

**2018**  
**BUDGET**  
ESTIMATES OF NATIONAL  
EXPENDITURE

**VOTE**  
**38**

**HUMAN SETTLEMENTS**



**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**





# **Estimates of National Expenditure 2018**

**National Treasury**

**Republic of South Africa**



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The 2018 Estimates of National Expenditure 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](http://www.treasury.gov.za). Compared to this 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

When the Estimates of National Expenditure (ENE) publication was launched in 2001, we referred to it as “a significant step forward in national budget transparency”. Since then, even though the national budget has undergone many reforms, the ENE publications remain a key indicator and embodiment of the candour of the budgeting process.

The publications provide the media, civil society, the public, Parliament, departments, public entities and ministers with information about how taxpayers’ money is being spent: what it buys and for what purpose. Do not be concerned by the magnitude of this publication. Instead, let us use it as a reference to keep government institutions accountable and ensure that the expenditure of public funds achieves its intended policy outcomes to improve the welfare of citizens.

In the current economic climate, spending priorities and the sequencing of programme implementation are subject to a number of trade-offs. The focus of the 2018 Budget has solely been on the reprioritisation of existing baseline funding. The abridged ENE provides a coherent and summarised account of the priorities, spending plans and service delivery commitments of all 40 national votes and of government agencies. The e-publications for each vote contain more detail on, for example, goods and services, transfers and subsidies, donor funding, public entities, and lower-level spending information on service delivery.

The ENE’s presentation of the detailed expenditure estimates of departments are the result of a lengthy executive and administrative process involving wide-ranging intergovernmental consultation. This process is led by a committee of senior officials in central government departments, under the political guidance of the Ministers’ Committee on the Budget. A special word of thanks is due to all our colleagues from other departments for their contributions. I also wish to express my appreciation to the National Treasury team that worked tirelessly to produce a document of which we are rightly proud.

The independent Open Budget Survey assessment of budget transparency commenced in 2006. It is conducted every two years to measure the accessibility and comprehensiveness of key budget documents and information across the world. In 2010, South Africa was ranked first out of 94 countries surveyed, scoring 92 per cent. In the latest iteration of the survey, which measured 115 countries, South Africa was ranked first again, tied with New Zealand, with a score of 89 per cent. Our country is one of only 11 that publish comprehensive, timely information in all the required budget documents.

Budgets link the outcomes targeted by government with the services that are ultimately delivered. In addition to South African budgets having become more transparent, recent efforts to increase public participation in budgeting are gaining momentum. South Africans are invited to scrutinise budget information and provide opinions on government service delivery. We rely on this participation to strengthen our budgeting system and make it even more reliable.



**Dondo Mogajane**  
**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 2018 MTEF period is from 2018/19 to 2020/21.

The ENE publications contain information on how government institutions have spent their budgets in previous years. They explain how these institutions intend to use their allocations over the medium term to achieve their goals, and the outputs and outcomes their spending is expected to lead to. The publications include tables depicting non-financial performance indicators and targets, departmental receipts, personnel, significant as well as detailed expenditure trends and estimates by programme, subprogramme and economic classification for each department and for 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. A more in-depth narrative analyses the institution's expected expenditure over the MTEF period. Summary data tables at the end of each vote contain data on provincial and municipal conditional grants, public private partnerships, donor funding, infrastructure, and expenditure at the level of site service delivery, where applicable.

A separate 2018 ENE Overview publication is also available on [www.treasury.gov.za](http://www.treasury.gov.za) and summarises the ENE information across all votes. The 2018 ENE Overview contains a narrative explanation and budget-wide summary tables; 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	2018/19					2019/20	2020/21
	Total	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Administration	442.7	439.1	0.1	3.5	–	471.5	502.7
Human Settlements Policy, Strategy and Planning	89.8	87.5	1.3	0.9	–	96.0	102.6
Human Settlements Delivery Support	246.0	234.2	10.4	1.4	–	261.0	329.8
Housing Development Finance	31 577.3	26.7	31 470.3	0.2	80.0	32 859.3	34 851.1
<b>Total expenditure estimates</b>	<b>32 355.7</b>	<b>787.6</b>	<b>31 482.1</b>	<b>6.0</b>	<b>80.0</b>	<b>33 687.9</b>	<b>35 786.2</b>
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](http://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 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 with conjunction 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 and related interventions. The department does this by: determining national policy and national norms and standards for housing and human settlements development; setting broad national housing delivery goals; providing funding to provinces and metropolitan cities; 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 other sector departments, civil society and the private sector.

### Selected performance indicators

**Table 38.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
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	62	91	63	41	41	39	39
Number of informal settlements with settlement upgrading plans per year	Human Settlements Delivery Support		336	76	283	446	546	475	500
Number of title deeds registered to eradicate backlog per year	Housing Development Finance		61 545	60 944	67 458	207 146	247 500	247 000	247 000

**Table 38.1 Performance indicators by programme and related outcome**

Indicator	Programme	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of title deeds registered for new developments per year	Housing Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	38 013	14 266	17 396	170 240	105 000	105 042	105 115
Number of additional People's Housing Process subsidies allocated to approved beneficiaries per year	Housing Development Finance		4 802	8 498	8 689	7 500	6 482	6 870	7 280
Number of subsidy housing units completed per year	Housing Development Finance		94 566	99 904	90 692	113 341	99 454	105 514	111 845
Number of additional households living in affordable rental housing units per year	Housing Development Finance		5 668	12 097	9 616	13 920	20 429	20 822	21 238
Number of households benefiting from informal settlements upgraded to level 2 per year	Housing Development Finance		74 017	52 349	75 941	189 039	131 107	138 973	147 311
Number of finance-linked individual subsidy programme subsidies allocated to approved beneficiaries per year	Housing Development Finance		1 193	2 253	2 660	17 231	18 680	30 643	49 029
Number of integrated and catalytic projects initiated per year	Housing Development Finance		- <sup>1</sup>	13	15	8	7	10	14

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 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 is aligned with this vision and guides the work of the department, as well as its commitment to improving institutional capacity and coordination across government. Over the MTEF period, the department intends to focus on ensuring that poor households have access to adequate housing in better living environments, and creating a functional housing market. It will invest in catalytic projects that deliver integrated communities; upgrade informal settlements; and provide affordable rental housing, outstanding title deeds to beneficiaries of state subsidised housing, and temporary shelter to people affected by housing emergencies such as fires.

The department has a total budget of R101.8 billion over the MTEF period, increasing at an average annual rate of 2.2 per cent, from R33.5 billion in 2017/18 to R35.8 billion in 2020/21. The below inflationary growth in the budget is due to budget reductions as approved by Cabinet of R3.1 billion in 2018/19, R3.8 billion in 2019/20 and R4 billion in 2020/21. Despite these reductions, the department aims to deliver 1.5 million housing opportunities by 2019, as determined by government's 2014-2019 medium-term strategic framework.

As at 31 October 2017, the department had 645 funded posts. In 2017/18, the department's budget for compensation of employees reflects 1.1 per cent (R383.3 million) of its total expenditure. Spending on compensation of employees over the medium term is expected to increase at an average annual rate of 4.4 per cent, to R436.1 million in 2020/21. The department's total budget for goods and services is set to increase at an average annual rate of 9.4 per cent, from R389.6 million in 2017/18 to R509.5 million in 2020/21. These operational funds contribute to driving project management capabilities; grant management; overseeing, monitoring and evaluating activities; and performing programme-specific functions such as the national upgrading support programme and the title deeds restoration programme.

### Catalytic projects

Over the medium term, the department intends to lead the delivery of housing and human settlements through the planning and implementation of 31 catalytic projects across South Africa. These projects involve mixed use, mixed income, integrated human settlement developments, and are aimed at providing spatially, socially and economically integrated communities. The department will facilitate the delivery of various state subsidised housing units within catalytic projects through implementing agents such as provinces, metropolitan municipalities and related departmental entities. Funding for these implementing agents is

provided through the *Housing Development Finance* programme in the form of conditional grants and transfers, which are set to increase from R32.5 billion in 2017/18 to R34.8 billion in 2020/21.

The transfer of the provincial *human settlements development grant*, which is expected to fund housing and human settlements programmes as stipulated in the National Housing Code, increases at an average annual rate of 0.2 per cent, from R20 billion in 2017/18 to R20.1 billion in 2020/21. This relatively low increase is largely due to Cabinet's approved reduction in allocations to the grant of R7.2 billion over the MTEF period.

The *urban settlements development grant* to metropolitan municipalities supports the broader development of the built environment, with a strong emphasis on upgrading informal settlements. Grant transfers increase at an average annual rate of 3.3 per cent, from R11.4 billion in 2017/18 to R12.5 billion in 2020/21. The below inflationary increase is due to Cabinet's approved reductions of R2.2 billion over the medium term.

Significant private partnerships and investment are also expected in catalytic projects in the form of rental units, affordable housing units and the development of economic infrastructure such as shopping centres and other commercial developments.

### **Upgrading informal settlements**

The upgrading of informal settlements is intended to provide households with secure tenure and access to basic services such as water and sanitation. Activities related to this are funded through the *human settlements development grant* to provinces and the *urban settlements development grant* to metropolitan cities. The target set in government's 2014-2019 medium-term strategic framework is that 750 000 poor households have adequate housing in better living environments by 2019. Between 1 April 2014 and 31 March 2017, 285 043 households in informal settlements had been upgraded. Through these grants, the department expects to fund the upgrading of an additional 417 391 households over the medium term.

The national upgrading support programme expects to provide project level technical support to 119 municipalities over the medium term for planning the upgrading of informal settlements. R150 million is allocated over the medium term in the *Human Settlements Delivery Support* programme for sector experts to provide this support.

### **Affordable rental housing**

Social housing provides medium density rental housing to low income households. It contributes to transforming urban spatial patterns as it promotes integration and densification in close proximity to economic and social amenities. The department's social housing programme is largely funded through the *consolidated capital grant*, which is transferred to the Social Housing Regulatory Authority. The grant has been augmented with an institutional subsidy, which was initially part of the *human settlements development grant*, to streamline the funding of social housing developments. Transfers to the authority for the *consolidated capital grant* are expected to decrease at an average annual rate of 2.9 per cent over the medium term. Cabinet approved a reduction of R1.4 billion over the same period. Despite the reduction, R2.3 billion is allocated for social housing over the MTEF period, which is expected to fund the delivery of 62 489 social housing units.

### **Title deeds**

In pursuing the inherent equity intended in government housing subsidies provided since 1994, the department will aim to intensify its efforts to provide title deeds to beneficiaries who have not yet received them. In 2015, the department estimated that a backlog of 818 262 title deeds remained outstanding. A newly created three-year conditional grant to provinces, the *title deeds restoration grant*, will provide R1.6 billion over the MTEF period with the aim of eradicating the backlog by 2020/21. In addition, the department's project management unit in the *Human Settlements Delivery Support* programme has been allocated R95.1 million over the medium term for operational funding to provide technical and administrative support to provinces in eradicating the backlog.

## Emergency housing

The *emergency housing grant*, which is expected to take effect in 2018/19, was created to respond proactively to emergencies related to housing and human settlements. This includes providing temporary shelter in emergencies such as fires in informal settlements. The grant will be funded through allocations amounting to R1.3 billion over the medium term in the *Housing Development Finance* programme.

