 National Home Builders Registration Council statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17	2016/17	2013/14 - 2016/17
Revenue									
Non-tax revenue	932 334	723 119	965 235	1 184 946	1 088 164	1 089 954	1 142 513	1 255 914	103.0%
Sale of goods and services other than capital assets	727 625	402 461	753 376	815 576	812 856	798 630	857 563	868 612	91.6%
<i>of which:</i>									
Administrative fees	-	(9 766)	-	-	-	-	-	-	-
Sales by market establishment	727 625	412 227	753 376	815 576	812 856	798 630	857 563	868 612	91.9%
Insurance premium revenue	524 314	339 061	603 980	740 770	671 697	700 273	708 641	716 100	
Fee revenue	74 311	30 952	53 146	50 681	68 908	42 311	72 698	117 512	
Technical services revenue	129 000	42 214	96 250	24 125	72 250	56 046	76 224	35 000	
Other non-tax revenue	204 709	320 658	211 859	369 370	275 308	291 324	284 950	387 302	140.1%
Total revenue	932 334	723 119	965 235	1 184 946	1 088 164	1 089 954	1 142 513	1 255 914	103.0%
Expenses									
Current expenses	812 584	508 544	865 072	661 757	839 488	900 483	899 862	812 113	84.4%
Compensation of employees	294 261	259 748	454 518	316 660	451 374	399 428	476 200	418 203	83.2%
Goods and services	491 131	238 668	382 007	331 597	362 947	485 910	390 179	367 393	87.5%
Depreciation	27 192	10 128	28 547	9 131	25 166	15 115	33 483	26 517	53.2%
Interest, dividends and rent on land	-	-	-	4 370	-	31	-	-	-
Transfers and subsidies	2 544	-	-	-	-	-	-	-	-
Total expenses	815 129	508 544	865 072	661 757	839 488	900 483	899 862	812 113	84.3%
Surplus/(Deficit)	117 206	214 575	100 163	523 189	248 676	189 471	242 651	443 801	
Statement of financial position									
Carrying value of assets	331 716	155 267	348 364	191 642	350 901	219 419	325 418	325 418	65.7%
<i>of which:</i>									
Acquisition of assets	(251 946)	(88 651)	(167 316)	(65 947)	(190 000)	(43 295)	(8 000)	(49 740)	40.1%
Investments	3 576 358	4 422 165	4 071 608	4 990 487	5 187 337	5 248 241	5 548 978	5 548 978	109.9%
Inventory	452	182	279	876	208	5 059	222	222	546.1%
Receivables and prepayments	27 204	35 678	25 972	19 321	29 324	27 398	27 916	27 916	99.9%
Cash and cash equivalents	25 031	147 483	29 232	171 719	109 182	83 208	109 059	109 059	187.7%
Total assets	3 960 761	4 760 775	4 475 455	5 374 045	5 676 952	5 583 325	6 011 593	6 011 593	108.0%
Accumulated surplus/(deficit)	2 870 631	3 274 279	3 265 688	3 776 649	4 145 968	3 976 351	4 405 943	4 405 943	105.1%
Capital and reserves	50 631	20 420	29 029	41 237	43 420	31 007	36 035	36 035	80.9%
Trade and other payables	62 849	171 891	164 412	192 365	191 629	205 937	202 469	202 469	124.4%
Provisions	976 649	1 294 185	1 016 326	1 363 794	1 295 935	1 370 030	1 367 146	1 367 146	115.9%
Total equity and liabilities	3 960 761	4 760 775	4 475 455	5 374 045	5 676 952	5 583 325	6 011 593	6 011 593	108.0%

Statements of estimates of financial performance and position

Table 38.19 National Home Builders Registration Council statements of estimates of financial performance and position

Statement of financial performance		Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2016/17				2013/14 - 2016/17	2017/18	2018/19		
R thousand									
Revenue									
Non-tax revenue		1 255 914	20.2%	100.0%	1 310 055	1 395 209	1 478 262	5.6%	100.0%
Sale of goods and services other than capital assets		868 612	29.2%	66.7%	897 578	955 921	1 010 204	5.2%	68.6%
of which:									
Sales by market establishment		868 612	28.2%	67.1%	897 578	955 921	1 010 204	5.2%	68.6%
Insurance premium revenue		716 100	28.3%	57.7%	788 735	812 219	857 162	6.2%	58.4%
Fee revenue		117 512	56.0%	5.4%	80 804	105 138	111 972	-1.6%	7.7%
Technical services revenue		35 000	-6.1%	4.0%	84 839	38 564	41 070	5.5%	3.7%
Other non-tax revenue		387 302	6.5%	33.3%	412 477	439 288	468 058	6.5%	31.4%
Total revenue		1 255 914	20.2%	100.0%	1 310 055	1 395 209	1 478 262	5.6%	100.0%
Expenses									
Current expenses		812 113	16.9%	100.0%	866 034	980 009	1 034 688	8.4%	115.5%
Compensation of employees		418 203	17.2%	48.7%	445 388	469 928	500 151	6.1%	49.8%
Goods and services		367 393	15.5%	49.1%	386 230	474 731	497 212	10.6%	46.6%
Depreciation		26 517	37.8%	2.1%	34 416	35 350	37 325	12.1%	3.6%
Total expenses		812 113	16.9%	100.0%	866 034	980 009	1 034 688	8.4%	100.0%
Surplus/(Deficit)		443 801	-	-	444 021	415 200	443 574	-	-
Statement of financial position									
Carrying value of assets		325 418	28.0%	4.0%	299 001	271 651	347 953	2.3%	4.6%
of which:									
Acquisition of assets		(49 740)	-17.5%	-1.2%	(8 000)	(8 000)	(8 000)	-45.6%	-0.3%
Investments		5 548 978	7.9%	93.0%	5 915 218	6 304 590	7 686 865	11.5%	93.3%
Inventory		222	6.8%	-	238	255	255	4.7%	-
Receivables and prepayments		27 916	-7.9%	0.5%	31 013	31 987	42 723	15.2%	0.5%
Cash and cash equivalents		109 059	-9.6%	2.4%	108 334	107 697	107 697	-0.4%	1.6%
Total assets		6 011 593	8.1%	100.0%	6 353 804	6 716 180	8 185 493	10.8%	100.0%
Accumulated surplus/(deficit)		4 405 943	10.4%	70.9%	4 681 800	4 970 776	6 043 490	11.1%	73.7%
Capital and reserves		36 035	20.8%	0.6%	28 244	20 024	40 842	4.3%	0.5%
Trade and other payables		202 469	5.6%	3.6%	201 699	204 282	171 058	-5.5%	2.9%
Provisions		1 367 146	1.8%	25.0%	1 442 061	1 521 098	1 930 103	12.2%	22.9%
Total equity and liabilities		6 011 593	8.1%	100.0%	6 353 804	6 716 180	8 185 493	10.8%	100.0%

Personnel information

Table 38.20 National Home Builders Registration Council personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)						
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost		
National Home Builders Registration Council		663			663			663			663			663			663			6.1%	100.0%
Salary level		663	634	399.4	0.6	663	418.2	0.6	663	445.4	0.7	663	469.9	0.7	663	500.2	0.8				
1 - 6	28	28	25	3.3	0.1	28	3.9	0.1	28	3.7	0.1	28	3.9	0.1	28	4.2	0.1			2.7%	4.2%
7 - 10	394	394	380	174.6	0.5	394	182.9	0.5	394	194.7	0.5	394	205.4	0.5	394	217.9	0.6			6.0%	59.4%
11 - 12	192	192	189	163.1	0.9	192	161.0	0.8	192	181.8	0.9	192	191.2	1.0	192	204.2	1.1			8.2%	29.0%
13 - 16	46	46	37	50.4	1.4	46	61.9	1.3	46	56.2	1.2	46	59.8	1.3	46	63.7	1.4			0.9%	6.9%
17 - 22	3	3	3	8.0	2.7	3	8.5	2.8	3	9.0	3.0	3	9.6	3.2	3	10.2	3.4			6.4%	0.5%

1. Rand million.

Community Schemes Ombud Service

Mandate

The Community Schemes Ombud Service was established in 2013 in terms of the Community Schemes Ombud Service Act (2011). In terms of section 4 of the act, the Ombud is mandated to provide a dispute resolution service for community schemes; monitor and control the quality of all governance documentation relating to sectional title schemes; and take custody of, preserve and provide public access to scheme governance documentation.

Selected performance indicators

Table 38.21 Community Schemes Ombud Service performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of cases adjudicated per year	Dispute resolution	Entity mandate	-1	-1	-1	20	40	50	60
Number of schemes governance documents received and stored per year	Schemes governance documentation	Outcome 8: Sustainable human settlements and improved quality of household life	-1	-1	-1	100 000	100 000	50 000	50 000

1. No historical data available.

Expenditure analysis

In keeping with its core function of providing dispute resolution and adjudication services, the Community Schemes Ombud Service will focus over the medium term on continuing to strengthen its capacity to provide dispute resolution and schemes governance documentation support. This activity supports the realisation of outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework, and its priority of developing a functional and equitable residential property market.

The entity's total expenditure is expected to grow in line with revenue projections, amounting to R45.1 million by 2019/20, increasing at an average annual rate of 4 per cent over the medium term. Over the same period, spending related to dispute resolution is expected to reach R20.4 million with the anticipated adjudication of 150 community scheme disputes. Spending related to records management systems for schemes governance documentation is expected to be R5.6 million by 2019/20, resulting in 200 000 schemes governance documentations received and archived over the medium term.

Over the medium term, the entity's primary source of revenue is transfers from the Department of Human Settlements. The community schemes regulations were approved in October 2016 and, as a result, the entity is expected to generate additional revenue from community schemes registration levies from 2017/18. These levies will eventually become the entity's main source of revenue. The ombud's revenue is expected to increase to R45.1 million by 2019/20, at an average annual rate of 21 per cent over the MTEF period.

Programmes/objectives/activities

Table 38.22 Community Schemes Ombud Service expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administration	145	10 940	54 966	40 059	551.3%	100.0%	17 289	18 229	19 083	-21.9%	57.3%	
Dispute resolution	-	-	-	-	-	-	17 469	18 867	20 376	-	33.5%	
Schemes governance documentation	-	-	-	-	-	-	4 845	5 232	5 651	-	9.3%	
Total	145	10 940	54 966	40 059	551.3%	100.0%	39 603	42 328	45 110	4.0%	100.0%	

Statements of historical financial performance and position

Table 38.23 Community Schemes Ombud Service statements of historical financial performance and position

Statement of financial performance									
	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17		
R thousand									
Revenue									
Non-tax revenue	3 000	2	240	1 035	1 747	1 314	1 548	1 548	59.7%
Other non-tax revenue	3 000	2	240	1 035	1 747	1 314	1 548	1 548	59.7%
Transfers received	17 000	17 000	40 000	40 000	39 521	39 521	23 920	23 920	100.0%
Total revenue	20 000	17 002	40 240	41 035	41 268	40 835	25 468	25 468	97.9%
Expenses									
Current expenses	-	111	40 239	10 940	41 268	54 966	40 059	40 059	87.3%
Compensation of employees	-	-	27 145	5 670	14 652	30 464	31 204	31 204	92.2%
Goods and services	-	111	12 829	5 080	26 616	21 040	8 855	8 855	72.6%
Depreciation	-	-	265	190	-	3 462	-	-	1 378.1%
Total expenses	-	145	40 239	10 940	41 268	54 966	40 059	40 059	87.3%
Surplus/(Deficit)	20 000	16 857	1	30 095	-	(14 131)	(14 591)	(14 591)	

Statements of estimates of financial performance and position

Table 38.24 Community Schemes Ombud Service statements of estimates of financial performance and position

Statement of financial performance	Revised estimate	Average growth rate (%)		Average: Expenditure/Total (%)			Average: Expenditure/Total (%)		
		2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
R thousand									
Revenue									
Non-tax revenue	1 548	818.2%	3.0%	10 203	11 223	12 263	99.3%	21.4%	
Sale of goods and services other than capital assets of which:	-	-	-	8 500	9 350	10 285	-	16.6%	
Administrative fees	-	-	-	8 500	9 350	10 285	-	16.6%	
Other non-tax revenue	1 548	818.2%	3.0%	1 703	1 873	1 978	8.5%	4.8%	
Transfers received	23 920	12.1%	97.0%	29 400	31 105	32 847	11.2%	78.6%	
Total revenue	25 468	14.4%	100.0%	39 603	42 328	45 110	21.0%	100.0%	
Expenses									
Current expenses	40 059	612.0%	94.1%	39 603	42 328	45 110	4.0%	-	
Compensation of employees	31 204	-	46.3%	33 700	36 396	39 308	8.0%	84.0%	
Goods and services	8 855	330.5%	45.8%	5 903	5 932	5 802	-13.1%	16.0%	
Total expenses	40 059	551.3%	100.0%	39 603	42 328	45 110	4.0%	100.0%	
Surplus/(Deficit)	(14 591)	(2)		-	-	-	-100.0%		

Personnel information

Table 38.25 Community Schemes Ombud Service personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017	Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost
Community Schemes Ombud Service	40	40	39	30.5	0.8	40	31.2	0.8	40	33.7	0.8	40	36.4	0.9	40	39.3	1.0	8.0%	100.0%
Salary level	40	40	39	30.5	0.8	40	31.2	0.8	40	33.7	0.8	40	36.4	0.9	40	39.3	1.0	8.0%	100.0%
1 - 6	3	3	3	0.3	0.1	3	0.3	0.1	3	0.4	0.1	3	0.4	0.1	3	0.4	0.1	8.0%	7.5%
7 - 10	11	11	10	4.3	0.4	11	5.1	0.5	11	5.5	0.5	11	5.9	0.5	11	6.4	0.6	8.0%	27.5%
11 - 12	12	12	12	8.7	0.7	12	8.7	0.7	12	9.4	0.8	12	10.2	0.8	12	11.0	0.9	8.0%	30.0%
13 - 16	14	14	14	17.1	1.2	14	17.1	1.2	14	18.4	1.3	14	19.9	1.4	14	21.5	1.5	8.0%	35.0%

1. Rand million.

Estate Agency Affairs Board

Mandate

The Estate Agency Affairs Board was established in terms of the Estate Agency Affairs Act (1976), which mandates the board to regulate, maintain and promote the conduct of estate agents, issue certificates from the Estate Agents Fidelity Fund, prescribe the standard of education and training for estate agents, investigate complaints lodged against estate agents, and manage and control the Estate Agents Fidelity Fund.

Selected performance indicators

Table 38.26 Estate Agency Affairs Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past				Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
Number of complaints received, investigated and resolved per year	Compliance	Entity mandate	634	1 076	3 131	1 000	1 000	900	900	
Number of Fidelity Fund Certificate renewals per year	Compliance		34 729	33 696	38 503	37 450	40 071	42 876	45 877	
Number of estate agencies inspected per year	Compliance		800	1 107	474	1 230	1 240	1 250	1 250	
Value of claim recoveries per year	Compliance		R3.5m	R3.5m	R2.5m	R5.3m	R5.7m	R6.1m	R6.5m	
Number of national qualifications framework level 4 candidates who have enrolled for the professional designation examination (non-principal) per year	Education and training		1 266	614	1 526	2 036	2 571	3 232	3 021	
Number of national qualifications framework level 5 candidates who have enrolled for the professional designation examination (principals) per year	Education and training	337	158	324	214	229	245	262		

Table 38.26 Estate Agency Affairs Board performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16		2016/17	2017/18	2018/19
Number of service providers inspected for compliance to accreditation standards per year	Administration	Entity mandate	54 162	59 578	55 000	57 000	57 500	61 525	65 832
Number of candidates enrolled on the continuous professional development programme per year	Education and training		1 210	8 691	9 000	13 506	14 451	15 463	16 545

Expenditure analysis

Over the medium term, the Estate Agency Affairs Board will continue to focus on enforcing estate agents' compliance with legislation and regulations, and improving the quality of professional estate agents through the provision of professional development. This supports the realisation of the NDP's vision of transforming human settlements in South Africa and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

The board's total expenditure over the medium term is expected to increase at an average annual rate of 8.8 per cent, from R128.1 million in 2016/17 to R165.1 million in 2019/20. About 25 per cent of the board's expenditure is related to enforcing compliance, with the board expecting to inspect 3 740 estate agencies and investigate 2 800 complaints over the next three years. The cost of enforcing compliance is expected to increase at an average annual rate of 2.8 per cent, to R39.1 million by 2019/20.

In its drive to improve the quality of services estate agents provide, the board will also continue its professional development programme, which is expected to enrol 46 459 candidates over the next three years. An additional 8 824 candidates are expected to enrol for the non-principal professional designation exam and 736 for the principal estate agents professional designation examination. This is expected to result in an increase in spending on education and training, from R21.9 million in 2016/17 to R29.1 million by 2019/20.

Revenue is generated mainly from levies and contributions from estate agents, management fees for the administration of the Estate Agents Fidelity Fund, as well as board-examination fees. The board's revenue is expected to increase at an average annual rate of 8.4 per cent over the medium term to R167.1 million in 2019/20 as a result of an expected increase in new registrations as well as improved compliance with regards to the annual fee payments of existing estate agents.

Programme/objectives/activities

Table 38.27 Estate Agency Affairs Board expenditure trends and estimates by programme/objective/activity

	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand												
Administration	39 456	55 178	61 454	70 170	70 170	21.2%	54.4%	84 504	90 426	96 764	11.3%	58.0%
Compliance	26 383	32 323	29 844	36 039	36 039	11.0%	30.6%	34 215	36 610	39 173	2.8%	25.0%
Education and training	8 773	9 770	24 132	21 911	21 911	35.7%	15.0%	23 815	25 482	29 174	10.0%	17.0%
Total	74 612	97 271	115 430	128 120	128 120	19.7%	100.0%	142 534	152 518	165 111	8.8%	100.0%

Statements of historical financial performance

Table 38.28 Estate Agency Affairs Board statements of historical financial performance

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/Budget (%)
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome			
R thousand									
Revenue	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Non-tax revenue	169 136	102 209	176 636	123 845	173 572	168 102	215 714	195 297	80.2%
Sale of goods and services other than capital assets	159 314	89 891	169 127	109 761	161 909	156 749	203 067	180 770	77.5%
of which:									
Administrative fees	–	52 253	–	51 409	51 493	51 681	55 097	52 272	194.8%
Sales by market establishment	79 657	18 819	84 563	29 176	55 208	52 534	73 985	64 249	56.2%
Contributions	78 925	16 278	77 565	17 546	35 999	18 067	39 599	30 760	35.6%
Examinations	732	2 541	6 998	11 630	19 209	34 467	34 386	33 489	133.9%
Other non-tax revenue	9 822	12 318	7 510	14 084	11 663	11 353	12 647	14 527	125.6%
Total revenue	169 136	102 209	176 636	123 845	173 572	168 102	215 714	195 297	80.2%

Table 38.28 Estate Agency Affairs Board statements of historical financial performance

R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				
Expenses	76 323	74 612	90 693	97 271	113 322	115 430	129 457	128 120	101.4%
Current expenses	39 205	46 232	54 658	54 646	73 058	66 870	81 789	81 788	100.3%
Compensation of employees	35 503	26 032	32 359	39 414	35 266	45 028	42 762	41 433	104.1%
Goods and services	1 615	2 348	3 676	3 211	4 998	3 532	4 906	4 899	92.1%
Depreciation	76 323	74 612	90 693	97 271	113 322	115 430	129 457	128 120	101.4%
Total expenses	92 812	27 597	85 943	26 574	60 250	52 672	86 257	67 177	
Surplus/(Deficit)									

Statements of estimates of financial performance

Table 38.29 Estate Agency Affairs Board statements of estimates of financial performance

R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue	131 048	8.6%	100.0%	145 987	156 207	167 143	8.4%	100.0%
Non-tax revenue	116 521	9.0%	90.6%	130 482	139 616	149 390	8.6%	89.3%
Sale of goods and services other than capital assets of which:								
Administrative fees	52 272	-	37.5%	53 130	56 849	60 829	5.2%	37.3%
Sales by market establishment	64 249	50.6%	26.5%	77 352	82 767	88 561	11.3%	52.0%
Contributions	30 760	23.6%	14.1%	45 336	32 332	34 595	4.0%	24.0%
Examinations	33 489	136.2%	12.4%	39 368	50 435	53 966	17.2%	29.3%
Other non-tax revenue	14 527	5.7%	9.4%	15 505	16 591	17 753	6.9%	10.7%
Total revenue	131 048	8.6%	100.0%	145 987	156 207	167 143	8.4%	100.0%
Expenses	128 120	19.7%	100.0%	142 533	152 518	165 111	8.8%	148.0%
Current expenses	81 788	20.9%	60.0%	88 256	95 198	101 862	7.6%	62.5%
Compensation of employees	41 433	16.8%	36.7%	48 196	50 814	56 287	10.8%	33.4%
Goods and services	4 899	27.8%	3.3%	6 081	6 506	6 962	12.4%	4.1%
Depreciation	128 120	19.7%	100.0%	142 533	152 518	165 111	8.8%	100.0%
Total expenses	2 928	(1)		3 454	3 689	2 032	-11.5%	
Surplus/(Deficit)								