## 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	2014/15			2015/16			2016/17			2017/18			2014/15 - 2017/18	
Programme 1	425.9	433.3	433.1	435.1	440.6	411.1	442.3	460.1	420.9	457.7	470.0	470.0	98.5%	96.2%
Programme 2	89.4	87.0	78.7	74.3	73.5	75.7	83.1	88.1	86.6	93.6	93.6	93.6	98.3%	97.8%
Programme 3	207.0	183.5	133.7	169.8	165.6	120.8	224.6	217.3	151.7	217.3	216.9	216.9	76.1%	79.6%
Programme 4	28 695.3	28 713.9	28 712.7	30 264.1	29 863.6	29 426.9	29 940.9	29 930.9	29 928.0	32 695.8	32 697.3	32 697.3	99.3%	99.6%
<b>Total</b>	<b>29 417.6</b>	<b>29 417.6</b>	<b>29 358.2</b>	<b>30 943.4</b>	<b>30 543.4</b>	<b>30 034.5</b>	<b>30 690.9</b>	<b>30 696.4</b>	<b>30 587.2</b>	<b>33 464.3</b>	<b>33 477.7</b>	<b>33 477.7</b>	<b>99.1%</b>	<b>99.5%</b>
Change to 2017 Budget estimate										13.4				
Economic classification														
<b>Current payments</b>	<b>733.0</b>	<b>696.6</b>	<b>605.8</b>	<b>687.0</b>	<b>674.8</b>	<b>603.7</b>	<b>758.9</b>	<b>757.8</b>	<b>657.8</b>	<b>777.4</b>	<b>772.9</b>	<b>772.9</b>	<b>89.3%</b>	<b>91.0%</b>
Compensation of employees	351.7	328.8	290.9	322.2	320.8	310.2	383.5	371.5	325.3	383.3	383.3	383.3	90.9%	93.3%
Goods and services	381.3	367.7	314.9	364.7	354.0	293.5	375.4	386.3	332.5	394.1	389.6	389.6	87.8%	88.8%
Interest and rent on land	—	0.0	0.0	—	0.0	0.0	—	—	0.0	—	—	—	—	444.4%
<b>Transfers and subsidies</b>	<b>28 450.6</b>	<b>28 480.9</b>	<b>28 507.6</b>	<b>30 252.4</b>	<b>29 692.7</b>	<b>29 255.4</b>	<b>29 826.5</b>	<b>29 821.5</b>	<b>29 822.6</b>	<b>32 531.3</b>	<b>32 531.9</b>	<b>32 531.9</b>	<b>99.2%</b>	<b>99.7%</b>
Provinces and municipalities	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	31 351.6	31 351.6	31 351.6	100.1%	100.0%
Departmental agencies and accounts	772.1	793.2	798.0	1 385.5	724.5	287.9	692.4	682.4	682.4	1 167.0	1 167.0	1 167.0	—	—
Higher education institutions	3.9	4.5	4.5	—	—	—	—	—	3.5	—	—	—	204.8%	177.8%
Foreign governments and international organisations	1.1	1.1	1.3	1.2	1.2	1.4	1.2	1.2	1.9	1.3	1.5	1.5	127.2%	121.9%
Public corporations and private enterprises	—	4.0	4.0	—	—	—	—	5.0	5.0	1.5	1.5	1.5	700.0%	100.0%
Households	4.5	9.0	30.8	8.8	10.0	9.2	9.4	9.4	6.3	9.9	10.3	10.3	174.0%	146.0%
<b>Payments for capital assets</b>	<b>3.9</b>	<b>10.2</b>	<b>14.7</b>	<b>4.0</b>	<b>14.8</b>	<b>14.1</b>	<b>5.5</b>	<b>17.1</b>	<b>6.6</b>	<b>5.7</b>	<b>22.8</b>	<b>22.8</b>	<b>305.4%</b>	<b>89.8%</b>
Buildings and other fixed structures	—	—	—	—	0.2	0.2	—	—	—	—	—	—	—	96.3%
Machinery and equipment	3.7	9.9	13.3	3.7	14.5	13.8	5.2	16.8	6.5	5.7	22.8	22.8	308.6%	88.2%
Software and other intangible assets	0.2	0.2	1.4	0.3	0.1	0.1	0.3	0.3	0.1	—	—	—	200.3%	261.0%
<b>Payments for financial assets</b>	<b>230.0</b>	<b>230.0</b>	<b>230.1</b>	<b>—</b>	<b>161.1</b>	<b>161.3</b>	<b>100.0</b>	<b>100.0</b>	<b>100.2</b>	<b>150.0</b>	<b>150.1</b>	<b>150.1</b>	<b>133.7%</b>	<b>100.1%</b>
<b>Total</b>	<b>29 417.6</b>	<b>29 417.6</b>	<b>29 358.2</b>	<b>30 943.4</b>	<b>30 543.4</b>	<b>30 034.5</b>	<b>30 690.9</b>	<b>30 696.4</b>	<b>30 587.2</b>	<b>33 464.3</b>	<b>33 477.7</b>	<b>33 477.7</b>	<b>99.1%</b>	<b>99.5%</b>

## 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 (%)	
				2017/18	2018/19	2019/20			2020/21
R million									
Programme 1	470.0	2.8%	1.4%	442.7	471.5	502.7	2.3%	1.4%	
Programme 2	93.6	2.5%	0.3%	89.8	96.0	102.6	3.1%	0.3%	
Programme 3	216.9	5.7%	0.5%	246.0	261.0	329.8	15.0%	0.8%	
Programme 4	32 697.3	4.4%	97.8%	31 577.3	32 859.3	34 851.1	2.1%	97.5%	
<b>Total</b>	<b>33 477.7</b>	<b>4.4%</b>	<b>100.0%</b>	<b>32 355.7</b>	<b>33 687.9</b>	<b>35 786.2</b>	<b>2.2%</b>	<b>100.0%</b>	
Change to 2017 Budget estimate				(3 059.0)	(3 759.6)	(3 997.1)			
Economic classification									
<b>Current payments</b>	<b>772.9</b>	<b>3.5%</b>	<b>2.1%</b>	<b>787.6</b>	<b>838.6</b>	<b>945.6</b>	<b>7.0%</b>	<b>2.5%</b>	
Compensation of employees	383.3	5.2%	1.1%	376.9	405.7	436.1	4.4%	1.2%	
Goods and services	389.6	1.9%	1.1%	410.7	433.0	509.5	9.4%	1.3%	
<b>Transfers and subsidies</b>	<b>32 531.9</b>	<b>4.5%</b>	<b>97.3%</b>	<b>31 482.1</b>	<b>32 793.0</b>	<b>34 833.9</b>	<b>2.3%</b>	<b>97.3%</b>	
Provinces and municipalities	31 351.6	4.3%	94.9%	30 391.3	31 687.3	33 667.9	2.4%	93.9%	
Departmental agencies and accounts	1 167.0	13.7%	2.4%	1 079.0	1 093.2	1 152.9	-0.4%	3.3%	
Higher education institutions	-	-100.0%	0.0%	3.5	-	-	-	0.0%	
Foreign governments and international organisations	1.5	9.8%	0.0%	1.3	1.4	1.5	0.6%	0.0%	
Public corporations and private enterprises	1.5	-27.9%	0.0%	-	-	-	-100.0%	0.0%	
Households	10.3	4.8%	0.0%	6.9	11.0	11.6	4.0%	0.0%	
<b>Payments for capital assets</b>	<b>22.8</b>	<b>31.0%</b>	<b>0.0%</b>	<b>6.0</b>	<b>6.3</b>	<b>6.7</b>	<b>-33.7%</b>	<b>0.0%</b>	
Machinery and equipment	22.8	32.1%	0.0%	6.0	6.3	6.7	-33.7%	0.0%	
<b>Payments for financial assets</b>	<b>150.1</b>	<b>-13.3%</b>	<b>0.5%</b>	<b>80.0</b>	<b>50.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	
<b>Total</b>	<b>33 477.7</b>	<b>4.4%</b>	<b>100.0%</b>	<b>32 355.7</b>	<b>33 687.9</b>	<b>35 786.2</b>	<b>2.2%</b>	<b>100.0%</b>	

## Expenditure trends and estimates for significant spending items

**Table 38.4 Expenditure trends and estimates for significant spending items**

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total Vote (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total Vote (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Human settlements development grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	59.6%	18 166 520	18 832 802	20 101 903	0.2%	57.0%
Urban settlements development grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	34.9%	11 306 137	11 880 786	12 534 479	3.3%	34.8%
Social Housing Regulatory Authority:											
Consolidated capital grant											
Housing Development Agency	120 966	104 615	157 512	210 668	20.3%	0.5%	222 177	234 955	247 878	5.6%	0.7%
Municipal emergency housing grant	-	-	-	-	-	-	140 000	149 100	158 792	-	0.3%
Provincial emergency housing grant	-	-	-	-	-	-	260 000	276 900	294 899	-	0.6%
Title deeds restoration grant	-	-	-	-	-	-	518 655	547 700	577 823	-	1.2%
<b>Total</b>	<b>28 087 562</b>	<b>29 070 845</b>	<b>29 705 359</b>	<b>32 413 916</b>	<b>41.5%</b>	<b>96.6%</b>	<b>31 357 129</b>	<b>32 660 657</b>	<b>34 694 301</b>	<b>6.2%</b>	<b>96.9%</b>

## Goods and services expenditure trends and estimates

**Table 38.5 Vote goods and services expenditure trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administrative fees	375	324	244	573	15.2%	0.1%	314	330	349	-15.2%	0.1%
Advertising	29 607	20 019	13 501	20 330	-11.8%	6.3%	22 698	23 932	25 252	7.5%	5.3%
Minor assets	605	1 664	619	4 642	97.2%	0.6%	7 821	8 247	8 699	23.3%	1.7%
Audit costs: External	6 392	7 169	7 481	9 161	12.7%	2.3%	9 161	9 658	10 176	3.6%	2.2%
Bursaries: Employees	1 222	974	834	1 319	2.6%	0.3%	2 039	2 150	2 268	19.8%	0.4%
Catering: Departmental activities	5 016	4 568	2 174	4 360	-4.6%	1.2%	3 863	4 075	4 297	-0.5%	1.0%
Communication	10 887	9 798	9 658	10 514	-1.2%	3.1%	10 962	11 555	12 190	5.1%	2.6%
Computer services	31 044	43 874	53 261	61 237	25.4%	14.2%	58 351	61 535	64 858	1.9%	14.1%
Consultants: Business and advisory services	72 082	34 484	70 668	128 311	21.2%	23.0%	147 216	155 181	216 465	19.0%	37.1%
Legal services	–	–	1 351	4 447	–	0.4%	–	–	–	-100.0%	0.3%
Science and technological services	11 161	2 994	–	–	-100.0%	1.1%	3 130	3 300	3 482	–	0.6%
Contractors	2 864	749	7 603	6 376	30.6%	1.3%	1 770	1 867	1 969	-32.4%	0.7%
Agency and support/outsourced services	1 873	2 207	3 034	869	-22.6%	0.6%	2 364	2 492	2 629	44.6%	0.5%
Entertainment	178	200	190	874	70.0%	0.1%	868	948	961	3.2%	0.2%
Fleet services (including government motor transport)	1 524	1 777	1 284	2 018	9.8%	0.5%	2 049	2 160	2 279	4.1%	0.5%
Inventory: Clothing material and accessories	–	267	198	–	–	–	–	–	–	–	–
Inventory: Food and food supplies	–	–	–	48	–	–	48	50	53	3.4%	–
Inventory: Materials and supplies	156	27	42	26	-45.0%	–	32	33	34	9.4%	–
Inventory: Medical supplies	–	–	1	–	–	–	–	–	–	–	–
Inventory: Other supplies	–	–	–	53	–	–	58	59	61	4.8%	–
Consumable supplies	1 240	918	1 230	3 320	38.9%	0.5%	2 583	2 721	2 870	-4.7%	0.7%
Consumables: Stationery, printing and office supplies	3 560	4 082	3 328	9 355	38.0%	1.5%	13 305	14 027	14 799	16.5%	3.0%
Operating leases	25 369	34 216	38 228	29 034	4.6%	9.5%	29 039	30 618	32 416	3.7%	6.9%
Rental and hiring	19	788	–	–	-100.0%	0.1%	–	–	–	–	–
Property payments	6 784	8 113	9 129	15 010	30.3%	2.9%	15 071	15 890	16 764	3.8%	3.6%
Transport provided: Departmental activity	30 067	25 672	–	–	-100.0%	4.2%	–	–	–	–	–
Travel and subsistence	36 587	46 539	69 869	50 900	11.6%	15.3%	52 439	55 258	58 298	4.6%	12.4%
Training and development	10 239	3 656	2 752	4 911	-21.7%	1.6%	4 936	5 204	5 491	3.8%	1.2%
Operating payments	7 308	7 515	6 793	11 209	15.3%	2.5%	9 732	10 260	10 824	-1.2%	2.4%
Venues and facilities	18 759	30 920	29 025	10 712	-17.0%	6.7%	10 811	11 400	12 027	3.9%	2.6%
<b>Total</b>	<b>314 918</b>	<b>293 514</b>	<b>332 497</b>	<b>389 609</b>	<b>7.4%</b>	<b>100.0%</b>	<b>410 660</b>	<b>432 950</b>	<b>509 511</b>	<b>9.4%</b>	<b>100.0%</b>