Personnel information

Table 38.30 Estate Agency Affairs Board personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Estate Agency Affairs Board		102	66.9	0.7	134	81.8	0.6	134	88.3	0.7	134	95.2	0.7	134	101.9	0.8	7.6%	100.0%	
Salary level	134	134																	
1 - 6	14	14	2	0.3	0.1	22	3.1	0.1	14	3.3	0.2	14	3.6	0.3	14	3.8	0.3	7.3%	11.9%
7 - 10	72	72	62	24.8	0.4	70	28.2	0.4	72	30.7	0.4	72	33.2	0.5	72	35.5	0.5	8.0%	53.4%
11 - 12	25	25	18	16.6	0.9	23	18.9	0.8	25	20.8	0.8	25	22.4	0.9	25	24.0	1.0	8.3%	18.3%
13 - 16	21	21	18	21.8	1.2	17	26.5	1.6	21	28.2	1.3	21	30.3	1.4	21	32.5	1.5	7.0%	14.9%
17 - 22	2	2	2	3.4	1.7	2	5.1	2.6	2	5.3	2.6	2	5.7	2.9	2	6.1	3.1	6.2%	1.5%

1. Rand million.

Estate Agents Fidelity Fund

Expenditure analysis

The Estate Agents Fidelity Fund is administered and managed by the Estate Agency Affairs Board in the interests of the public and registered estate agents. Over the medium term, the fund will focus on registering agents and increasing compliance. The fund's total revenue is expected to increase to R100.8 million in 2019/20 as a result of an expected increase in new registrations as well as increased compliance. The fund's expenditure is expected to increase at an average annual rate of 4.3 per cent to R86 million in 2019/20, largely driven by expected claims against the fund and associated legal costs.

The fund generates revenue through administrative fees such as interest earned on trust accounts held by estate agents, claims recovered and sales by market establishments related to fair value adjustments. The fund reflects a sustainable financial position over the MTEF period, with provisions for outstanding claims expected to amount R1.7 million and net assets expected to increase to R718.8 million in 2019/20.

Statements of historical financial performance and position

Table 38.31 Estate Agents Fidelity Fund statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	68 111	62 339	68 198	72 925	75 043	74 812	77 053	77 053	99.6%
Sale of goods and services other than capital assets	34 251	32 911	32 928	43 115	37 809	46 042	45 858	45 858	111.3%
<i>of which:</i>									
Administrative fees	27 082	23 208	24 786	32 906	26 700	35 417	33 971	33 971	111.5%
Sales by market establishment	7 169	9 703	8 142	10 209	11 109	10 625	11 887	11 887	110.7%
Other non-tax revenue	33 860	29 428	35 270	29 810	37 234	28 770	31 195	31 195	86.7%
Total revenue	68 111	62 339	68 198	72 925	75 043	74 812	77 053	77 053	99.6%
Expenses									
Current expenses	68 211	71 711	67 629	69 904	74 374	70 209	75 845	75 845	100.6%
Goods and services	68 211	71 711	67 629	69 294	74 374	69 754	75 845	75 073	99.9%
Interest, dividends and rent on land	-	-	-	610	-	455	-	772	-
Total expenses	68 211	71 711	67 629	69 904	74 374	70 209	75 845	75 845	100.6%
Surplus/(Deficit)	(100)	(9 372)	569	3 021	669	4 603	1 208	1 208	
Statement of financial position									
Investments	642 520	472 814	642 520	508 651	566 080	138 260	619 787	130 716	50.6%
Receivables and prepayments	12 003	4 696	12 004	3 119	15 554	11 842	13 523	13 523	62.5%
Cash and cash equivalents	3 048	127 494	3 048	85 407	6 246	457 824	6 283	468 487	6 116.4%
Total assets	657 571	605 005	657 572	597 177	587 880	607 926	639 593	612 726	95.3%
Accumulated surplus/(deficit)	640 236	571 213	640 236	574 235	572 811	578 838	621 169	591 015	93.6%
Trade and other payables	8 225	10 666	-	9 108	7 687	14 692	12 805	12 805	164.6%
Provisions	551	1 257	551	1 337	4 257	67	4 546	4 546	72.8%
Managed funds (e.g. poverty alleviation fund)	-	21 868	-	12 497	3 125	14 329	1 072	4 360	1 264.0%
Derivatives financial instruments	8 560	-	8 560	-	-	-	-	-	-
Total equity and liabilities	657 572	605 005	649 347	597 177	587 880	607 926	639 593	612 726	95.6%

Statements of estimates of financial performance and position

Table 38.32 Estate Agents Fidelity Fund statements of estimates of financial performance and position

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	77 053	7.3%	100.0%	88 086	94 252	100 849	9.4%	100.0%	
Sale of goods and services other than capital assets	45 858	11.7%	58.2%	53 604	57 356	61 371	10.2%	60.5%	
<i>of which:</i>									
Administrative fees	33 971	13.5%	43.4%	38 626	41 330	44 223	9.2%	43.9%	
Sales by market establishment	11 887	7.0%	14.8%	14 978	16 026	17 148	13.0%	16.6%	
Other non-tax revenue	31 195	2.0%	41.8%	34 482	36 896	39 478	8.2%	39.5%	
Total revenue	77 053	7.3%	100.0%	88 086	94 252	100 849	9.4%	100.0%	
Expenses									
Current expenses	75 845	1.9%	100.0%	75 150	80 410	86 039	4.3%	112.3%	
Goods and services	75 073	1.5%	99.4%	74 550	79 768	85 352	4.4%	99.1%	
Interest, dividends and rent on land	772	-	0.6%	600	642	687	-3.8%	0.9%	
Total expenses	75 845	1.9%	100.0%	75 150	80 410	86 039	4.3%	100.0%	
Surplus/(Deficit)	1 208	(2)		12 936	13 842	14 810	130.6%		
Statement of financial position									
Investments	130 716	-34.9%	51.9%	348 000	372 360	398 425	45.0%	46.9%	
Receivables and prepayments	13 523	42.3%	1.4%	3 571	3 821	4 088	-32.9%	1.0%	
Cash and cash equivalents	468 487	54.3%	46.8%	276 196	295 529	316 217	-12.3%	52.1%	
Total assets	612 726	0.4%	100.0%	627 767	671 710	718 730	5.5%	100.0%	
Accumulated surplus/(deficit)	591 015	1.1%	95.6%	613 903	656 876	702 857	5.9%	97.5%	
Trade and other payables	12 805	6.3%	1.9%	7 763	8 306	8 888	-11.5%	1.4%	
Provisions	4 546	53.5%	0.3%	1 500	1 605	1 717	-27.7%	0.4%	
Managed funds (e.g. poverty alleviation fund)	4 360	-41.6%	2.2%	4 601	4 923	5 268	6.5%	0.7%	
Total equity and liabilities	612 726	0.4%	100.0%	627 767	671 710	718 730	5.5%	100.0%	

Housing Development Agency

Mandate

The Housing Development Agency was established in terms of the Housing Development Agency Act (2008) and is mandated to identify, acquire, hold, develop and release state- and privately-owned land for residential and community purposes; and project-manage housing developments for the creation of sustainable human settlements. The entity provides provinces and municipalities with project, technical and land geospatial services; and promotes intergovernmental relations for the acceleration of human settlements development.

Selected performance indicators

Table 38.33 Housing Development Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of hectares of well-located land released for human settlements development per year	Land and housing support services	Outcome 8: Sustainable human settlements and improved quality of household life	2 000	3 698	3 559	3 000	3 000	2 000	2 000
Number of priority projects assessed and ready for implementation per year	National programme support		-1	-1	-1	5	10	10	10
Number of national priority programmes provided with support per year	National programme support		-1	1	3	3	3	3	3
Number of provinces supported with project, technical and land geospatial services per year	Land and housing support services		5	7	9	9	9	9	9

1. No historical data available.

Expenditure analysis

The Housing Development Agency's focus over the medium term will be on upgrading informal settlements in identified mining towns through the rollout of the national upgrading support programme; scoping, facilitating and implementing government and private led catalytic projects; and rezoning and releasing hectares of well-located land for new housing developments. These focus areas are directly in relation to outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework and the NDP's vision of transforming human settlements.

Over the medium term, the agency will play a central role in facilitating the roll out of catalytic projects that aim to provide more spatially, socially and economically integrated human settlement communities. As a result, the agency's total expenditure is expected to increase from R282.3 million in 2016/17 to R413.4 million in 2019/20, at an average annual rate of 13.6 per cent. The agency will provide project feasibilities and assessments, project management, and technical support to provinces and municipalities, expecting to assess 30 priority projects for implementation readiness and provide support to these projects over the MTEF period. These activities are expected to result in a 22.4 per cent increase in related expenditure to R108.6 million in 2019/20.

The agency also expects to facilitate the release of 7 000 hectares of well-located land and provide all provinces with technical and geospatial services, resulting in an increase in expenditure related to land and housing support services, from R141.6 million in 2016/17 to R199.6 million in 2019/20, at an average annual rate of 12.1 per cent.

Given the growth in spending on providing services, the agency's expenditure on compensation of employees is expected to increase at an average annual rate of 14.6 per cent, from R150.7 million in 2016/17 to R226.7 million in 2019/20. The agency's staff complement is expected to increase from 217 in 2016/17 to 253 in 2019/20. Transfers from the Department of Human Settlements are expected to increase from R167 million in 2016/17 to R234.9 million in 2019/20.