## Transfers and subsidies expenditure trends and estimates

**Table 38.6 Vote transfers and subsidies trends and estimates**

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>200 466</b>	<b>178 696</b>	<b>258 007</b>	<b>315 373</b>	<b>16.3%</b>	<b>0.8%</b>	<b>335 394</b>	<b>354 822</b>	<b>374 338</b>	<b>5.9%</b>	<b>1.0%</b>
Public Service Sector Education and Training Authority	1 170	–	–	–	-100.0%	–	–	–	–	–	–
Social Housing Regulatory Authority: Operational	33 480	34 560	36 392	46 815	11.8%	0.1%	51 980	55 201	58 237	7.5%	0.2%
Housing Development Agency	100 966	104 615	147 512	210 668	27.8%	0.5%	222 177	234 955	247 878	5.6%	0.7%
National Home Builders Registration Council	3 990	–	–	–	-100.0%	–	–	–	–	–	–
Servcon Housing Solutions	860	–	–	–	-100.0%	–	–	–	–	–	–
Housing Development Agency: National upgrading support programme	20 000	–	10 000	–	-100.0%	–	–	–	–	–	–
Community Schemes Ombud Services	40 000	39 521	30 020	29 400	-9.8%	0.1%	31 105	32 847	34 654	5.6%	0.1%
Social Housing Regulatory Authority: Institutional investment	–	–	28 083	20 490	–	–	20 132	21 259	22 428	3.1%	0.1%
Social Housing Regulatory Authority: Regulations	–	–	6 000	8 000	–	–	10 000	10 560	11 141	11.7%	–
<b>Capital</b>	<b>597 543</b>	<b>109 210</b>	<b>424 388</b>	<b>851 658</b>	<b>12.5%</b>	<b>1.7%</b>	<b>743 640</b>	<b>738 414</b>	<b>778 527</b>	<b>-2.9%</b>	<b>2.4%</b>
Social Housing Regulatory Authority: Consolidated capital grant	597 543	109 210	424 388	851 658	12.5%	1.7%	743 640	738 414	778 527	-2.9%	2.4%

Table 38.6 Vote transfers and subsidies trends and estimates

R thousand	Audited outcome			Adjusted appropriation	Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>9 703</b>	<b>7 622</b>	<b>4 845</b>	<b>9 991</b>	<b>1.0%</b>	<b>-</b>	<b>6 942</b>	<b>11 027</b>	<b>11 634</b>	<b>5.2%</b>	<b>-</b>
Gifts and donations	729	149	255	46	-60.2%	-	50	53	56	6.8%	-
Households	-	-	3	123	-	-	-	-	-	-100.0%	-
Leave gratuity	-	172	-	-	-	-	-	-	-	-	-
Bursaries for non-employees	8 974	7 301	4 587	9 822	3.1%	-	6 892	10 974	11 578	5.6%	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>1 269</b>	<b>1 368</b>	<b>1 923</b>	<b>1 475</b>	<b>5.1%</b>	<b>-</b>	<b>1 346</b>	<b>1 421</b>	<b>1 500</b>	<b>0.6%</b>	<b>-</b>
Habitat Foundation	1 269	1 368	1 923	1 475	5.1%	-	1 346	1 421	1 500	0.6%	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>21 061</b>	<b>1 533</b>	<b>1 479</b>	<b>356</b>	<b>-74.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households	21 061	1 522	1 479	356	-74.3%	-	-	-	-	-100.0%	-
Leave gratuity	-	11	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>4 000</b>	<b>-</b>	<b>5 000</b>	<b>1 500</b>	<b>-27.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Council for Scientific and Industrial Research	4 000	-	5 000	1 500	-27.9%	-	-	-	-	-100.0%	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>4 499</b>	<b>-</b>	<b>3 500</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>3 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Nelson Mandela Metropolitan University	4 499	-	-	-	-100.0%	-	3 500	-	-	-	-
Mangosuthu University of Technology	-	-	3 500	-	-	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260 000</b>	<b>276 900</b>	<b>294 899</b>	<b>-</b>	<b>0.6%</b>
Provincial emergency housing grant	-	-	-	-	-	-	260 000	276 900	294 899	-	0.6%
<b>Capital</b>	<b>17 084 369</b>	<b>18 302 675</b>	<b>18 283 991</b>	<b>19 969 343</b>	<b>5.3%</b>	<b>61.3%</b>	<b>18 685 175</b>	<b>19 380 502</b>	<b>20 679 726</b>	<b>1.2%</b>	<b>59.8%</b>
Human settlements development grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	61.3%	18 666 520	18 832 802	20 101 903	0.2%	58.5%
Title deeds restoration grant	-	-	-	-	-	-	518 655	547 700	577 823	-	1.2%
<b>Provinces and municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>300 000</b>	<b>100 000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>140 000</b>	<b>149 100</b>	<b>158 792</b>	<b>-</b>	<b>0.3%</b>
Municipal human settlements capacity grant	300 000	100 000	-	-	-100.0%	0.3%	-	-	-	-	-
Municipal emergency housing grant	-	-	-	-	-	-	140 000	149 100	158 792	-	0.3%
<b>Capital</b>	<b>10 284 684</b>	<b>10 554 345</b>	<b>10 839 468</b>	<b>11 382 247</b>	<b>3.4%</b>	<b>35.8%</b>	<b>11 306 137</b>	<b>11 880 786</b>	<b>12 534 479</b>	<b>3.3%</b>	<b>35.8%</b>
Urban settlements development grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	35.8%	11 306 137	11 880 786	12 534 479	3.3%	35.8%
<b>Total</b>	<b>28 507 594</b>	<b>29 255 449</b>	<b>29 822 601</b>	<b>32 531 943</b>	<b>4.5%</b>	<b>100.0%</b>	<b>31 482 134</b>	<b>32 792 972</b>	<b>34 833 895</b>	<b>2.3%</b>	<b>100.0%</b>

## Personnel information

**Table 38.7 Vote personnel numbers and cost by salary level and programme<sup>1</sup>**

Programmes		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number								
Number of posts estimated for 31 March 2018		Actual					Revised estimate					Medium-term expenditure estimate					Average growth rate (%)	Average: Salary level/Total (%)		
Number of funded posts	Number of posts additional to the establishment	2016/17			2017/18			2018/19			2019/20			2020/21			2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				
<b>Human Settlements</b>		<b>695</b>	<b>62</b>	<b>684</b>	<b>325.3</b>	<b>0.5</b>	<b>645</b>	<b>383.3</b>	<b>0.6</b>	<b>606</b>	<b>376.9</b>	<b>0.6</b>	<b>606</b>	<b>405.7</b>	<b>0.7</b>	<b>605</b>	<b>436.1</b>	<b>0.7</b>	<b>-2.1%</b>	<b>100.0%</b>
Salary level		695	62	684	325.3	0.5	645	383.3	0.6	606	376.9	0.6	606	405.7	0.7	605	436.1	0.7	-2.1%	100.0%
1 – 6		164	6	158	37.8	0.2	162	41.8	0.3	154	40.8	0.3	154	44.0	0.3	154	47.5	0.3	-1.7%	25.3%
7 – 10		297	42	255	100.6	0.4	253	115.6	0.5	236	112.9	0.5	236	121.8	0.5	235	130.9	0.6	-2.4%	39.0%
11 – 12		127	4	123	76.9	0.6	127	102.1	0.8	120	102.1	0.9	120	110.2	0.9	120	119.0	1.0	-1.9%	19.8%
13 – 16		105	10	106	103.2	1.0	101	119.4	1.2	94	116.6	1.2	94	124.7	1.3	94	133.4	1.4	-2.4%	15.6%
Other		2	–	42	6.8	0.2	2	4.3	2.2	2	4.6	2.3	2	4.9	2.5	2	5.3	2.6	–	0.3%
<b>Programme</b>		<b>695</b>	<b>62</b>	<b>684</b>	<b>325.3</b>	<b>0.5</b>	<b>645</b>	<b>383.3</b>	<b>0.6</b>	<b>606</b>	<b>376.9</b>	<b>0.6</b>	<b>606</b>	<b>405.7</b>	<b>0.7</b>	<b>605</b>	<b>436.1</b>	<b>0.7</b>	<b>-2.1%</b>	<b>100.0%</b>
Programme 1		468	54	461	194.4	0.4	423	224.8	0.5	403	223.8	0.6	403	240.9	0.6	403	259.3	0.6	-1.6%	66.3%
Programme 2		83	1	82	53.4	0.7	84	63.9	0.8	77	61.5	0.8	77	66.2	0.9	77	71.2	0.9	-2.9%	12.8%
Programme 3		115	7	112	59.9	0.5	109	74.7	0.7	99	72.0	0.7	99	77.5	0.8	99	83.4	0.8	-3.2%	16.5%
Programme 4		29	–	29	17.5	0.6	29	19.9	0.7	27	19.7	0.7	27	21.2	0.8	26	22.2	0.9	-3.6%	4.4%

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

## Departmental receipts

**Table 38.8 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 (%)
	2014/15	2015/16	2016/17					2017/18	2018/19	2019/20		
<b>Departmental receipts</b>	<b>1 014</b>	<b>1 237</b>	<b>539</b>	<b>452</b>	<b>452</b>	<b>-23.6%</b>	<b>100.0%</b>	<b>238</b>	<b>242</b>	<b>251</b>	<b>-17.8%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>200</b>	<b>199</b>	<b>201</b>	<b>208</b>	<b>208</b>	<b>1.3%</b>	<b>24.9%</b>	<b>220</b>	<b>223</b>	<b>231</b>	<b>3.6%</b>	<b>74.6%</b>
Sales by market establishments of which:												
Parking	57	66	66	67	67	5.5%	7.9%	61	62	66	-0.5%	21.6%
Administrative fees of which:	–	–	–	140	140	–	4.3%	156	157	160	4.6%	51.8%
Commission on insurance	–	–	–	140	140	–	4.3%	156	157	160	4.6%	51.8%
Other sales of which:	143	133	135	1	1	-80.9%	12.7%	3	4	5	71.0%	1.1%
Replacement of security cards	143	133	135	1	1	-80.9%	12.7%	3	4	5	71.0%	1.1%
Sales of scrap, waste, arms and other used current goods of which:	4	3	3	2	2	-20.6%	0.4%	5	6	6	44.2%	1.6%
Waste paper	4	3	3	2	2	-20.6%	0.4%	5	6	6	44.2%	1.6%
Interest, dividends and rent on land	286	166	20	22	22	-57.5%	15.2%	13	13	14	-14.0%	5.2%
Interest	286	166	20	22	22	-57.5%	15.2%	13	13	14	-14.0%	5.2%
Transactions in financial assets and liabilities	524	869	315	220	220	-25.1%	59.5%	–	–	–	-100.0%	18.6%
<b>Total</b>	<b>1 014</b>	<b>1 237</b>	<b>539</b>	<b>452</b>	<b>452</b>	<b>-23.6%</b>	<b>100.0%</b>	<b>238</b>	<b>242</b>	<b>251</b>	<b>-17.8%</b>	<b>100.0%</b>