Programmes/objectives/activities

Table 38.34 Housing Development Agency expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	44 250	48 403	51 050	54 824	7.4%	26.1%	62 586	66 836	71 338	9.2%	17.8%	
Planning and information	14 744	24 252	21 059	26 558	21.7%	11.2%	29 705	31 734	33 881	8.5%	8.5%	
National programme support	89 840	91 161	62 092	59 302	-12.9%	42.1%	95 651	102 276	108 657	22.4%	25.0%	
Land and housing support services	-	-	64 718	141 606	-	20.7%	175 103	188 004	199 598	12.1%	48.8%	
Total	148 834	163 816	198 919	282 290	23.8%	100.0%	363 045	388 850	413 474	13.6%	100.0%	

Statements of historical financial performance

Table 38.35 Housing Development Agency statements of historical financial performance

Statement of financial performance									
R thousand	2013/14		2014/15		2015/16		2016/17		Average: Outcome/Budget (%) 2013/14 - 2016/17
	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	
Revenue									
Non-tax revenue	71 668	15 294	5 862	7 090	25 558	26 962	27 142	61 853	85.4%
Sale of goods and services other than capital assets	67 580	8 834	2 837	3 493	9 838	11 388	10 448	57 903	90.0%
of which:									
Administrative fees	67 580	8 834	2 837	3 493	9 838	11 388	10 448	57 903	90.0%
Other non-tax revenue	4 088	6 460	3 025	3 597	15 720	15 574	16 694	3 950	74.8%
Transfers received	97 497	113 977	142 513	150 730	486 609	162 868	516 779	220 437	52.1%
Total revenue	169 165	129 271	148 375	157 820	512 167	189 830	543 921	282 290	55.3%
Expenses									
Current expenses	169 165	148 834	148 375	163 816	512 167	198 919	330 920	282 290	68.4%
Compensation of employees	92 533	73 867	92 836	81 565	105 936	90 376	150 690	150 690	89.7%
Goods and services	74 335	72 463	52 833	79 754	404 796	106 631	178 517	129 887	54.7%
Depreciation	2 297	2 259	2 423	2 280	1 244	1 744	1 641	1 641	104.2%
Interest, dividends and rent on land	-	245	283	217	191	168	72	72	128.6%
Total expenses	169 165	148 834	148 375	163 816	512 167	198 919	330 920	282 290	68.4%
Surplus/(Deficit)	-	(19 563)	-	(5 996)	-	(9 089)	213 001	-	

Statements of estimates of financial performance

Table 38.36 Housing Development Agency statements of estimates of financial performance

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)	
				2016/17	2013/14 - 2016/17	2017/18			2018/19
Revenue									
Non-tax revenue	61 853	59.3%	13.1%	95 120	101 603	109 806	21.1%	25.2%	
Sale of goods and services other than capital assets	57 903	87.1%	8.9%	90 943	97 179	105 134	22.0%	24.0%	
of which:									
Administrative fees	57 903	87.1%	8.9%	90 943	97 179	105 134	22.0%	24.0%	
Other non-tax revenue	3 950	-15.1%	4.2%	4 177	4 424	4 672	5.8%	1.2%	
Transfers received	220 437	24.6%	86.9%	267 925	287 247	303 669	11.3%	74.8%	
Total revenue	282 290	29.7%	100.0%	363 045	388 850	413 475	13.6%	100.0%	
Expenses									
Current expenses	282 290	23.8%	100.0%	363 045	388 850	413 475	13.6%	168.1%	
Compensation of employees	150 690	26.8%	49.6%	196 495	212 001	226 714	14.6%	54.2%	
Goods and services	129 887	21.5%	49.2%	164 731	174 923	184 727	12.5%	45.3%	
Depreciation	1 641	-10.1%	1.1%	1 742	1 845	1 949	5.9%	0.5%	
Interest, dividends and rent on land	72	-33.5%	0.1%	77	81	85	5.8%	0.0%	
Total expenses	282 290	23.8%	100.0%	363 045	388 850	413 475	13.6%	100.0%	
Surplus/(Deficit)	-	(1)		-	-	-	-	-	

Personnel information

Table 38.37 Housing Development Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		2016/17		2017/18		2018/19		2019/20		2016/17 - 2019/20							
Housing Development Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	217	286	180	90.4	0.5	217	150.7	0.7	253	196.5	0.8	253	212.0	0.8	253	226.7	0.9	14.6%	100.0%
1 - 6	21	21	33	4.7	0.1	21	3.5	0.2	8	1.5	0.2	8	1.6	0.2	8	1.7	0.2	-21.8%	4.8%
7 - 10	122	133	73	27.0	0.4	122	51.9	0.4	118	54.4	0.5	118	58.4	0.5	118	62.3	0.5	6.3%	49.0%
11 - 12	29	70	26	16.6	0.6	29	23.7	0.8	69	53.4	0.8	69	57.3	0.8	69	61.3	0.9	37.2%	23.8%
13 - 16	40	57	46	36.2	0.8	40	56.8	1.4	54	74.6	1.4	54	81.2	1.5	54	86.8	1.6	15.2%	20.6%
17 - 22	5	5	2	6.0	3.0	5	14.8	3.0	4	12.6	3.2	4	13.5	3.4	4	14.6	3.6	-0.5%	1.8%

1. Rands million.

National Housing Finance Corporation

Mandate

The National Housing Finance Corporation was established in 1996 as a schedule 3A development finance institution. Its principal mandate is to broaden and deepen access to affordable housing finance for low- to middle-income households by facilitating private-sector lending for housing purposes. The corporation acts as a

fund and risk manager in the affordable housing market, carrying out its mandate through the facilitation and provision of wholesale financing for various kinds of housing tenure, such as rental housing and home ownership.

Selected performance indicators

Table 38.38 National Housing Finance Corporation performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of housing opportunities facilitated through disbursements per year	Strategic investment	Outcome 8: Sustainable human settlements and improved quality of household life	428	136	182	261	318	259	- ¹
Number of housing opportunities facilitated through leveraged funds per year	Strategic investment		586	542	912	827	1 035	1 035	1 120
Value of funds disbursed per year	Strategic investment		R132m	R247m	R77m	R133m	R159m	R129m	- ¹
Value of funds leveraged from the private sector per year	Strategic investment		R176m	R236m	R392m	R620m	R637m	R518m	R520m
Number of housing opportunities facilitated through disbursements per year	Lending		12 109	3 876	1 241	2 272	2 993	1 755	1 391
Number of housing opportunities facilitated through leveraged funds per year ²	Lending		71 380	4 558	28 051	16 494	13 262	3 154	3 406
Value of funds disbursed per year	Lending		R543m	R482m	R164m	R334m	R303m	R299m	R286m
Value of funds leveraged from the private sector per year	Lending		R2bn	R585m	R1.1bn	R856m	R606m	R372m	R402m

1. The entity's direct investment related to strategic partnerships will end in 2018/19.

2. Fluctuations due to project life cycles.

Expenditure analysis

Over the medium term, the National Housing Finance Corporation will focus on providing wholesale funding to social housing institutions, non-banking retail finance intermediaries, and private-sector property developers and investors. These institutions use the funding to develop affordable low- to middle-income houses, which are available to rent or buy. The fulfilment of these objectives is in response to the NDP's vision of adequate housing and improved living environments, which is in line with outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

The corporation's expenditure is projected to increase from R216.7 million in 2016/17 to R241.9 million in 2019/20, at an average annual rate of 3.7 per cent. The entity's loan book will amount to R2.4 billion by 2019/20. Direct investment into affordable housing projects is expected to result in 577 affordable housing opportunities over the medium term through strategic partnerships with other private-sector investors, amounting to a total of R288 million. The number of affordable housing units funded directly by the entity over the medium term is expected to decline as a result of the entity's own investment contribution to certain strategic partnerships, which are expected to be completed by 2018. However, indirect investment amounting to R1.7 billion will be leveraged from the private sector to enable an additional 3 190 affordable housing units to be delivered over the medium term.

In addition, 25 961 housing opportunities including social, private-rental and incremental housing with an estimated value of R2.3 billion will be provided over the medium term. This will be facilitated by wholesale funds leveraged and disbursed through partnerships with banks and non-bank retail intermediaries. The projected number of housing opportunities in the wholesale lending portfolio is expected to decrease over the medium term. This is mainly attributable to the subdued economic conditions expected over the medium term, the corporation's prevailing funding constraints, as well as its plan to exit the business of being a developer through its subsidiary, the Cape Town Community Housing Company, after the completion of existing projects.

As a result of the exit from the Cape Town Community Housing Company, the corporation's staff complement is expected to decrease from 78 in 2016/17 to 59 in 2019/20. Nevertheless, spending on compensation of employees is expected to increase at an average annual rate of 2.4 per cent over the medium term.

Revenue is generated primarily from interest on loan advances, income from development activities (sale of houses), rental income and levies from instalment sales. Total revenue generated is expected to increase at an average annual rate of 7.2 per cent over the medium term to R287.2 million by 2019/20. The increase in revenue is driven by the increase in interest earned on loans under management over the medium term. In addition, the corporation expects to receive an equity injection of R230 million over the medium term from the Department of Human Settlements to allow for an increase in loan advances in each programme.

Programmes/objectives/activities

Table 38.39 National Housing Finance Corporation expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	179 263	117 087	70 072	83 055	-22.6%	49.1%	85 625	88 368	94 007	4.2%	38.4%	
Retail	9 229	12 335	(8 633)	7 897	-5.1%	2.6%	8 582	8 756	8 947	4.3%	3.7%	
Strategic investment	1 950	1 902	5 207	931	-21.8%	1.0%	1 083	1 160	1 242	10.1%	0.5%	
Lending	12 466	120 115	237 321	124 795	115.5%	47.4%	131 302	130 582	137 716	3.3%	57.4%	
Total	202 908	251 439	303 967	216 677	2.2%	100.0%	226 592	228 866	241 913	3.7%	100.0%	

Statements of historical financial performance and position

Table 38.40 National Housing Finance Corporation statements of historical financial performance and position

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/ Budget (%)
	2013/14	2014/15	2014/15	2015/16	2015/16	2016/17	2016/17		
Revenue									
Non-tax revenue	502 687	213 429	244 307	265 007	225 107	248 186	223 496	233 390	80.3%
Sale of goods and services other than capital assets	468 273	173 700	214 815	227 168	166 856	187 555	181 169	171 086	73.7%
<i>of which:</i>									
Administrative fees	-	996	-	6 033	2 320	3 008	2 430	2 430	262.5%
Sales by market establishment	468 273	172 704	214 815	221 135	164 536	184 547	178 739	168 656	72.8%
Sale of houses	215 210	3 385	11 981	14 811	11 380	21 783	2 864	1 892	17.3%
Interest on advances	245 523	166 250	198 643	198 497	151 673	156 305	174 243	165 364	89.1%
Rental Income	7 540	3 069	4 191	7 827	1 483	6 459	1 632	1 400	126.3%
Other non-tax revenue	34 414	39 729	29 492	37 839	58 251	60 631	42 327	62 304	121.9%
Total revenue	502 687	213 429	244 307	265 007	234 988	282 110	223 496	233 390	82.5%
Expenses									
Current expenses	480 551	183 790	221 964	245 750	220 540	303 967	197 433	209 511	84.2%
Compensation of employees	90 875	76 480	76 467	107 642	65 533	51 209	69 769	67 002	99.9%
Goods and services	318 305	83 642	105 749	115 303	133 521	229 844	107 063	123 081	83.0%
Depreciation	3 483	879	1 030	965	-	1 385	-	-	71.6%
Interest, dividends and rent on land	67 889	22 789	38 719	21 840	21 486	21 529	20 601	19 429	57.6%
Total expenses	480 551	202 907	229 902	251 438	220 540	303 967	206 369	216 677	85.7%
Surplus/(Deficit)	22 136	10 522	14 405	13 569	14 448	(21 857)	17 127	16 713	
Statement of financial position									
Carrying value of assets	81 408	76 026	83 902	83 586	76 291	90 536	67 391	93 240	111.1%
<i>of which:</i>									
Acquisition of assets	-	(915)	-	(1 987)	-	(822)	-	-	-
Investments	1 039 268	285 778	1 078 551	531 415	528 034	733 405	527 034	745 637	72.4%
Inventory	184 145	168 566	169 810	190 438	114 927	95 694	71 681	101 487	102.9%
Loans	2 601 227	2 132 260	2 567 732	2 066 927	2 078 089	1 808 724	2 449 821	2 005 807	82.6%
Receivables and prepayments	33 245	13 039	32 332	7 372	8 649	8 637	7 549	13 761	52.4%
Cash and cash equivalents	189 420	433 918	16 241	430 077	503 092	344 570	285 686	216 031	143.3%
Taxation	9 248	12 448	17 977	18 601	15 534	60 841	15 534	37 837	222.5%
Total assets	4 137 961	3 122 035	3 966 545	3 328 416	3 324 616	3 142 407	3 424 696	3 213 800	86.2%
Accumulated surplus/(deficit)	1 251 843	1 325 664	1 272 551	1 339 232	1 353 721	1 317 379	1 370 847	1 334 091	101.3%
Capital and reserves	1 080 000	880 000	1 084 000	880 000	880 000	908 525	880 000	907 950	91.1%
Capital reserve fund	-	200 000	-	430 000	530 000	530 000	630 000	630 000	154.3%
Borrowings	1 094 539	335 538	707 319	295 754	265 018	283 360	236 760	249 696	50.5%
Trade and other payables	65 450	36 904	28 322	69 102	22 278	13 408	22 586	16 677	98.2%
Taxation	-	3 972	5 078	-	-	-	-	-	78.2%
Provisions	8 629	58 291	12 348	62 421	16 382	11 142	16 074	16 006	276.7%
Managed funds (e.g. poverty alleviation fund)	637 500	225 765	856 926	193 220	203 847	44 883	215 059	25 668	25.6%
Derivatives financial instruments	-	55 901	-	58 686	53 370	33 711	53 370	33 711	170.5%
Total equity and liabilities	4 137 961	3 122 035	3 966 545	3 328 415	3 324 616	3 142 408	3 424 696	3 213 799	86.2%

Statements of estimates of financial performance and position

Table 38.41 National Housing Finance Corporation statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
Revised estimate	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20	2016/17 - 2019/20	
R thousand								
Revenue								
Non-tax revenue								
Sale of goods and services other than capital assets	233 390	3.0%	97.0%	241 199	262 881	287 242	7.2%	100.0%
of which:	171 086	-0.5%	76.7%	194 905	218 137	240 097	12.0%	80.2%
Administrative fees	2 430	34.6%	1.2%	2 430	2 430	2 430	-	1.0%
Sales by market establishment	168 656	-0.8%	75.5%	192 475	215 707	237 667	12.1%	79.2%
Sale of houses	1 892	-17.6%	3.9%	698	698	698	-28.3%	0.4%
Interest on advances	165 364	-0.2%	69.8%	247 220	213 609	235 568	12.5%	84.2%
Rental income	1 400	-23.0%	1.8%	1 974	1 400	1 400	-	0.6%
Other non-tax revenue	62 304	16.2%	20.3%	46 295	44 744	47 146	-8.9%	19.8%
Total revenue	233 390	3.0%	100.0%	241 199	262 881	287 242	7.2%	100.0%
Expenses								
Current expenses								
Compensation of employees	209 511	4.5%	96.3%	219 508	217 877	227 282	2.8%	76.1%
Goods and services	67 002	-4.3%	32.1%	70 081	67 320	71 957	2.4%	30.3%
Interest, dividends and rent on land	123 081	13.7%	54.9%	131 771	135 138	142 100	4.9%	58.2%
Taxation	19 429	-5.2%	9.0%	17 656	15 419	13 225	-12.0%	7.2%
Total expenses	216 677	2.2%	100.0%	226 592	228 866	241 913	3.7%	100.0%
Surplus/(Deficit)	16 713	-	-	14 607	34 015	45 329	39.5%	-
Statement of financial position								
Carrying value of assets	93 240	7.0%	2.7%	94 440	95 740	95 740	0.9%	2.9%
Investments	745 637	37.7%	17.9%	751 035	682 642	687 262	-2.7%	21.6%
Inventory	101 487	-15.6%	4.3%	76 722	54 958	32 947	-31.3%	2.0%
Loans	2 005 807	-2.0%	62.6%	2 187 128	2 416 011	2 489 201	7.5%	68.5%
Receivables and prepayments	13 761	1.8%	0.3%	13 899	14 044	14 192	1.0%	0.4%
Cash and cash equivalents	216 031	-20.7%	11.1%	135 676	49 498	53 676	-37.1%	3.5%
Taxation	37 837	44.9%	1.0%	37 837	37 837	37 837	-	1.1%
Total assets	3 213 800	1.0%	100.0%	3 296 737	3 350 730	3 410 854	2.0%	100.0%
Accumulated surplus/(deficit)	1 334 091	0.2%	41.5%	1 348 698	1 382 713	1 428 042	2.3%	41.4%
Capital and reserves	907 950	1.0%	27.9%	907 951	880 000	880 000	-1.0%	27.0%
Capital reserve fund	630 000	46.6%	13.9%	730 000	810 000	860 000	10.9%	22.8%
Borrowings	249 696	-9.4%	9.1%	217 302	184 907	152 513	-15.2%	6.1%
Trade and other payables	16 677	-23.3%	1.1%	16 150	15 627	10 761	-13.6%	0.4%
Provisions	16 006	-35.0%	1.1%	16 006	15 700	15 700	-0.6%	0.5%
Managed funds (e.g. poverty alleviation fund)	25 668	-51.6%	3.8%	27 465	29 387	31 444	7.0%	0.9%
Derivatives financial instruments	33 711	-15.5%	1.4%	33 165	32 394	32 394	-1.3%	1.0%
Total equity and liabilities	3 213 799	1.0%	100.0%	3 296 737	3 350 729	3 410 855	2.0%	100.0%

Personnel information

Table 38.42 National Housing Finance Corporation personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
National Housing Finance Corporation		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2016/17 - 2019/20		
Salary level	78	78	77	51.2	0.7	78	67.0	0.9	77	70.1	0.9	59	67.3	1.1	59	72.0	1.2	2.4%	100.0%
1 - 6	15	16	15	1.2	0.1	15	2.6	0.2	16	2.6	0.2	9	1.2	0.1	9	1.3	0.1	-20.3%	17.6%
7 - 10	31	31	31	10.7	0.3	31	16.2	0.5	30	16.4	0.5	22	13.3	0.6	22	14.2	0.6	-4.2%	38.3%
11 - 12	15	15	15	10.0	0.7	15	14.2	0.9	14	14.9	1.1	13	15.4	1.2	13	16.5	1.3	5.1%	20.4%
13 - 16	16	15	15	22.7	1.5	16	28.3	1.8	16	30.1	1.9	14	30.9	2.2	14	33.0	2.4	5.3%	22.2%
17 - 22	1	1	1	6.6	6.6	1	5.8	5.8	1	6.1	6.1	1	6.5	6.5	1	6.9	6.9	6.2%	1.5%

1. Rand million.

National Urban Reconstruction and Housing Agency

Mandate

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 Foundation of New York. The

agency provides bridging finance to contractors building low- to moderate-income housing, infrastructure and community facilities; and provides account administration and support services.

Selected performance indicators

Table 38.43 National Urban Reconstruction and Housing Agency performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Value of loans disbursed per year	Affordable housing	Outcome 8: Sustainable human settlements and improved quality of household life	R230.7m	R246.6m	R432.9m	R135m	R345m	R285m	R420m
Number of loans approved per year	Affordable housing		14	16	15	9	23	19	28
Number of houses built and sites serviced per year	Affordable housing		1 619	1 606	2 261	2 500	2 484	2 052	3 024
Value of loans disbursed per year	Infrastructure and community services loans		R33.5m	R15.1m	R8.4m	R18m	R18m	R27m	R15m
Number of loans/projects approved per year	Infrastructure and community services loans		10	2	4	4	4	4	6
Value of loans disbursed per year	Subsidy housing loans		R55.5m	R81.1m	R149.5m	R140m	R152m	R160m	R168m
Number of loans/projects approved per year	Subsidy housing loans		11	15	32	35	38	40	42
Number of houses completed per year	Subsidy housing loans		3 108	5 962	3 984	12 830	16 750	18 250	18 900

Expenditure analysis

Over the MTEF period, the National Urban Reconstruction and Housing Agency will continue to focus on providing affordable housing loans, bridging finance and housing-related project support services to contractors through the affordable housing, subsidy housing and infrastructure programmes. This supports the realisation of the NDP's vision of transforming human settlements and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

The agency has been providing programme management services to the city of Cape Town to support the ceiling retrofit programme, whose objective is to improve thermal efficiency in older subsidy housing. Completion of the programme in 2016/17 will lead to a decrease in revenue between 2016/17 and 2017/18. Despite the decrease in revenue over this period, the agency's revenue is expected to grow from R106.1 million in 2017/18 to R118.6 million in 2019/20, largely driven by programme management fees, interest and fees on loans.

Total expenditure is expected to decrease at an average annual rate of 18.3 per cent, from R144.4 million in 2016/17 to R78.6 million by 2019/20, as a result of the completion of the ceiling retrofit programme in 2016/17. Spending related to affordable housing is expected to decrease from R9.1 million in 2016/17 to R4.3 million in 2019/20 as a result of a drop in interest expenses related to a loan from the Public Investment Corporation, which matures in 2018/19. Expenditure in the affordable housing programme will enable the agency to approve 70 loans to emerging contractors in the affordable housing programme to the value of R1 billion, leading to the delivery of 7 560 affordable houses over the medium term.