## Programme 1: Administration

### Programme purpose

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

## Expenditure trends and estimates

Table 38.9 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 (%)
	2014/15	2015/16	2016/17		2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21		
R thousand											
Ministry	66 437	78 568	75 621	63 488	-1.5%	16.4%	58 172	60 986	64 891	0.7%	13.1%
Departmental Management	101 857	56 575	63 882	99 979	-0.6%	18.6%	90 219	97 854	104 261	1.4%	20.8%
Corporate Services	190 534	188 384	189 215	209 896	3.3%	44.8%	197 654	208 840	223 263	2.1%	44.5%
Property Management	32 153	42 039	47 093	41 097	8.5%	9.4%	41 097	43 332	45 830	3.7%	9.1%
Financial Management	42 099	45 508	45 086	55 546	9.7%	10.8%	55 508	60 534	64 426	5.1%	12.5%
<b>Total</b>	<b>433 080</b>	<b>411 074</b>	<b>420 897</b>	<b>470 006</b>	<b>2.8%</b>	<b>100.0%</b>	<b>442 650</b>	<b>471 546</b>	<b>502 671</b>	<b>2.3%</b>	<b>100.0%</b>
Change to 2017				12 341			(7 519)	(8 297)	(8 356)		
Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>	<b>397 840</b>	<b>398 858</b>	<b>414 030</b>	<b>449 725</b>	<b>4.2%</b>	<b>95.7%</b>	<b>439 119</b>	<b>467 824</b>	<b>498 743</b>	<b>3.5%</b>	<b>98.3%</b>
Compensation of employees	178 849	186 765	194 399	224 770	7.9%	45.2%	223 779	240 870	259 308	4.9%	50.3%
Goods and services <sup>1</sup>	218 970	212 089	219 631	224 955	0.9%	50.5%	215 340	226 954	239 435	2.1%	48.1%
<i>of which:</i>											
Advertising	29 479	19 094	13 261	19 686	-12.6%	4.7%	22 256	23 466	24 756	7.9%	4.8%
Computer services	16 090	43 835	41 496	33 776	28.0%	7.8%	30 831	32 518	34 245	0.5%	7.0%
Consultants: Business and advisory services	44 144	8 076	18 266	40 165	-3.1%	6.4%	28 490	29 935	31 581	-7.7%	6.9%
Operating leases	25 369	34 216	38 228	28 737	4.2%	7.3%	28 737	30 300	32 081	3.7%	6.4%
Property payments	6 784	8 113	9 129	15 010	30.3%	2.2%	15 071	15 890	16 764	3.8%	3.3%
Travel and subsistence	11 869	18 696	43 048	25 560	29.1%	5.7%	26 473	27 884	29 418	4.8%	5.8%
Interest and rent on land	21	4	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>22 706</b>	<b>1 038</b>	<b>1 521</b>	<b>281</b>	<b>-76.9%</b>	<b>1.5%</b>	<b>50</b>	<b>53</b>	<b>56</b>	<b>-41.6%</b>	<b>-</b>
Departmental agencies and accounts	1 170	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	21 536	1 038	1 521	281	-76.5%	1.4%	50	53	56	-41.6%	-
<b>Payments for capital assets</b>	<b>12 426</b>	<b>10 928</b>	<b>5 189</b>	<b>19 950</b>	<b>17.1%</b>	<b>2.8%</b>	<b>3 481</b>	<b>3 669</b>	<b>3 872</b>	<b>-42.1%</b>	<b>1.6%</b>
Buildings and other fixed structures	-	236	-	-	-	-	-	-	-	-	-
Machinery and equipment	11 019	10 630	5 132	19 950	21.9%	2.7%	3 481	3 669	3 872	-42.1%	1.6%
Software and other intangible assets	1 407	62	57	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for financial assets</b>	<b>108</b>	<b>250</b>	<b>157</b>	<b>50</b>	<b>-22.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Total</b>	<b>433 080</b>	<b>411 074</b>	<b>420 897</b>	<b>470 006</b>	<b>2.8%</b>	<b>100.0%</b>	<b>442 650</b>	<b>471 546</b>	<b>502 671</b>	<b>2.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.5%	1.4%	1.4%	1.4%	-	-	1.4%	1.4%	1.4%	-	-
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1 170</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public Service Sector Education and Training Authority	1 170	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>717</b>	<b>149</b>	<b>150</b>	<b>46</b>	<b>-60.0%</b>	<b>0.1%</b>	<b>50</b>	<b>53</b>	<b>56</b>	<b>6.8%</b>	<b>-</b>
Gifts and donations	717	149	150	46	-60.0%	0.1%	50	53	56	6.8%	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>20 819</b>	<b>889</b>	<b>1 371</b>	<b>235</b>	<b>-77.6%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Transfers to households	20 819	889	1 371	235	-77.6%	1.3%	-	-	-	-100.0%	-

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

## Personnel information

**Table 38.10 Administration personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)	
		2016/17		2017/18		2018/19			2019/20			2020/21			2017/18 - 2020/21				
Administration		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
	468	54	461	194.4	0.4	423	224.8	0.5	403	223.8	0.6	403	240.9	0.6	403	259.3	0.6	-1.6%	100.0%
Salary level																			
1 – 6	151	5	146	34.7	0.2	148	38.1	0.3	143	37.9	0.3	143	40.8	0.3	143	44.1	0.3	-1.1%	35.4%
7 – 10	197	39	158	61.1	0.4	158	71.3	0.5	150	71.1	0.5	150	76.7	0.5	150	82.8	0.6	-1.7%	37.3%
11 – 12	60	3	57	36.2	0.6	60	45.8	0.8	58	47.7	0.8	58	51.6	0.9	58	55.7	1.0	-1.1%	14.3%
13 – 16	58	7	58	55.6	1.0	55	65.2	1.2	50	62.4	1.2	50	66.8	1.3	50	71.4	1.4	-3.1%	12.6%
Other	2	–	42	6.8	0.2	2	4.3	2.2	2	4.6	2.3	2	4.9	2.5	2	5.3	2.6	–	0.5%

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 new human settlements policy and legislation by 2019.
- 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 38.11 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Management for Policy, Strategy and Planning	3 902	7 420	7 561	7 730	25.6%	8.0%	8 083	8 447	9 087	5.5%	8.7%
Human Settlements Policy Frameworks	29 731	29 177	27 949	32 143	2.6%	35.6%	33 387	35 199	37 677	5.4%	36.2%
Human Settlements Strategy and Planning	45 070	39 141	51 090	53 700	6.0%	56.5%	48 311	52 320	55 847	1.3%	55.0%
<b>Total</b>	<b>78 703</b>	<b>75 738</b>	<b>86 600</b>	<b>93 573</b>	<b>5.9%</b>	<b>100.0%</b>	<b>89 781</b>	<b>95 966</b>	<b>102 611</b>	<b>3.1%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				-			(26)	225	285		
<b>Economic classification</b>											
<b>Current payments</b>	<b>72 128</b>	<b>72 882</b>	<b>79 016</b>	<b>89 185</b>	<b>7.3%</b>	<b>93.6%</b>	<b>87 542</b>	<b>93 603</b>	<b>100 117</b>	<b>3.9%</b>	<b>97.0%</b>
Compensation of employees	45 311	49 805	53 422	63 892	12.1%	63.5%	61 526	66 171	71 176	3.7%	68.8%
Goods and services <sup>1</sup>	26 817	23 077	25 591	25 293	-1.9%	30.1%	26 016	27 432	28 941	4.6%	28.2%
of which:											
Catering: Departmental activities	1 662	628	521	852	-20.0%	1.1%	1 289	1 359	1 433	18.9%	1.3%
Communication	1 623	1 311	1 257	1 419	-4.4%	1.7%	1 459	1 538	1 622	4.6%	1.6%
Consultants: Business and advisory services	3 201	2 149	1 099	5 811	22.0%	3.7%	6 474	6 827	7 202	7.4%	6.9%
Travel and subsistence	12 437	14 240	14 821	10 538	-5.4%	15.6%	10 624	11 201	11 817	3.9%	11.6%
Operating payments	327	649	416	901	40.2%	0.7%	846	891	940	1.4%	0.9%
Venues and facilities	6 846	2 892	6 537	3 151	-22.8%	5.8%	3 151	3 323	3 506	3.6%	3.4%
Interest and rent on land	-	-	3	-	-	-	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>5 394</b>	<b>1 609</b>	<b>7 028</b>	<b>3 096</b>	<b>-16.9%</b>	<b>5.1%</b>	<b>1 346</b>	<b>1 421</b>	<b>1 500</b>	<b>-21.5%</b>	<b>1.9%</b>
Foreign governments and international organisations	1 269	1 368	1 923	1 475	5.1%	1.8%	1 346	1 421	1 500	0.6%	1.5%
Public corporations and private enterprises	4 000	-	5 000	1 500	-27.9%	3.1%	-	-	-	-100.0%	0.4%
Households	125	241	105	121	-1.1%	0.2%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>1 170</b>	<b>1 221</b>	<b>546</b>	<b>1 292</b>	<b>3.4%</b>	<b>1.3%</b>	<b>893</b>	<b>942</b>	<b>994</b>	<b>-8.4%</b>	<b>1.1%</b>
Machinery and equipment	1 170	1 221	546	1 292	3.4%	1.3%	893	942	994	-8.4%	1.1%
<b>Payments for financial assets</b>	<b>11</b>	<b>26</b>	<b>10</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>78 703</b>	<b>75 738</b>	<b>86 600</b>	<b>93 573</b>	<b>5.9%</b>	<b>100.0%</b>	<b>89 781</b>	<b>95 966</b>	<b>102 611</b>	<b>3.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
Current	-	172	105	-	-	0.1%	-	-	-	-	-
Gifts and donations	-	-	105	-	-	-	-	-	-	-	-
Leave gratuity	-	172	-	-	-	0.1%	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
Current	1 269	1 368	1 923	1 475	5.1%	1.8%	1 346	1 421	1 500	0.6%	1.5%
Habitat Foundation	1 269	1 368	1 923	1 475	5.1%	1.8%	1 346	1 421	1 500	0.6%	1.5%
<b>Households</b>											
<b>Social benefits</b>											
Current	125	69	-	121	-1.1%	0.1%	-	-	-	-100.0%	-
Transfers to households	125	69	-	121	-1.1%	0.1%	-	-	-	-100.0%	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	4 000	-	5 000	1 500	-27.9%	3.1%	-	-	-	-100.0%	0.4%
Council for Scientific and Industrial Research	4 000	-	5 000	1 500	-27.9%	3.1%	-	-	-	-100.0%	0.4%

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

## Personnel information

**Table 38.12 Human Settlements Policy, Strategy and Planning personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018			Number and cost <sup>2</sup> 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 (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Unit cost	Number	Unit cost	Number	Unit cost					
Human Settlements Policy, Strategy and Planning			83	53.4	0.7	84	63.9	0.8	77	61.5	0.8	77	66.2	0.9	77	71.2	0.9	-2.9%	100.0%
Salary level			83	53.4	0.7	84	63.9	0.8	77	61.5	0.8	77	66.2	0.9	77	71.2	0.9	-2.9%	100.0%
1-6	5	-	5	1.3	0.3	6	1.6	0.3	4	1.1	0.3	4	1.1	0.3	4	1.2	0.3	-12.6%	5.7%
7-10	27	-	27	10.9	0.4	28	12.3	0.4	26	11.8	0.5	26	12.7	0.5	26	13.7	0.5	-2.4%	33.7%
11-12	29	1	28	17.2	0.6	28	23.8	0.9	26	23.2	0.9	26	25.1	1.0	26	27.1	1.0	-2.4%	33.7%
13-16	22	-	22	23.9	1.1	22	26.2	1.2	21	25.5	1.2	21	27.2	1.3	21	29.1	1.4	-1.5%	27.0%

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 technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects on an ongoing basis.
- Promote better human settlements outcomes in informal settlements by implementing the national upgrading support programme in 119 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 project-level site visits, and review sessions and workshops on a quarterly basis.
- Develop professional and institutional capacity to support roles and responsibilities at provincial and municipal levels by managing training and skills development programmes for officials and communities on an ongoing basis.
- 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 38.13 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 (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
R thousand											
Management for Human Settlements Delivery Support	7 019	7 533	6 837	9 403	10.2%	4.9%	9 031	9 602	10 213	2.8%	3.6%
Programme Management Unit	69 598	70 587	99 926	159 291	31.8%	64.1%	189 016	200 247	265 046	18.5%	77.2%
Chief of Operations	57 095	42 676	44 979	48 168	-5.5%	31.0%	47 958	51 196	54 565	4.2%	19.2%
<b>Total</b>	<b>133 712</b>	<b>120 796</b>	<b>151 742</b>	<b>216 862</b>	<b>17.5%</b>	<b>100.0%</b>	<b>246 005</b>	<b>261 045</b>	<b>329 824</b>	<b>15.0%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				(440)			29 607	31 325	85 913		
<b>Economic classification</b>											
<b>Current payments</b>	<b>119 096</b>	<b>111 806</b>	<b>142 702</b>	<b>205 656</b>	<b>20.0%</b>	<b>93.0%</b>	<b>234 239</b>	<b>248 621</b>	<b>316 716</b>	<b>15.5%</b>	<b>95.4%</b>
Compensation of employees	53 001	57 991	59 933	74 700	12.1%	39.4%	71 950	77 451	83 382	3.7%	29.2%
Goods and services <sup>1</sup>	66 092	53 815	82 760	130 956	25.6%	53.5%	162 289	171 170	233 334	21.2%	66.2%
<i>of which:</i>											
Communication	1 374	1 156	1 002	1 845	10.3%	0.9%	1 885	1 985	2 094	4.3%	0.7%
Computer services	14 954	39	11 764	27 460	22.5%	8.7%	27 520	29 017	30 613	3.7%	10.9%
Consultants: Business and advisory services	24 546	24 143	51 303	79 237	47.8%	28.8%	110 654	116 735	175 905	30.5%	45.8%
Consumables: Stationery, printing and office supplies	381	269	605	2 206	79.6%	0.6%	2 264	2 386	2 517	4.5%	0.9%
Travel and subsistence	12 281	11 987	10 497	12 332	0.1%	7.6%	12 832	13 528	14 272	5.0%	5.0%
Venues and facilities	3 530	13 681	4 341	2 074	-16.2%	3.8%	1 834	1 934	2 040	-0.5%	0.7%
Interest and rent on land	3	-	9	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies<sup>1</sup></b>	<b>13 602</b>	<b>7 865</b>	<b>8 195</b>	<b>9 945</b>	<b>-9.9%</b>	<b>6.4%</b>	<b>10 392</b>	<b>10 974</b>	<b>11 578</b>	<b>5.2%</b>	<b>4.1%</b>
Higher education institutions	4 499	-	3 500	-	-100.0%	1.3%	3 500	-	-	-	0.3%
Households	9 103	7 865	4 695	9 945	3.0%	5.1%	6 892	10 974	11 578	5.2%	3.7%
<b>Payments for capital assets</b>	<b>1 011</b>	<b>1 083</b>	<b>790</b>	<b>1 261</b>	<b>7.6%</b>	<b>0.7%</b>	<b>1 374</b>	<b>1 450</b>	<b>1 530</b>	<b>6.7%</b>	<b>0.5%</b>
Machinery and equipment	1 011	1 083	776	1 261	7.6%	0.7%	1 374	1 450	1 530	6.7%	0.5%
Software and other intangible assets	-	-	14	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>3</b>	<b>42</b>	<b>55</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>133 712</b>	<b>120 796</b>	<b>151 742</b>	<b>216 862</b>	<b>17.5%</b>	<b>100.0%</b>	<b>246 005</b>	<b>261 045</b>	<b>329 824</b>	<b>15.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>-</b>	<b>-</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>8 986</b>	<b>7 301</b>	<b>4 587</b>	<b>9 945</b>	<b>3.4%</b>	<b>4.9%</b>	<b>6 892</b>	<b>10 974</b>	<b>11 578</b>	<b>5.2%</b>	<b>3.7%</b>
Gifts and donations	12	-	-	-	-100.0%	-	-	-	-	-	-
Households	-	-	-	123	-	-	-	-	-	-100.0%	-
Bursaries for non-employees	8 974	7 301	4 587	9 822	3.1%	4.9%	6 892	10 974	11 578	5.6%	3.7%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>117</b>	<b>564</b>	<b>108</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	117	564	108	-	-100.0%	0.1%	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>4 499</b>	<b>-</b>	<b>3 500</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>3 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.3%</b>
Nelson Mandela Metropolitan University	4 499	-	-	-	-100.0%	0.7%	3 500	-	-	-	0.3%
Mangosuthu University of Technology	-	-	3 500	-	-	0.6%	-	-	-	-	-

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

## Personnel information

**Table 38.14 Human Settlements Delivery Support personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018		Number and cost <sup>2</sup> 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 (%)				
		2016/17		Unit	2017/18		Unit	2018/19		Unit	2019/20		Unit			2020/21		Unit	
Human Settlements	Delivery Support	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	Number	Cost	cost	2017/18 - 2020/21		
Salary level	115	7	112	59.9	0.5	109	74.7	0.7	99	72.0	0.7	99	77.5	0.8	99	83.4	0.8	-3.2%	100.0%
1-6	7	1	6	1.5	0.2	7	1.9	0.3	6	1.6	0.3	6	1.7	0.3	6	1.9	0.3	-5.0%	6.2%
7-10	58	3	55	22.3	0.4	52	25.1	0.5	47	23.8	0.5	47	25.7	0.5	47	27.7	0.6	-3.3%	47.5%
11-12	30	-	30	17.9	0.6	31	25.9	0.8	28	24.5	0.9	28	26.5	0.9	28	28.6	1.0	-3.3%	28.3%
13-16	20	3	21	18.3	0.9	19	21.8	1.1	18	22.0	1.2	18	23.6	1.3	18	25.2	1.4	-1.8%	18.0%

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 a scheduled 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.
- *Human Settlements Development Grant* reflects the conditional allocation 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 allocation transferred to metropolitan municipalities to build their capacity. This subprogramme has been discontinued as the conditional grant no longer exists.
- *Title Deeds Restoration Grant* reflects the conditional grant allocation to provinces for title deeds backlog eradication.
- *Emergency Housing Grant* reflects the allocation of funds related to emergency housing in provinces and municipalities, as and when required.

## Expenditure trends and estimates

**Table 38.15 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
R thousand											
Management for Housing Development Finance	357	1 036	2 137	4 082	125.3%	–	4 453	4 736	5 036	7.3%	–
Chief Investment Officer	16 488	19 974	20 001	24 557	14.2%	0.1%	22 481	24 088	25 261	0.9%	0.1%
Human Settlements Development Grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	61.0%	18 166 520	18 832 802	20 101 903	0.2%	58.4%
Contributions	1 026 839	448 906	782 395	1 317 031	8.7%	3.0%	1 159 034	1 143 236	1 152 865	-4.3%	3.6%
Urban Settlements Development Grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	35.7%	11 306 137	11 880 786	12 534 479	3.3%	35.7%
Municipal Human Settlements Capacity Grant	300 000	100 000	–	–	-100.0%	0.3%	–	–	–	–	–
Title Deeds Restoration Grant	–	–	–	–	–	–	518 655	547 700	577 823	–	1.2%
Emergency Housing Grant	–	–	–	–	–	–	400 000	426 000	453 691	–	1.0%
<b>Total</b>	<b>28 712 737</b>	<b>29 426 936</b>	<b>29 927 992</b>	<b>32 697 260</b>	<b>4.4%</b>	<b>100.0%</b>	<b>31 577 280</b>	<b>32 859 348</b>	<b>34 851 058</b>	<b>2.1%</b>	<b>100.0%</b>
Change to 2017 Budget estimate				1 500			(3 081 065)	(3 782 850)	(4 074 967)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>16 734</b>	<b>20 123</b>	<b>22 049</b>	<b>28 300</b>	<b>19.1%</b>	<b>0.1%</b>	<b>26 705</b>	<b>28 582</b>	<b>30 042</b>	<b>2.0%</b>	<b>0.1%</b>
Compensation of employees	13 695	15 590	17 534	19 895	13.3%	0.1%	19 690	21 188	22 241	3.8%	0.1%
Goods and services <sup>1</sup>	3 039	4 533	4 515	8 405	40.4%	–	7 015	7 394	7 801	-2.5%	–
of which:											
Catering: Departmental activities	40	15	12	227	78.4%	–	248	262	276	6.7%	–
Communication	270	214	264	409	14.8%	–	409	431	455	3.6%	–
Consultants: Business and advisory services	191	116	–	3 098	153.1%	–	1 598	1 684	1 777	-16.9%	–
Consumables: Stationery, printing and office supplies	113	255	66	389	51.0%	–	1 483	1 563	1 649	61.8%	–
Travel and subsistence	–	1 616	1 503	2 470	–	–	2 510	2 645	2 791	4.2%	–
Venues and facilities	–	44	43	206	–	–	298	315	332	17.2%	–
<b>Transfers and subsidies<sup>1</sup></b>	<b>28 465 892</b>	<b>29 244 937</b>	<b>29 805 857</b>	<b>32 518 621</b>	<b>4.5%</b>	<b>99.4%</b>	<b>31 470 346</b>	<b>32 780 524</b>	<b>34 820 761</b>	<b>2.3%</b>	<b>99.7%</b>
Provinces and municipalities	27 669 053	28 957 020	29 123 459	31 351 590	4.3%	97.0%	30 391 312	31 687 288	33 667 896	2.4%	96.3%
Departmental agencies and accounts	796 839	287 906	682 395	1 167 031	13.6%	2.4%	1 079 034	1 093 236	1 152 865	-0.4%	3.4%
Households	–	11	3	–	–	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>110</b>	<b>876</b>	<b>86</b>	<b>339</b>	<b>45.5%</b>	<b>–</b>	<b>229</b>	<b>242</b>	<b>255</b>	<b>-9.1%</b>	<b>–</b>
Machinery and equipment	110	876	86	339	45.5%	–	229	242	255	-9.1%	–
<b>Payments for financial assets</b>	<b>230 001</b>	<b>161 000</b>	<b>100 000</b>	<b>150 000</b>	<b>-13.3%</b>	<b>0.5%</b>	<b>80 000</b>	<b>50 000</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>
<b>Total</b>	<b>28 712 737</b>	<b>29 426 936</b>	<b>29 927 992</b>	<b>32 697 260</b>	<b>4.4%</b>	<b>100.0%</b>	<b>31 577 280</b>	<b>32 859 348</b>	<b>34 851 058</b>	<b>2.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	97.8%	98.0%	97.8%	97.7%	–	–	97.6%	97.5%	97.4%	–	–
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
Current	–	11	–	–	–	–	–	–	–	–	–
Leave gratuity	–	11	–	–	–	–	–	–	–	–	–
<b>Households</b>											
<b>Other transfers to households</b>											
Current	–	–	3	–	–	–	–	–	–	–	–
Households	–	–	3	–	–	–	–	–	–	–	–

**Table 38.15 Housing Development Finance expenditure trends and estimates by subprogramme and economic classification**

Details of transfers and subsidies											
R thousand	Audited outcome			Adjusted appropriation 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>199 296</b>	<b>178 696</b>	<b>258 007</b>	<b>315 373</b>	<b>16.5%</b>	<b>0.8%</b>	<b>335 394</b>	<b>354 822</b>	<b>374 338</b>	<b>5.9%</b>	<b>1.0%</b>
Social Housing Regulatory Authority: Operational	33 480	34 560	36 392	46 815	11.8%	0.1%	51 980	55 201	58 237	7.5%	0.2%
Housing Development Agency	100 966	104 615	147 512	210 668	27.8%	0.5%	222 177	234 955	247 878	5.6%	0.7%
National Home Builders Registration Council	3 990	-	-	-	-100.0%	-	-	-	-	-	-
Servcon Housing Solutions	860	-	-	-	-100.0%	-	-	-	-	-	-
Housing Development Agency: National upgrading support programme	20 000	-	10 000	-	-100.0%	-	-	-	-	-	-
Community Schemes Ombud Services	40 000	39 521	30 020	29 400	-9.8%	0.1%	31 105	32 847	34 654	5.6%	0.1%
Social Housing Regulatory Authority: Institutional investment	-	-	28 083	20 490	-	-	20 132	21 259	22 428	3.1%	0.1%
Social Housing Regulatory Authority: Regulations	-	-	6 000	8 000	-	-	10 000	10 560	11 141	11.7%	-
<b>Capital</b>	<b>597 543</b>	<b>109 210</b>	<b>424 388</b>	<b>851 658</b>	<b>12.5%</b>	<b>1.6%</b>	<b>743 640</b>	<b>738 414</b>	<b>778 527</b>	<b>-2.9%</b>	<b>2.4%</b>
Social Housing Regulatory Authority: Consolidated capital grant	597 543	109 210	424 388	851 658	12.5%	1.6%	743 640	738 414	778 527	-2.9%	2.4%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>300 000</b>	<b>100 000</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>140 000</b>	<b>149 100</b>	<b>158 792</b>	<b>-</b>	<b>0.3%</b>
Municipal human settlements capacity grant	300 000	100 000	-	-	-100.0%	0.3%	-	-	-	-	-
Municipal emergency housing grant	-	-	-	-	-	-	140 000	149 100	158 792	-	0.3%
<b>Capital</b>	<b>10 284 684</b>	<b>10 554 345</b>	<b>10 839 468</b>	<b>11 382 247</b>	<b>3.4%</b>	<b>35.7%</b>	<b>11 306 137</b>	<b>11 880 786</b>	<b>12 534 479</b>	<b>3.3%</b>	<b>35.7%</b>
Urban settlements development Grant	10 284 684	10 554 345	10 839 468	11 382 247	3.4%	35.7%	11 306 137	11 880 786	12 534 479	3.3%	35.7%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial revenue funds</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260 000</b>	<b>276 900</b>	<b>294 899</b>	<b>-</b>	<b>0.6%</b>
Provincial emergency housing grant	-	-	-	-	-	-	260 000	276 900	294 899	-	0.6%
<b>Capital</b>	<b>17 084 369</b>	<b>18 302 675</b>	<b>18 283 991</b>	<b>19 969 343</b>	<b>5.3%</b>	<b>61.0%</b>	<b>18 685 175</b>	<b>19 380 502</b>	<b>20 679 726</b>	<b>1.2%</b>	<b>59.6%</b>
Human settlements development Grant	17 084 369	18 302 675	18 283 991	19 969 343	5.3%	61.0%	18 685 175	19 380 502	20 679 726	1.2%	59.6%
Title deeds restoration grant	-	-	-	-	-	-	518 655	547 700	577 823	-	1.2%

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

## Personnel information

**Table 38.16 Housing Development Finance personnel numbers and cost by salary level<sup>1</sup>**

Number of posts estimated for 31 March 2018			Number and cost <sup>2</sup> 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 (%)				
			2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21						
Housing Development Finance			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost					
Salary level	29	-	29	17.5	0.6	29	19.9	0.7	27	19.7	0.7	27	21.2	0.8	26	22.2	0.9	-3.6%	100.0%
1-6	1	-	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	1	0.3	0.3	-	3.7%
7-10	15	-	15	6.3	0.4	15	6.9	0.5	13	6.2	0.5	13	6.7	0.5	12	6.7	0.6	-7.2%	48.6%
11-12	8	-	8	5.6	0.7	8	6.5	0.8	8	6.6	0.8	8	7.1	0.9	8	7.7	1.0	-	29.4%
13-16	5	-	5	5.4	1.1	5	6.3	1.3	5	6.7	1.3	5	7.1	1.4	5	7.6	1.5	-	18.3%

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

2. Rand million.

## Entities<sup>1</sup>

### National Home Builders Registration Council

#### Mandate

The National Home Builders Registration Council was established in terms of the amended Housing Consumers Protection Measures Act (1998) to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the home building industry. The council provides training to promote and ensure compliance with technical standards in the home building environment.