Activities related to subsidy housing will amount to R6.4 million by 2019/20 and will result in the delivery of 120 project loans to the value of R480 million, with 53 900 subsidy houses completed over the medium term. Spending related to community infrastructure is projected to provide 14 infrastructure-related loans to the value of R60 million over the medium term.

Approximately 50 per cent of total expenditure is related to spending on goods and services items such as outsourced services, travel and subsistence, consultants, and compensation of employees. The entity will employ 40 personnel by 2019/20, and spending on compensation of employees over the medium term is expected to increase to R41.5 million by 2019/20, at an average annual rate of 7.5 per cent.

Programmes/objectives/activities**Table 38.44 National Urban Reconstruction and Housing Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19		
Administration	56 602	54 886	61 465	78 816	11.7%	62.5%	47 391	47 607	52 192	-12.8%	61.7%
Affordable housing	2 957	511	20 545	9 120	45.6%	6.6%	11 121	4 652	4 318	-22.1%	8.1%
Programme management	12 032	17 543	43 548	54 696	65.7%	27.7%	13 874	14 764	15 682	-34.1%	24.0%
Infrastructure and community services loans	2 252	90	2 750	1	-92.4%	1.3%	62	65	69	310.2%	0.1%
Subsidy housing loans	2 959	367	2 866	1 759	-15.9%	1.9%	5 561	5 962	6 389	53.7%	6.2%
Total	76 802	73 397	131 174	144 392	23.4%	100.0%	78 009	73 050	78 650	-18.3%	100.0%

Statements of historical financial performance and position**Table 38.45 National Urban Reconstruction and Housing Agency statements of historical financial performance and position**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget	2013/14	Budget	2014/15	Budget	2015/16			
Revenue									
Non-tax revenue	104 349	83 979	106 104	83 921	114 278	149 223	118 405	195 578	115.7%
Sale of goods and services other than capital assets	83 981	65 196	70 492	63 628	101 338	85 752	106 780	174 498	107.3%
<i>of which:</i>									
Administrative fees	39 287	33 803	44 138	24 294	54 604	35 950	53 820	112 603	107.7%
Sales by market establishment	44 694	31 393	26 354	39 334	46 734	49 802	52 960	61 895	106.8%
Interest on loans for construction projects	39 025	25 311	19 246	30 925	39 584	38 880	45 228	53 591	103.9%
Fees on loans for construction projects	5 669	6 082	7 108	8 409	7 150	10 922	7 732	8 304	121.9%
Other non-tax revenue	20 368	18 783	35 612	20 293	12 940	63 471	11 625	21 080	153.5%
Total revenue	104 349	83 979	106 104	83 921	114 278	149 223	118 405	195 578	115.7%
Expenses									
Current expenses	83 305	76 802	100 668	73 395	94 033	131 174	105 526	144 392	111.0%
Compensation of employees	27 257	28 902	34 018	27 996	32 808	34 669	40 980	33 398	92.5%
Goods and services	40 794	39 550	61 962	38 804	56 516	66 214	50 759	97 207	115.1%
Depreciation	1 525	1 610	1 504	1 168	698	1 102	471	471	103.7%
Interest, dividends and rent on land	13 729	6 740	3 184	5 427	4 011	29 189	13 316	13 316	159.7%
Total expenses	83 305	76 802	100 668	73 395	94 033	131 174	105 526	144 392	111.0%
Surplus/(Deficit)	21 044	7 177	5 436	10 526	20 245	18 049	12 879	51 186	
Statement of financial position									
Carrying value of assets	2 117	2 476	2 293	2 263	2 435	1 753	1 639	1 334	92.2%
<i>of which:</i>									
Acquisition of assets	(1 124)	(1 031)	(1 101)	(956)	(1 643)	(704)	(315)	(419)	74.4%
Investments	1 397	3 217	1 435	3 138	3 217	-	3 217	-	68.6%
Loans	271 453	195 887	188 318	258 312	386 279	338 909	417 366	404 191	94.8%
Receivables and prepayments	19 599	13 761	9 015	7 152	7 139	10 866	6 191	11 288	102.7%
Cash and cash equivalents	441 727	457 511	416 638	311 138	206 193	354 154	196 768	427 933	122.9%
Non-current assets held for sale	-	-	-	-	-	3 138	-	988	-
Total assets	736 293	672 852	617 699	582 003	605 264	708 820	625 181	845 734	108.7%
Accumulated surplus/(deficit)	430 487	(109 726)	391 630	(99 200)	(88 063)	(81 153)	(72 299)	(29 965)	-48.4%
Capital and reserves	38 300	199 284	38 300	199 284	38 300	199 284	38 300	237 584	545.3%
Capital reserve fund	-	338 300	-	338 300	560 284	399 300	560 284	361 000	128.2%
Borrowings	159 943	60 513	97 365	65 221	75 187	69 975	78 940	69 975	64.6%
Trade and other payables	107 564	25 228	90 403	17 946	17 105	24 905	17 505	25 538	40.3%
Provisions	-	2 189	-	1 809	2 451	2 194	2 451	2 531	178.0%
Managed funds (e.g. poverty alleviation fund)	-	157 064	-	58 643	-	94 315	-	179 071	-
Total equity and liabilities	736 294	672 852	617 699	582 003	605 264	708 820	625 181	845 734	108.7%

Statements of estimates of financial performance and position

Table 38.46 National Urban Reconstruction and Housing Agency statements of estimates of financial performance and position

Statement of financial performance		Average growth rate (%)	Average Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average Expenditure/ Total (%)
Revised estimate	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20			
R thousand								
Revenue	2016/17	2013/14 - 2016/17	2017/18	2018/19	2019/20	2016/17 - 2019/20		
Non-tax revenue	195 578	32.6%	100.0%	106 100	116 847	118 560	-15.4%	100.0%
Sale of goods and services other than capital assets	174 498	38.8%	75.0%	80 953	90 238	90 529	-19.6%	79.8%
<i>of which:</i>								
Administrative fees	112 603	49.3%	37.7%	13 489	14 284	15 084	-48.8%	23.8%
Sales by market establishment	61 895	25.4%	37.3%	67 464	75 954	75 445	6.8%	56.0%
Interest on loans for construction projects	53 591	28.4%	30.1%	53 231	62 787	66 303	7.4%	46.8%
Fees on loans for construction projects	8 304	10.9%	7.2%	8 967	13 167	9 142	3.3%	7.9%
Other non-tax revenue	21 080	3.9%	25.0%	25 147	26 609	28 031	10.0%	20.2%
Total revenue	195 578	32.6%	100.0%	106 100	116 847	118 560	-15.4%	100.0%
Expenses								
Current expenses	144 392	23.4%	100.0%	78 009	73 050	78 650	-18.3%	104.3%
Compensation of employees	33 398	4.9%	31.3%	36 010	38 675	41 538	7.5%	43.8%
Goods and services	97 207	35.0%	55.5%	31 881	33 763	35 651	-28.4%	49.9%
Depreciation	471	-33.6%	1.2%	-	-	-	-100.0%	0.1%
Interest, dividends and rent on land	13 316	25.5%	11.9%	10 118	612	1 461	-52.1%	6.2%
Total expenses	144 392	23.4%	100.0%	78 009	73 050	78 650	-18.3%	100.0%
Surplus/(Deficit)	51 186	1		28 091	43 797	39 910	-8.0%	
Statement of financial position								
Carrying value of assets	1 334	-18.6%	0.3%	2 455	2 084	1 709	8.6%	0.2%
<i>of which:</i>								
Acquisition of assets	(419)	-25.9%	-0.1%	(2 290)	(315)	(313)	-9.3%	-0.1%
Loans	404 191	27.3%	42.3%	378 947	407 620	430 446	2.1%	46.0%
Receivables and prepayments	11 288	-6.4%	1.5%	18 903	18 904	18 908	18.8%	1.9%
Cash and cash equivalents	427 933	-2.2%	55.5%	473 359	489 253	437 488	0.7%	51.8%
Non-current assets held for sale	988	-	0.1%	-	-	-	-100.0%	0.0%
Total assets	845 734	7.9%	100.0%	873 664	917 861	888 551	1.7%	100.0%
Accumulated surplus/(deficit)	(29 965)	-35.1%	-12.1%	(1 876)	41 922	81 831	-239.8%	2.5%
Capital and reserves	237 584	6.0%	30.0%	237 584	237 584	237 584	-	27.0%
Capital reserve fund	361 000	2.2%	51.9%	361 000	361 000	361 000	-	41.0%
Borrowings	69 975	5.0%	9.6%	69 975	69 975	-	-100.0%	6.0%
Trade and other payables	25 538	0.4%	3.3%	25 379	25 778	26 534	1.3%	2.9%
Provisions	2 531	5.0%	0.3%	2 531	2 531	2 531	-	0.3%
Managed funds (e.g. poverty alleviation fund)	179 071	4.5%	17.0%	179 071	179 071	179 071	-	20.3%
Total equity and liabilities	845 734	7.9%	100.0%	873 664	917 861	888 551	1.7%	100.0%

Personnel information

Table 38.47 National Urban Reconstruction and Housing Agency personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average Salary level/Total (%)				
		2015/16		Unit cost	2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost			2019/20		Unit cost	
National Urban Reconstruction and Housing Agency	40	40	41	34.7	0.8	40	33.4	0.8	40	36.0	0.9	40	38.7	1.0	40	41.5	1.0	7.5%	100.0%
Salary level	40	40	41	34.7	0.8	40	33.4	0.8	40	36.0	0.9	40	38.7	1.0	40	41.5	1.0	7.5%	100.0%
7 - 10	19	19	20	9.9	0.5	19	9.2	0.5	19	9.7	0.5	19	10.4	0.5	19	11.2	0.6	7.0%	47.5%
11 - 12	11	11	11	9.8	0.9	11	9.2	0.8	11	9.9	0.9	11	10.6	1.0	11	11.4	1.0	7.4%	27.5%
13 - 16	9	9	9	12.8	1.4	9	12.3	1.4	9	13.5	1.5	9	14.4	1.6	9	15.5	1.7	8.1%	22.5%
17 - 22	1	1	1	2.2	2.2	1	2.7	2.7	1	2.9	2.9	1	3.2	3.2	1	3.4	3.4	7.5%	2.5%

1. Rand million.

Rural Housing Loan Fund

Mandate

The Rural Housing Loan Fund was established in 1996 by the Department of Human Settlements as a section 21 company, with initial grant funding from the German development bank Kreditanstalt für Wiederaufbau (KfW). The fund 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.