#### Selected performance indicators

**Table 38.17 National Home Builders Registration Council performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of inspections in the subsidy sector per year <sup>1</sup>	Regulation	Entity mandate	223 915	230 103	94 528	693 752	560 784	560 784	560 784
Number of inspections in the non-subsidy sector per year <sup>1</sup>	Regulation		304 267	258 446	113 379	202 640	214 798	227 686	241 347
Number of home inspectors to be trained per year	Regulation		– <sup>2</sup>	310	607	400	400	400	400
Number of home builders to be trained per year	Regulation		2 629	2 463	1 739	2 000	2 000	2 000	2 000
Number of home enrolments in the non-subsidy sector per year	Protection		52 632	49 612	51 990	50 660	50 471	55 518	61 070
Number of home enrolments in the subsidy sector per year	Protection		198 753	77 004	74 149	112 600	123 600	136 246	149 870
Number of late enrolments in the subsidy sector per year	Protection		– <sup>2</sup>	– <sup>2</sup>	1 954	4 000	4 081	4 183	4 434
Number of late enrolments in the non-subsidy sector per year	Protection		1 483	1 030	1 287	1 264	1 340	1 420	1 505
Number of forensic assessments conducted per year	Protection		19 875	12 414	– <sup>3</sup>				
Number of geotechnical assessments conducted per year	Protection		2 613	17 443	– <sup>3</sup>				

1. Inspections carried out range from a minimum of 4 to a maximum of 8 inspection stages per home.

2. No historical data available.

3. Indicator discontinued.

#### Expenditure analysis

In keeping with its core function of regulating quality standards in the home building industry, the National Home Builders Registration Council will focus on increasing home inspections and enrolments over the medium term.

The council is committed to ensuring that all housing units subsidised by government are enrolled with the council. In working towards this goal, the council is expected to enrol 409 716 subsidy homes and 167 059 non-subsidy homes over the medium term. These enrolments are expected to drive an increase in total expenditure from R843.9 million in 2017/18 to R1 billion in 2020/21, at an average annual rate of 6.5 per cent.

To strengthen its regulatory function over the medium term, the council plans to conduct almost 1.7 million inspections in the subsidy sector and 683 831 inspections in the non-subsidy sector, and train 6 000 youth,

<sup>1</sup> This section has been compiled with the latest available information from the entities concerned.

women, disabled people and military veterans, at a projected cost of R648 million.

As the council's work is labour intensive, spending on compensation of employees is projected to increase from R470.6 million in 2017/18 to R563.3 million in 2020/21, at an average annual rate of 6.2 per cent. The council aims to maintain its staff complement at 663 over the medium term.

The council generates revenue mainly from a combination of home enrolment fees, registration and renewal fees for homebuilders, technical services, and interest and dividends earned on the warranty fund. Total revenue is expected to increase from R1.3 billion in 2017/18 to R1.5 billion in 2020/21, at an average annual rate of 6.4 per cent.

### Programmes/objectives/activities

**Table 38.18 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 (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
Administration	274 303	532 085	328 389	265 494		-1.1%	45.5%	322 739	339 725	347 596	9.4%	34.0%
Regulation	298 045	159 209	239 412	191 419		-13.7%	29.4%	202 890	215 047	229 950	6.3%	22.4%
Protection	89 409	82 175	244 078	386 947		63.0%	25.0%	389 746	413 725	442 260	4.6%	43.6%
<b>Total</b>	<b>661 757</b>	<b>773 469</b>	<b>811 879</b>	<b>843 860</b>		<b>8.4%</b>	<b>100.0%</b>	<b>915 375</b>	<b>968 497</b>	<b>1 019 806</b>	<b>6.5%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 38.19 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 (%)
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>965 235</b>	<b>1 184 946</b>	<b>1 088 164</b>	<b>1 021 556</b>	<b>1 255 914</b>	<b>1 296 773</b>	<b>1 310 055</b>	<b>1 262 210</b>	<b>103.2%</b>
Sale of goods and services other than capital assets	753 376	815 576	812 856	798 900	868 612	876 021	897 578	861 775	100.6%
of which:									
Sales by market establishment	753 376	815 576	812 856	798 900	868 612	876 021	897 578	861 775	100.6%
Home enrolment fees	603 980	740 770	671 697	700 273	716 100	798 498	762 647	785 091	109.8%
Fee revenue	53 146	50 681	68 908	42 311	117 512	32 865	98 721	34 984	47.5%
Technical services revenue	96 250	24 125	72 250	56 316	35 000	44 658	36 210	41 700	69.6%
Other sales	-	-	-	2 215	-	3 399	-	1 400	-
Other non-tax revenue	211 859	369 370	275 308	222 656	387 302	420 752	412 477	400 435	109.8%
<b>Total revenue</b>	<b>965 235</b>	<b>1 184 946</b>	<b>1 088 164</b>	<b>1 021 556</b>	<b>1 255 914</b>	<b>1 296 773</b>	<b>1 310 055</b>	<b>1 262 210</b>	<b>103.2%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>865 072</b>	<b>661 757</b>	<b>839 488</b>	<b>773 469</b>	<b>812 113</b>	<b>811 879</b>	<b>866 034</b>	<b>843 860</b>	<b>91.4%</b>
Compensation of employees	454 518	316 660	451 374	399 428	418 203	426 444	445 388	470 604	91.2%
Goods and services	382 007	331 597	362 947	358 896	367 393	377 015	386 230	338 840	93.8%
Depreciation	28 547	9 131	25 166	15 115	26 517	8 420	34 416	34 416	58.5%
Interest, dividends and rent on land	-	4 370	-	31	-	-	-	-	-
<b>Total expenses</b>	<b>865 072</b>	<b>661 757</b>	<b>839 488</b>	<b>773 469</b>	<b>812 113</b>	<b>811 879</b>	<b>866 034</b>	<b>843 860</b>	<b>91.4%</b>
<b>Surplus/(Deficit)</b>	<b>100 163</b>	<b>523 189</b>	<b>248 676</b>	<b>248 087</b>	<b>443 801</b>	<b>484 894</b>	<b>444 021</b>	<b>418 350</b>	
Statement of financial position									
Carrying value of assets	348 364	191 642	350 901	219 419	325 418	199 558	299 001	299 001	68.7%
of which:									
Acquisition of assets	(167 316)	(65 947)	(190 000)	(43 295)	(49 740)	(3 834)	(8 000)	(8 000)	29.2%
Investments	4 071 608	4 990 487	5 187 337	5 127 473	5 548 978	5 600 623	5 915 218	5 915 218	104.4%
Inventory	279	876	208	13 881	222	13 180	238	238	2 975.2%
Receivables and prepayments	25 972	19 321	29 324	22 138	27 916	45 289	31 013	31 013	103.1%
Cash and cash equivalents	29 232	171 719	109 182	251 859	109 059	204 921	108 334	108 334	207.1%
<b>Total assets</b>	<b>4 475 455</b>	<b>5 374 045</b>	<b>5 676 952</b>	<b>5 634 770</b>	<b>6 011 593</b>	<b>6 063 571</b>	<b>6 353 804</b>	<b>6 353 804</b>	<b>104.0%</b>
Accumulated surplus/(deficit)	3 265 688	3 776 649	4 145 968	4 037 164	4 405 943	4 531 272	4 681 800	4 681 800	103.2%
Capital and reserves	29 029	41 237	43 420	31 007	36 035	25 193	28 244	28 244	91.9%
Trade and other payables	164 412	192 365	191 629	196 569	202 469	126 050	201 699	201 699	94.3%
Provisions	1 016 326	1 363 794	1 295 935	1 370 029	1 367 146	1 381 056	1 442 061	1 442 061	108.5%
<b>Total equity and liabilities</b>	<b>4 475 455</b>	<b>5 374 045</b>	<b>5 676 952</b>	<b>5 634 770</b>	<b>6 011 593</b>	<b>6 063 571</b>	<b>6 353 804</b>	<b>6 353 804</b>	<b>104.0%</b>

## Statements of estimates of financial performance and position

**Table 38.20 National Home Builders Registration Council 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	2017/18	2014/15 - 2017/18	2018/19	2019/20	2020/21	2017/18 - 2020/21		
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>1 262 210</b>	<b>2.1%</b>	<b>100.0%</b>	<b>1 354 426</b>	<b>1 435 692</b>	<b>1 521 833</b>	<b>6.4%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	861 775	1.9%	70.7%	929 965	985 763	1 044 909	6.6%	68.6%
<i>of which:</i>								
<i>Sales by market establishment</i>	861 775	1.9%	70.7%	929 965	985 763	1 044 909	6.6%	68.6%
<i>Home enrolment fees</i>	785 091	2.0%	63.7%	812 219	857 162	953 577	6.7%	61.1%
<i>Fee revenue</i>	34 984	-11.6%	3.4%	105 138	111 972	41 667	6.0%	5.3%
<i>Technical services revenue</i>	41 700	20.0%	3.6%	38 564	41 070	49 665	6.0%	3.1%
<i>Other sales</i>	1 400	-	0.1%	1 484	1 573	1 667	6.0%	0.1%
Other non-tax revenue	400 435	2.7%	29.3%	424 461	449 929	476 924	6.0%	31.4%
<b>Total revenue</b>	<b>1 262 210</b>	<b>2.1%</b>	<b>100.0%</b>	<b>1 354 426</b>	<b>1 435 692</b>	<b>1 521 833</b>	<b>6.4%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>843 860</b>	<b>8.4%</b>	<b>100.0%</b>	<b>915 375</b>	<b>968 498</b>	<b>1 019 806</b>	<b>6.5%</b>	<b>100.0%</b>
Compensation of employees	470 604	14.1%	51.9%	498 742	530 016	563 261	6.2%	55.1%
Goods and services	338 840	0.7%	45.8%	380 171	399 853	415 599	7.0%	40.9%
Depreciation	34 416	55.6%	2.1%	36 462	38 628	40 945	6.0%	4.0%
<b>Total expenses</b>	<b>843 860</b>	<b>8.4%</b>	<b>100.0%</b>	<b>915 375</b>	<b>968 498</b>	<b>1 019 806</b>	<b>6.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>418 350</b>			<b>439 051</b>	<b>467 194</b>	<b>502 027</b>		
<b>Statement of financial position</b>								
Carrying value of assets	299 001	16.0%	3.9%	271 651	347 953	347 953	5.2%	4.3%
<i>of which:</i>								
<i>Acquisition of assets</i>	(8 000)	-50.5%	-0.5%	(8 000)	(8 000)	(8 000)	-	-0.1%
Investments	5 915 218	5.8%	92.3%	6 304 590	7 686 865	7 686 865	9.1%	93.7%
Inventory	238	-35.2%	0.1%	255	255	255	2.3%	0.0%
Receivables and prepayments	31 013	17.1%	0.5%	31 987	42 723	42 723	11.3%	0.5%
Cash and cash equivalents	108 334	-14.2%	3.2%	107 697	107 697	107 697	-0.2%	1.5%
<b>Total assets</b>	<b>6 353 804</b>	<b>5.7%</b>	<b>100.0%</b>	<b>6 716 180</b>	<b>8 185 493</b>	<b>8 185 493</b>	<b>8.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	4 681 800	7.4%	72.6%	4 970 776	6 043 490	6 043 490	8.9%	73.8%
Capital and reserves	28 244	-11.9%	0.5%	20 024	40 842	40 842	13.1%	0.4%
Trade and other payables	201 699	1.6%	3.1%	204 282	171 058	171 058	-5.3%	2.6%
Provisions	1 442 061	1.9%	23.8%	1 521 098	1 930 103	1 930 103	10.2%	23.1%
<b>Total equity and liabilities</b>	<b>6 353 804</b>	<b>5.7%</b>	<b>100.0%</b>	<b>6 716 180</b>	<b>8 185 493</b>	<b>8 185 493</b>	<b>8.8%</b>	<b>100.0%</b>

## Personnel information

**Table 38.21 National Home Builders Registration Council personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)					
		2016/17		2017/18			2018/19		2019/20		2020/21								
		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	426.4	0.6	663	470.6	0.7	663	498.7	0.8	663	530.0	0.8	663	563.3	0.8	6.2%	100.0%	
Salary level																			
1 – 6	37	37	37	5.1	0.1	37	5.5	0.1	37	5.9	0.2	37	6.3	0.2	37	6.7	0.2	7.1%	5.6%
7 – 10	377	377	377	182.6	0.5	377	194.9	0.5	377	208.8	0.6	377	221.8	0.6	377	235.6	0.6	6.5%	56.9%
11 – 12	188	188	188	151.4	0.8	188	172.4	0.9	188	183.7	1.0	188	194.6	1.0	188	206.3	1.1	6.2%	28.4%
13 – 16	59	59	59	82.4	1.4	59	92.3	1.6	59	94.5	1.6	59	101.1	1.7	59	108.2	1.8	5.4%	8.9%
17 – 22	2	2	2	4.9	2.4	2	5.5	2.8	2	5.8	2.9	2	6.2	3.1	2	6.5	3.3	5.9%	0.3%

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 sectional title schemes governance documentation; and take custody of, preserve and provide public access to scheme governance documentation.

### Selected performance indicators

**Table 38.22 Community Schemes Ombud Service performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Percentage of cases resolved through conciliation within 40 days per year	Regulation	Entity mandate	-1	-1	47.5% (285/600)	60%	70%	80%	80%
Number of schemes governance documents registered on database per year	Education and Training		-1	-1	-1	5 000	1 500	2 000	3 000

1. No historical data available.

### Expenditure analysis

The focus of the Community Schemes Ombud Service over the medium term will be on providing dispute resolution and adjudication services, and on processing the governance documentation of community schemes.

The service is set to increase the number of disputes it resolves through conciliation within 40 days from 60 per cent in 2017/18 to 80 per cent in 2020/21; and receive, register and store governance documents for an estimated 6 500 community schemes in the education and training programme by 2018/19. As a result, the service's expenditure and revenue are both expected to increase from R131.9 million in 2017/18 to R171.5 million in 2020/21.

As the service's work is labour intensive, spending on compensation of employees is expected to increase from R56.9 million in 2017/18 to R75.8 million by 2020/21, at an average annual rate of 10 per cent, due to the appointment of the 5 additional personnel to enable the service to meet its increased targets.

The service derives its revenue mainly from levies for the registration of community schemes, service fees and interest. The service is expected to receive R98.6 million, or 21.2 per cent of total revenue over the medium term, through transfers from the department. Revenue is set to increase from R131.9 million in 2017/18 to R171.5 million in 2020/21.

### Programmes/objectives/activities

**Table 38.23 Community Schemes Ombud Service expenditure trends and estimates by programme/ objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%)
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	10 940	55 169	45 181	84 443	97.6%	91.0%	91 953	99 781	108 314	8.7%	63.6%
Regulation	-	-	-	44 742	-	8.5%	49 216	54 137	59 551	10.0%	34.3%
Education and training	-	-	-	2 741	-	0.5%	3 015	3 316	3 648	10.0%	2.1%
<b>Total</b>	<b>10 940</b>	<b>55 169</b>	<b>45 181</b>	<b>131 926</b>	<b>129.3%</b>	<b>100.0%</b>	<b>144 184</b>	<b>157 234</b>	<b>171 512</b>	<b>9.1%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

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

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/ Budget (%) 2014/15 - 2017/18	
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
R thousand										
<b>Revenue</b>										
<b>Non-tax revenue</b>		240	1 035	1 747	1 314	1 548	30 957	10 203	102 526	988.7%
Sale of goods and services other than capital assets		-	-	-	-	-	30 420	8 500	96 150	1 489.1%
of which:										
Administrative fees		-	-	-	-	-	30 420	8 500	96 150	1 489.1%
Community scheme levy income		-	-	-	-	-	30 392	8 500	96 100	1 488.1%
Dispute resolution service income		-	-	-	-	-	28	-	50	-
Other non-tax revenue		240	1 035	1 747	1 314	1 548	537	1 703	6 376	176.8%
<b>Transfers received</b>		40 000	40 000	39 521	39 521	23 920	30 029	29 400	29 400	104.6%
<b>Total revenue</b>		40 240	41 035	41 268	40 835	25 468	60 986	39 603	131 926	187.5%

**Table 38.24 Community Schemes Ombud Service 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 (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<b>Expenses</b>									
<b>Current expenses</b>	<b>40 239</b>	<b>10 940</b>	<b>41 268</b>	<b>55 169</b>	<b>40 059</b>	<b>45 181</b>	<b>39 603</b>	<b>131 926</b>	<b>150.9%</b>
Compensation of employees	27 145	5 670	14 652	30 464	31 204	31 204	33 700	56 934	116.5%
Goods and services	12 829	5 080	26 616	21 243	8 855	13 977	5 903	68 992	201.6%
Depreciation	265	190	–	3 462	–	–	–	6 000	3 642.3%
<b>Total expenses</b>	<b>40 239</b>	<b>10 940</b>	<b>41 268</b>	<b>55 169</b>	<b>40 059</b>	<b>45 181</b>	<b>39 603</b>	<b>131 926</b>	<b>150.9%</b>
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>30 095</b>	<b>–</b>	<b>(14 334)</b>	<b>(14 591)</b>	<b>15 805</b>	<b>–</b>	<b>–</b>	
<b>Statement of financial position</b>									
Carrying value of assets	–	2 297	5 650	8 661	6 029	4 642	6 446	7 646	128.3%
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>2 088</i>	<i>(2 487)</i>	<i>(4 207)</i>	<i>(9 844)</i>	<i>(4 028)</i>	<i>(314)</i>	<i>–</i>	<i>(4 000)</i>	<i>270.8%</i>
Inventory	–	196	196	189	216	–	238	–	59.2%
Receivables and prepayments	–	273	249	783	249	14 701	249	701	2 203.2%
Cash and cash equivalents	–	28 993	13 193	10 399	13 193	16 890	13 193	30 581	219.5%
<b>Total assets</b>	<b>–</b>	<b>31 759</b>	<b>19 288</b>	<b>20 032</b>	<b>19 687</b>	<b>36 233</b>	<b>20 126</b>	<b>38 928</b>	<b>214.8%</b>
Accumulated surplus/(deficit)	–	30 094	17 029	15 761	14 504	31 566	12 055	35 633	259.4%
Capital and reserves	–	–	778	–	3 607	–	6 391	–	–
Borrowings	–	55	–	–	–	–	–	–	–
Finance lease	–	619	–	888	–	770	–	888	–
Trade and other payables	–	682	1 152	2 454	1 226	2 677	1 307	1 307	193.2%
Provisions	–	309	329	929	350	1 140	373	1 100	330.6%
Derivatives financial instruments	–	–	–	–	–	80	–	–	–
<b>Total equity and liabilities</b>	<b>–</b>	<b>31 759</b>	<b>19 288</b>	<b>20 032</b>	<b>19 687</b>	<b>36 233</b>	<b>20 126</b>	<b>38 928</b>	<b>214.8%</b>

**Statements of estimates of financial performance and position****Table 38.25 Community Schemes Ombud Service 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 (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>102 526</b>	<b>362.7%</b>	<b>33.6%</b>	<b>113 079</b>	<b>124 387</b>	<b>136 826</b>	<b>10.1%</b>	<b>78.8%</b>	
Sale of goods and services other than capital assets	96 150	–	30.7%	105 765	116 342	127 976	10.0%	73.7%	
<i>of which:</i>									
<i>Administrative fees</i>	<i>96 150</i>	<i>–</i>	<i>30.7%</i>	<i>105 765</i>	<i>116 342</i>	<i>127 976</i>	<i>10.0%</i>	<i>73.7%</i>	
<i>Community scheme levy income</i>	<i>96 100</i>	<i>–</i>	<i>30.7%</i>	<i>105 710</i>	<i>116 281</i>	<i>127 909</i>	<i>10.0%</i>	<i>73.7%</i>	
<i>Dispute resolution service income</i>	<i>50</i>	<i>–</i>	<i>0.0%</i>	<i>55</i>	<i>61</i>	<i>67</i>	<i>10.3%</i>	<i>0.0%</i>	
Other non-tax revenue	6 376	83.3%	2.9%	7 314	8 045	8 850	11.5%	5.0%	
<b>Transfers received</b>	<b>29 400</b>	<b>-9.8%</b>	<b>66.4%</b>	<b>31 105</b>	<b>32 847</b>	<b>34 686</b>	<b>5.7%</b>	<b>21.2%</b>	
<b>Total revenue</b>	<b>131 926</b>	<b>47.6%</b>	<b>100.0%</b>	<b>144 184</b>	<b>157 234</b>	<b>171 512</b>	<b>9.1%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>131 926</b>	<b>129.3%</b>	<b>100.0%</b>	<b>144 184</b>	<b>157 234</b>	<b>171 512</b>	<b>9.1%</b>	<b>100.0%</b>	
Compensation of employees	56 934	115.7%	54.8%	62 626	68 888	75 777	10.0%	43.6%	
Goods and services	68 992	138.6%	42.0%	74 958	81 086	87 750	8.3%	51.8%	
Depreciation	6 000	216.1%	3.1%	6 600	7 260	7 986	10.0%	4.6%	
<b>Total expenses</b>	<b>131 926</b>	<b>129.3%</b>	<b>100.0%</b>	<b>144 184</b>	<b>157 234</b>	<b>171 512</b>	<b>9.1%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>–</b>			<b>–</b>	<b>–</b>	<b>–</b>			
<b>Statement of financial position</b>									
Carrying value of assets	7 646	49.3%	20.7%	7 915	8 323	9 156	6.2%	20.4%	
<i>of which:</i>									
<i>Acquisition of assets</i>	<i>(4 000)</i>	<i>17.2%</i>	<i>-17.0%</i>	<i>(3 165)</i>	<i>(2 113)</i>	<i>(2 324)</i>	<i>-16.6%</i>	<i>-7.2%</i>	
Inventory	–	-100.0%	0.4%	262	–	–	–	0.2%	
Receivables and prepayments	701	36.9%	11.8%	701	715	715	0.7%	1.8%	
Cash and cash equivalents	30 581	1.8%	67.1%	30 581	32 110	32 110	1.6%	77.6%	
<b>Total assets</b>	<b>38 928</b>	<b>7.0%</b>	<b>100.0%</b>	<b>39 459</b>	<b>41 148</b>	<b>41 981</b>	<b>2.5%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	35 633	5.8%	88.0%	35 817	37 690	38 523	2.6%	76.8%	
Capital and reserves	–	–	–	18 659	19 704	–	–	16.2%	
Finance lease	888	12.8%	2.7%	888	888	888	–	1.8%	
Trade and other payables	1 307	24.2%	6.3%	1 392	1 470	1 470	4.0%	2.9%	
Provisions	1 100	52.7%	2.9%	1 100	1 100	1 100	–	2.3%	
<b>Total equity and liabilities</b>	<b>38 928</b>	<b>7.0%</b>	<b>100.0%</b>	<b>57 856</b>	<b>60 852</b>	<b>41 981</b>	<b>2.5%</b>	<b>100.0%</b>	

## Personnel information

**Table 38.26 Community Schemes Ombud Service personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)				
		2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21			
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost	Unit cost
Community Schemes Ombud Service	81	81	40	31.2	0.8	75	56.9	0.8	76	62.6	0.8	80	68.9	0.9	80	75.8	0.9	10.0%	100.0%
Salary level																			
1 – 6	23	23	3	0.3	0.1	19	1.8	0.1	19	2.0	0.1	19	2.2	0.1	19	2.4	0.1	10.0%	24.5%
7 – 10	18	18	7	2.8	0.4	17	8.4	0.5	17	9.2	0.5	19	7.8	0.4	19	8.5	0.4	0.7%	23.1%
11 – 12	19	19	13	8.5	0.7	19	16.3	0.9	19	17.9	0.9	19	19.7	1.0	19	21.7	1.1	10.0%	24.5%
13 – 16	19	19	15	15.9	1.1	18	25.8	1.4	19	28.5	1.5	21	33.8	1.6	21	37.1	1.8	12.9%	25.4%
17 – 22	2	2	2	3.7	1.8	2	4.7	2.3	2	5.0	2.5	2	5.5	2.8	2	6.1	3.0	9.2%	2.6%

1. Rand million.

## Estate Agency Affairs Board

### Mandate

The Estate Agency Affairs Board was established in terms of the Estate Agency Affairs Act (1976). In terms of the act, the board is mandated 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 38.27 Estate Agency Affairs Board performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of estate agents inspected for compliance with accreditation standards per year	Compliance	Entity mandate	59 578	55 000	57 000	57 500	61 525	65 832	70 440
Number of complaints received, investigated and resolved per year	Compliance		1 076	3 131	6 857	5 000	4 750	4 512	4 287
Number of Fidelity Fund certificate renewals per year	Compliance		33 696	36 561	43 395	44 453	49 899	53 392	57 129
Number of estate agencies inspected per year	Compliance		1 107	474	63	600	700	800	800
Value of claims recoveries per year	Compliance		R3.5m	R2.5m	R9.7m	R3m	R24m	R25.7m	R27.5m
Number of non-principal agents enrolled for the national qualifications framework level 4 professional designation examination per year	Education and training		614	1 526	911	1 000	1 070	1 145	1 225
Number of principal agents enrolled for the national qualifications framework level 5 professional designation examination per year	Education and training	158	324	139	300	321	343	368	
Number of candidates enrolled on the continuous professional development programme per year	Education and training	8 691	9 000	13 856	21 465	15 000	16 050	17 174	

### Expenditure analysis

The Estate Agency Affairs Board will continue to focus on enforcing compliance with legislation and regulations, and improving the quality of the service provided by professional estate agents over the medium term.