Selected performance indicators

Table 38.48 Rural Housing Loan Fund performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of loans disbursed per year	Incremental housing	Outcome 8: Sustainable human settlements and improved quality of household life	34 231	40 185	39 790	43 457	48 125	48 125	48 125
Value of loans issued to intermediaries per year	Incremental housing		R104m	R261.5m	R168.3m	R224.9m	R222m	R277.7m	R324.5m
Number of voucher subsidies issued per year	Subsidy voucher programme		- ¹	- ¹	- ¹	500	500	500	1 000

1. No historical data available.

Expenditure analysis

Over the medium term, the Rural Housing Loan Fund will focus on increasing access to incremental housing credit to low-income rural households by introducing the subsidy voucher programme and expanding its lending network. The fund offers unsecured incremental loans to borrowers in rural areas who earn less than R15 000 per month, through its network of retail intermediaries and community-based organisations. This supports the realisation of the NDP's vision of transforming human settlements and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

Total expenditure is expected to increase at an average annual rate of 7 per cent to R51.3 million by 2019/20, primarily driven by spending on the incremental housing programme, which assists rural households in building houses in a phased approach, as and when they can afford it. This programme expects to disburse 144 375 additional loans valued at R824.2 million over the MTEF period. In addition, 2 000 subsidy vouchers, valued at R105 000 per subsidy, are expected to be issued to qualifying beneficiaries by 2019/20.

The subsidy voucher programme is implemented on behalf of provinces and issues subsidies to households in the form of a voucher that can be exchanged for building materials and services. Expenditure in the voucher programme increases sharply to R7.1 million in 2017/18, then stabilises over the remainder of the MTEF period as a result of the entity's investment in ICT infrastructure, which will further capacitate the entity to effectively roll out the subsidy voucher programme. The expected increase in personnel from 16 in 2016/17 to 19 in 2019/20 is to increase capacity related to the subsidy voucher programme. Spending on compensation of employees is therefore expected to increase to R20.7 million by 2019/20, at an average annual rate of 9.2 per cent.

The fund's revenue comprises interest earned on loan advances and investments, and dividends received from cash deposits at the South African Reserve Bank in relation to loan covenants with the Kreditanstalt für Wiederaufbau (KfW) and the Development Bank of Southern Africa. Revenue is expected to increase at an average annual rate of 29.3 per cent over the medium term, to R111.1 million by 2019/20, largely driven by interest earned on loans as well as expected revenue from the subsidy voucher programme. The fund will also receive a R50 million equity injection in 2017/18 from the Department of Human Settlements. This is expected to bolster the fund's balance sheet in support of the incremental housing and voucher programmes.

Programmes/objectives/activities

Table 38.49 Rural Housing Loan Fund expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2013/14	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	2 780	3 141	4 055	4 766	19.7%	9.1%	5 042	5 385	5 687	6.1%	11.0%	
Incremental housing	30 891	31 292	47 646	34 671	3.9%	89.4%	36 072	38 925	41 105	5.8%	79.4%	
Subsidy voucher programme	-	-	-	2 501	-	1.5%	7 163	4 277	4 517	21.8%	9.6%	
Total	33 671	34 433	51 701	41 938	7.6%	100.0%	48 277	48 587	51 308	7.0%	100.0%	

Statements of historical financial performance and position**Table 38.50 Rural Housing Loan Fund statements of historical financial performance and position**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	2013/14		2014/15		2015/16		2016/17		2013/14 - 2016/17
Revenue									
Non-tax revenue	56 453	53 617	44 141	54 765	49 476	55 087	51 397	51 397	106.7%
Sale of goods and services other than capital assets	47 084	41 068	42 570	42 110	44 209	39 890	44 341	44 341	93.9%
<i>of which:</i>									
Administrative fees	–	–	–	–	–	–	2 167	2 167	100.0%
Interest on loan disbursed	47 084	41 068	42 570	42 110	44 209	39 890	42 174	42 174	93.9%
Other non-tax revenue	9 369	12 549	1 572	12 655	5 267	15 197	7 056	7 056	204.0%
Total revenue	56 453	53 617	44 141	84 349	49 476	55 087	51 397	51 397	121.3%
Expenses									
Current expenses	34 192	24 366	30 140	34 433	39 870	33 537	41 938	41 938	91.9%
Compensation of employees	9 993	9 459	10 678	10 328	13 754	10 720	15 969	15 969	92.2%
Goods and services	13 407	4 531	7 274	13 703	13 991	11 280	14 718	14 718	89.6%
Depreciation	126	96	262	174	850	193	379	379	52.1%
Interest, dividends and rent on land	10 666	10 280	11 926	10 228	11 275	11 344	10 872	10 872	95.5%
Total expenses	39 731	33 671	31 778	34 433	39 870	51 701	41 938	41 938	105.5%
Surplus/(Deficit)	16 722	19 946	12 363	49 916	9 606	3 386	9 459	9 459	
Statement of financial position									
Carrying value of assets	168	210	688	458	1 494	341	282	282	49.1%
<i>of which:</i>									
Acquisition of assets	(65)	(143)	(290)	(368)	(2 230)	(109)	(166)	(2 760)	122.9%
Investments	3 650	9 564	3 493	9 517	9 564	11 050	9 564	9 564	151.1%
Loans	377 457	388 169	447 203	346 573	476 945	329 454	464 517	464 517	86.6%
Receivables and prepayments	1 315	2 174	12 515	2 157	118	2 418	118	118	48.8%
Cash and cash equivalents	49 645	119 914	19 780	180 176	57 891	213 038	53 047	53 047	313.9%
Non-current assets held for sale	1 482	–	–	–	–	–	–	–	–
Taxation	14 946	8 939	21 590	36 881	–	18 717	–	–	176.6%
Total assets	448 663	528 970	505 269	575 762	546 012	575 018	527 528	527 528	108.9%
Accumulated surplus/(deficit)	–	99 325	79 395	149 242	117 564	152 627	119 091	119 091	164.6%
Capital and reserves	23 014	–	–	–	–	–	–	–	–
Capital reserve fund	285 737	285 738	285 737	285 737	285 737	285 737	285 737	285 737	100.0%
Borrowings	138 729	139 645	138 034	138 508	140 205	135 421	120 181	120 181	99.4%
Trade and other payables	312	818	374	733	999	781	1 019	1 019	123.9%
Benefits payable	–	256	–	–	–	–	–	–	–
Taxation	1	1 642	–	–	–	–	–	–	164 200.0%
Provisions	870	1 546	1 729	1 542	1 507	451	1 500	1 500	89.9%
Total equity and liabilities	448 663	528 970	505 269	575 762	546 012	575 017	527 528	527 528	108.9%

Statements of estimates of financial performance and position**Table 38.51 Rural Housing Loan Fund statements of estimates of financial performance and position**

Statement of financial performance									
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)	
	2016/17	2013/14 - 2016/17		2017/18	2018/19	2019/20	2016/17 - 2019/20		
Revenue									
Non-tax revenue	51 397	-1.4%	91.2%	87 550	98 656	111 122	29.3%	100.0%	
Sale of goods and services other than capital assets	44 341	2.6%	71.3%	82 114	93 336	87 081	25.2%	88.3%	
<i>of which:</i>									
Administrative fees	2 167	–	1.1%	36 833	39 000	2 747	8.2%	22.1%	
Interest on loan disbursed	42 174	0.9%	70.2%	45 281	54 336	84 334	26.0%	66.2%	
Other non-tax revenue	7 056	-17.5%	19.9%	5 436	5 320	24 041	50.5%	11.7%	
Total revenue	51 397	-1.4%	100.0%	87 550	98 656	111 122	29.3%	100.0%	
Expenses									
Current expenses	41 938	19.8%	84.3%	48 278	48 587	51 308	7.0%	116.7%	
Compensation of employees	15 969	19.1%	29.2%	18 554	19 668	20 769	9.2%	39.4%	
Goods and services	14 718	48.1%	27.5%	18 351	17 795	18 791	8.5%	36.6%	
Depreciation	379	58.0%	0.5%	878	931	983	37.4%	1.6%	
Interest, dividends and rent on land	10 872	1.9%	27.0%	10 495	10 194	10 765	-0.3%	22.4%	
Total expenses	41 938	7.6%	100.0%	48 278	48 587	51 308	7.0%	100.0%	
Surplus/(Deficit)	9 459	–	–	39 272	50 069	59 814	84.9%	–	
Statement of financial position									
Carrying value of assets	282	10.3%	0.1%	98	92	520	22.6%	–	
<i>of which:</i>									
Acquisition of assets	(2 760)	168.2%	-0.2%	(150)	(700)	(825)	-33.1%	-0.2%	
Investments	9 564	–	1.8%	9 564	9 517	5 371	-17.5%	1.5%	
Loans	464 517	6.2%	69.7%	498 758	507 740	516 317	3.6%	85.5%	
Receivables and prepayments	118	-62.1%	0.3%	118	106	13	-52.1%	0.0%	
Cash and cash equivalents	53 047	-23.8%	25.3%	60 662	95 012	95 812	21.8%	12.9%	
Total assets	527 528	-0.1%	100.0%	569 200	612 467	618 033	5.4%	100.0%	
Accumulated surplus/(deficit)	119 091	6.2%	23.5%	124 040	155 246	165 125	11.5%	24.1%	
Capital reserve fund	285 737	-0.0%	51.9%	335 737	335 737	335 737	5.5%	55.6%	
Borrowings	120 181	-4.9%	24.2%	106 888	118 683	115 113	-1.4%	19.9%	
Trade and other payables	1 019	7.6%	0.2%	1 041	1 300	882	-4.7%	0.2%	
Provisions	1 500	-1.0%	0.2%	1 494	1 501	1 176	-7.8%	0.2%	
Total equity and liabilities	527 528	-0.1%	100.0%	569 200	612 467	618 033	5.4%	100.0%	

Personnel information

Table 38.52 Rural Housing Loan Fund personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Average Salary level/Total (%)	
		2015/16			2016/17			2017/18			2018/19			2019/20					
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			2016/17 - 2019/20
Rural Housing Loan Fund	17	17	16	10.7	0.7	18	16.0	0.9	19	18.6	1.0	19	19.7	1.0	19	20.8	1.1	9.2%	100.0%
Salary level	17	17	16	10.7	0.7	18	16.0	0.9	19	18.6	1.0	19	19.7	1.0	19	20.8	1.1	9.2%	100.0%
1 – 6	5	5	5	0.9	0.2	5	0.8	0.2	5	0.8	0.2	5	0.8	0.2	5	0.8	0.2	2.7%	26.7%
7 – 10	6	6	6	2.1	0.4	6	2.4	0.4	6	2.5	0.4	6	2.7	0.4	6	2.8	0.5	5.7%	32.0%
11 – 12	–	–	–	–	–	–	0.2	–	–	0.2	–	–	0.2	–	–	0.2	–	-4.2%	–
13 – 16	5	5	4	5.6	1.4	6	9.9	1.7	7	12.3	1.8	7	13.0	1.9	7	13.7	2.0	11.5%	36.0%
17 – 22	1	1	1	2.1	2.1	1	2.7	2.7	1	2.8	2.8	1	3.0	3.0	1	3.2	3.2	6.0%	5.3%

1. Rand million.

Social Housing Regulatory Authority

Mandate

The Social Housing Regulatory Authority was established in 2010 in terms of the Social Housing Act (2008). The entity is mandated to regulate the social housing sector, and ensure a sustainable and regulated flow of investment into the social housing sector in order to support the restructuring of urban spaces through capital grant provisions to accredited social housing institutions.

Selected performance indicators

Table 38.53 Social Housing Regulatory Authority performance indicators by programme/objective/activity and related outcome

Indicator	Programme/objective/activity	Outcome	Past			Current	Projections		
			2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Number of social housing units delivered per year	Social housing investment programme	Outcome 8: Sustainable human settlements and improved quality of household life	2 451	2 053	3 054	3 500	6 000	12 508	13 322
Number of institutional investment grants approved per year	Institutional investment programme		4	21	65	38	40	43	45
Total number of social housing institutions accredited	Regulations		47	61	61	65	70	75	80
Number of social housing units under regulation	Regulations		18 311	20 447	18 580	26 886	32 886	45 394	45 394

Expenditure analysis

The Social Housing Regulatory Authority's main focus over the medium term will be on regulating the social housing sector to facilitate the restructuring of South Africa's urban spaces and address social and spatial dysfunctions. The entity achieves this through the approval, administration and disbursement of institutional and capital grants to accredited social housing institutions for the construction of social housing units. This is in line with the NDP's vision of transforming human settlements and outcome 8 (sustainable human settlements and improved quality of household life) of government's 2014-2019 medium-term strategic framework.

Over the medium term, expenditure is expected to increase to R1.3 billion, at an average annual rate of 38.3 per cent, largely driven by the entity's increased spending on its capital investment programme. Under the capital investment programme, the entity provides a once-off capital contribution to accredited social housing developments that are intended to provide affordable, medium density rentals to households earning between R1 500 and R7 500 per month. Spending on the social housing investment programme is expected to increase from R424.4 million in 2016/17 to R1.2 billion by 2019/20, and is expected to yield 31 830 social housing units in restructuring zones over the medium term. The entity is also expecting to approve and disburse 128 institutional investment grants, which provide for increased capacity support in the form of finances or skills transfer to pre-accredited social housing institutions, at a projected value of R61.9 million over the medium term.

The entity is expected to place greater emphasis on regulating social housing institutions and projects. As a result, it is expected to accredit 80 social housing institutions by 2019/20. Spending on regulatory activities is therefore estimated to increase to R10.6 million by 2019/20.

Revenue is generated through transfers from the Department of Human Settlements and these are expected to increase at an average annual rate of 38.7 per cent over the MTEF period, to R1.3 billion by 2019/20, to fund

the entity's expanding operations and capital programme. An increase in staff is also expected, from 27 in 2016/17 to 38 over the medium term because of the increased capacity required to deal with increasing regulatory and investment functions.

Programmes/objectives/activities

Table 38.54 Social Housing Regulatory Authority expenditure trends and estimates by programme/objective/activity

R thousand	Audited outcome				Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/Total (%)
	2013/14	2014/15	2015/16	2016/17				2013/14 - 2016/17	2017/18	2018/19		
Administration	27 355	42 426	38 597	36 392		10.0%	23.2%	46 815	51 980	55 201	14.9%	5.2%
Social housing investment programme	122 359	33 620	197 507	424 388		51.4%	69.7%	851 658	1 143 640	1 238 414	42.9%	90.8%
Institutional investment programme	27 522	-	-	34 183		7.5%	5.5%	20 490	20 132	21 259	-14.6%	3.1%
Regulations	2 059	2 344	2 514	6 000		42.8%	1.6%	8 000	10 000	10 560	20.7%	0.9%
Total	179 295	78 390	238 618	500 963		40.8%	100.0%	926 963	1 225 752	1 325 434	38.3%	100.0%

Statements of historical financial performance

Table 38.55 Social Housing Regulatory Authority statements of historical financial performance

Statement of financial performance									
R thousand	Budget		Audited outcome		Budget		Audited outcome		Average: Outcome/Budget (%)
	2013/14	2014/15	2015/16	2016/17	2013/14 - 2016/17				
Revenue									
Non-tax revenue	-	2 482	-	37 365	-	44 143	-	-	-
Other non-tax revenue	-	2 482	-	37 365	-	44 143	-	-	-
Transfers received	936 254	650 151	861 023	631 023	508 803	143 714	500 963	500 963	68.6%
Total revenue	936 254	652 633	861 023	668 388	508 803	187 857	500 963	500 963	71.6%
Expenses									
Current expenses	49 393	30 710	33 480	44 770	59 156	41 111	63 874	45 222	78.6%
Compensation of employees	23 344	16 648	17 547	17 632	23 171	17 355	24 329	21 342	82.6%
Goods and services	24 949	12 962	14 933	26 048	35 985	22 390	39 545	23 495	73.6%
Depreciation	1 100	1 100	1 000	1 090	-	1 366	-	385	187.7%
Transfers and subsidies	-	148 585	827 543	33 620	449 647	197 507	437 089	455 741	48.7%
Total expenses	49 393	179 295	861 023	78 390	508 803	238 618	500 963	500 963	51.9%
Surplus/(Deficit)	886 861	473 338	-	589 998	-	(50 761)	-	-	-

Statements of estimates of financial performance

Table 38.56 Social Housing Regulatory Authority statements of estimates of financial performance

Statement of financial performance								
R thousand	Revised estimate	Average growth rate (%)	Average: Expenditure/Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
				2016/17	2013/14 - 2016/17	2017/18		
Revenue								
Transfers received	500 963	-8.3%	92.6%	926 963	1 225 752	1 325 434	38.3%	100.0%
Total revenue	500 963	-8.4%	100.0%	926 963	1 225 752	1 325 434	38.3%	100.0%
Expenses								
Current expenses	45 222	13.8%	25.1%	60 849	68 958	73 158	17.4%	53.3%
Compensation of employees	21 342	8.6%	10.8%	29 183	31 663	34 355	17.2%	3.1%
Goods and services	23 495	21.9%	13.6%	31 242	36 829	38 311	17.7%	3.5%
Depreciation	385	-29.5%	0.7%	424	466	492	8.5%	-
Transfers and subsidies	455 741	45.3%	74.9%	866 114	1 156 794	1 252 277	40.1%	93.3%
Total expenses	500 963	40.8%	100.0%	926 963	1 225 752	1 325 434	38.3%	100.0%
Surplus/(Deficit)	-	(1)	-	-	-	-	-	-

Personnel information

Table 38.57 Social Housing Regulatory Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2017		Number and cost ¹ of personnel posts filled / planned for on funded establishment														Number				
Number of funded posts	Number of posts on approved establishment	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)					
		2015/16			2016/17			2017/18		2018/19		2019/20				2016/17 - 2019/20				
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			Number	Cost	Unit cost		
Social Housing Regulatory Authority		38	38	27	17.4	0.6	38	21.3	0.6	38	29.2	0.8	38	31.7	0.8	38	34.4	0.9	17.2%	100.0%
1 – 6	10	10	3	1.3	0.4	10	1.3	0.1	10	5.1	0.5	10	5.5	0.6	10	6.0	0.6	65.8%	26.3%	
7 – 10	16	16	12	4.8	0.4	16	6.1	0.4	16	8.5	0.5	16	9.3	0.6	16	10.1	0.6	18.1%	42.1%	
11 – 12	3	3	3	2.3	0.8	3	2.4	0.8	3	2.5	0.8	3	2.8	0.9	3	3.0	1.0	8.1%	7.9%	
13 – 16	7	7	7	6.9	1.0	7	7.9	1.1	7	9.1	1.3	7	9.8	1.4	7	10.7	1.5	10.7%	18.4%	
17 – 22	2	2	2	2.1	1.0	2	3.7	1.8	2	4.0	2.0	2	4.3	2.2	2	4.7	2.3	8.1%	5.3%	

1. Rand million.

Additional tables

Table 38.A Summary of conditional grants to provinces and municipalities¹

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Conditional grants to provinces							
Housing Development Finance							
Human settlements development grant	17 028 326	17 084 369	18 302 675	18 283 991	19 969 343	21 115 175	22 338 182
Total	17 028 326	17 084 369	18 302 675	18 283 991	19 969 343	21 115 175	22 338 182
Conditional grants to municipalities							
Housing Development Finance							
Urban settlements development grant	9 076 906	10 284 684	10 554 345	10 839 468	11 382 247	11 956 137	12 630 786
Municipal human settlements capacity grant	-	300 000	100 000	-	-	-	-
Total	9 076 906	10 584 684	10 654 345	10 839 468	11 382 247	11 956 137	12 630 786

1. Detail provided in the Division of Revenue Act (2017).

Table 38.B Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2016/17	Medium-term expenditure estimate		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Infrastructure transfers to other spheres, agencies and departments										
Mega projects (total project cost of at least R1 billion over the project life cycle)										
Human settlements development grant	Completion of houses and servicing of sites	Various	-	17 028 326	17 084 369	18 302 675	18 283 991	19 969 343	21 115 175	22 338 182
Urban settlements development grant	Installation of bulk infrastructure	Various	-	9 076 906	10 284 684	10 554 345	10 839 468	11 382 247	11 956 137	12 630 786
Social Housing Regulatory Authority: Restructuring capital grant	Funding of social housing	Various	-	618 000	597 543	109 210	424 388	851 208	1 143 631	1 238 414
Total			-	26 723 232	27 966 596	28 966 230	29 547 847	32 202 798	34 214 943	36 207 382

Table 38.C Summary of donor funding

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome		Estimate 2016/17	Medium-term expenditure estimate	
							2013/14	2014/15		2015/16	2017/18
Foreign											
In cash											
Danish International Development Agency	Technical support on the integration of energy efficiency measures in N2 Gateway project.	Human Settlements Delivery Support	2 years	600	Goods and services	Provide project level technical support	-	493	107	-	-
Total				600			-	493	107	-	-

BUDGET 2017

ESTIMATES OF NATIONAL EXPENDITURE

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