The board expects to receive and investigate 13 549 complaints, and conduct inspections on 2 300 estate agencies over the medium term. Expenditure on enforcing these compliance measures is expected to increase from R33.9 million in 2017/18 to R45.8 million in 2020/21. The board will also aim to intensify its focus on developing professional services by enrolling 3 440 non-principal estate agents for the national qualification framework level 4 professional designation examination and 1 032 principal estate agents for the national

qualification framework level 5 professional designation examination. Spending on these activities is expected to increase from R16.6 million in 2018/19 to R19 million in 2020/21.

The implementation of more effective compliance measures and actions to attain greater professionalism in the industry is labour intensive, and is expected to lead to an increase in the number of personnel from 114 in 2017/18 to 120 in 2020/21. As a result, expenditure on compensation of employees is expected to increase from R91.2 million in 2017/18 to R104.5 million in 2020/21, at an average annual rate of 4.6 per cent. The board's total expenditure is set to increase from R140.5 million in 2017/18 to R160.5 million in 2020/21.

The board generates revenue mainly from levies and contributions from estate agents, management fees for the administration of the Estate Agents Fidelity Fund, and examination fees. Total revenue is expected to increase from R146 million in 2017/18 to R164.7 million in 2020/21, at an average annual rate of 4.1 per cent.

### Programmes/objectives/activities

**Table 38.28 Estate Agency Affairs Board expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18 - 2020/21	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	55 178	61 454	119 208	85 674	15.8%	59.8%	82 969	89 422	95 692	3.8%	59.9%
Compliance	32 323	29 844	30 796	33 915	1.6%	25.2%	39 973	42 770	45 765	10.5%	27.5%
Education and training	9 770	24 132	25 136	20 915	28.9%	15.0%	16 619	17 783	19 028	-3.1%	12.6%
<b>Total</b>	<b>97 271</b>	<b>115 430</b>	<b>175 140</b>	<b>140 504</b>	<b>13.0%</b>	<b>100.0%</b>	<b>139 561</b>	<b>149 975</b>	<b>160 484</b>	<b>4.5%</b>	<b>100.0%</b>

### Statements of historical financial performance

**Table 38.29 Estate Agency Affairs Board statements of historical financial performance**

Statement of financial performance									
R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>92 073</b>	<b>94 669</b>	<b>118 364</b>	<b>115 568</b>	<b>131 048</b>	<b>118 778</b>	<b>145 987</b>	<b>146 048</b>	<b>97.5%</b>
Sale of goods and services other than capital assets	84 563	80 585	106 701	104 215	116 521	106 269	130 482	130 543	96.2%
<i>of which:</i>									
Administrative fees	–	51 409	51 493	51 681	52 272	55 103	53 130	53 191	134.7%
Sales by market establishment	84 563	29 176	55 208	52 534	64 249	51 166	77 352	77 352	74.7%
Contributions	77 565	17 546	35 999	18 067	30 760	20 971	30 216	30 216	49.7%
Examinations	6 998	11 630	19 209	34 467	33 489	30 195	47 136	47 136	115.5%
Other non-tax revenue	7 510	14 084	11 663	11 353	14 527	12 509	15 505	15 505	108.6%
<b>Total revenue</b>	<b>92 073</b>	<b>94 669</b>	<b>118 364</b>	<b>115 568</b>	<b>131 048</b>	<b>118 778</b>	<b>145 987</b>	<b>146 048</b>	<b>97.5%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>90 693</b>	<b>97 271</b>	<b>113 322</b>	<b>115 430</b>	<b>128 120</b>	<b>175 140</b>	<b>142 533</b>	<b>140 504</b>	<b>111.3%</b>
Compensation of employees	54 658	54 646	73 058	66 870	81 788	73 908	88 256	91 212	96.3%
Goods and services	32 359	39 414	35 266	45 028	41 433	97 143	48 196	43 211	143.0%
Depreciation	3 676	3 211	4 998	3 532	4 899	4 089	6 081	6 081	86.1%
<b>Total expenses</b>	<b>90 693</b>	<b>97 271</b>	<b>113 322</b>	<b>115 430</b>	<b>128 120</b>	<b>175 140</b>	<b>142 533</b>	<b>140 504</b>	<b>111.3%</b>
<b>Surplus/(Deficit)</b>	<b>1 380</b>	<b>(2 602)</b>	<b>5 042</b>	<b>138</b>	<b>2 928</b>	<b>(56 363)</b>	<b>3 454</b>	<b>5 545</b>	

### Statements of estimates of financial performance

**Table 38.30 Estate Agency Affairs Board statements of estimates of financial performance**

Statement of financial performance								
R thousand	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/Total (%) 2017/18 - 2020/21	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/Total (%) 2017/18 - 2020/21
				2018/19	2019/20	2020/21		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>146 048</b>	<b>15.5%</b>	<b>100.0%</b>	<b>143 874</b>	<b>153 946</b>	<b>164 723</b>	<b>4.1%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	130 543	17.4%	88.5%	131 474	140 677	150 525	4.9%	90.9%
<i>of which:</i>								
Administrative fees	53 191	1.1%	45.5%	56 042	59 965	64 162	6.5%	38.3%
Sales by market establishment	77 352	38.4%	43.1%	75 432	80 712	86 363	3.7%	52.6%
Contributions	30 216	19.9%	18.1%	32 332	32 332	32 332	2.3%	20.9%
Examinations	47 136	59.4%	25.0%	50 435	50 435	50 435	2.3%	32.7%
Other non-tax revenue	15 505	3.3%	11.5%	12 400	13 269	14 198	-2.9%	9.1%
<b>Total revenue</b>	<b>146 048</b>	<b>15.5%</b>	<b>100.0%</b>	<b>143 874</b>	<b>153 946</b>	<b>164 723</b>	<b>4.1%</b>	<b>100.0%</b>

**Table 38.30 Estate Agency Affairs Board statements of estimates of financial performance**

Statement of financial performance		Average growth rate (%)	Average: Expenditure/ Total (%)	Medium-term estimate			Average growth rate (%)	Average: Expenditure/ Total (%)
	Revised estimate	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand	2017/18							
<b>Expenses</b>								
<b>Current expenses</b>	<b>140 504</b>	<b>13.0%</b>	<b>100.0%</b>	<b>139 560</b>	<b>149 975</b>	<b>160 484</b>	<b>4.5%</b>	<b>100.0%</b>
Compensation of employees	91 212	18.6%	55.3%	90 657	97 639	104 473	4.6%	65.0%
Goods and services	43 211	3.1%	41.4%	42 397	45 907	49 133	4.4%	30.6%
Depreciation	6 081	23.7%	3.3%	6 506	6 429	6 879	4.2%	4.4%
<b>Total expenses</b>	<b>140 504</b>	<b>13.0%</b>	<b>100.0%</b>	<b>139 560</b>	<b>149 975</b>	<b>160 484</b>	<b>4.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>5 545</b>			<b>4 314</b>	<b>3 972</b>	<b>4 239</b>		

**Personnel information****Table 38.31 Estate Agency Affairs Board personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)				
		2016/17		2017/18		2018/19		2019/20		2020/21		2017/18 - 2020/21							
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
<b>Estate Agency Affairs Board</b>																			
Salary level	135	135	109	73.9	0.7	114	91.2	0.8	120	90.7	0.8	120	97.6	0.8	120	104.5	0.9	4.6%	100.0%
1 – 6	7	7	2	0.3	0.1	5	0.7	0.1	6	1.0	0.2	6	1.1	0.2	6	1.2	0.2	16.8%	4.8%
7 – 10	54	54	41	13.4	0.3	41	15.3	0.4	47	16.8	0.4	47	18.0	0.4	47	19.2	0.4	7.9%	38.4%
11 – 12	47	47	42	26.8	0.6	42	32.5	0.8	43	33.0	0.8	43	35.3	0.8	43	37.8	0.9	5.2%	36.1%
13 – 16	24	24	21	27.0	1.3	23	35.4	1.5	22	34.4	1.6	22	37.4	1.7	22	40.0	1.8	4.1%	18.8%
17 – 22	3	3	3	6.4	2.1	3	7.2	2.4	2	5.4	2.7	2	5.8	2.9	2	6.2	3.1	-4.7%	1.9%

1. Rand million.

**Estate Agents Fidelity Fund****Expenditure analysis**

The fund's expenditure is expected to increase from R85.6 million in 2017/18 to R129 million in 2020/21, largely driven by an increase in the number of claims paid out, transformation costs and consumer awareness campaigns.

The fund's financial position over the MTEF period is expected to remain sustainable, with provisions for outstanding claims increasing to R1.7 million by 2020/21. Net assets are expected to increase from R619 million in 2017/18 to R688 million, by 2020/21 at an average annual rate of 3.6 per cent.

The fund derives its revenue from administrative fees, such as interest earned on trust accounts, claims recovered and sales by market establishments related to fair value adjustments. Revenue is expected to increase at an average annual rate of 9.2 per cent, from R135.8 million in 2017/18 to R176.8 million in 2020/21, largely driven by an increase in the number of estate agents registered or renewing fund certificates.

**Programmes/objectives/activities****Table 38.32 Estate Agents Fidelity Fund 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 (%)
R thousand	2014/15	2015/16	2016/17	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
Administration	69 904	70 209	89 648	85 595	7.0%	100.0%	112 704	120 593	129 035	14.7%	100.0%
<b>Total</b>	<b>69 904</b>	<b>70 209</b>	<b>89 648</b>	<b>85 595</b>	<b>7.0%</b>	<b>100.0%</b>	<b>112 704</b>	<b>120 593</b>	<b>129 035</b>	<b>14.7%</b>	<b>100.0%</b>

**Statements of historical financial performance and position****Table 38.33 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 (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>76 340</b>	<b>83 134</b>	<b>86 152</b>	<b>85 437</b>	<b>88 940</b>	<b>121 943</b>	<b>103 064</b>	<b>135 803</b>	<b>120.3%</b>
Sale of goods and services other than capital assets	41 070	53 324	48 918	56 667	57 745	108 662	68 582	130 121	161.2%
<i>of which:</i>									
Administrative fees	24 786	32 906	26 700	35 417	33 971	52 262	38 626	42 565	131.5%
Sales by market establishment	8 142	10 209	11 109	10 625	11 887	28 200	14 978	43 778	201.3%
Other non-tax revenue	35 270	29 810	37 234	28 770	31 195	13 281	34 482	5 682	56.1%
<b>Total revenue</b>	<b>76 340</b>	<b>83 134</b>	<b>86 152</b>	<b>85 437</b>	<b>88 940</b>	<b>121 943</b>	<b>103 064</b>	<b>135 803</b>	<b>120.3%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>67 629</b>	<b>69 904</b>	<b>74 374</b>	<b>70 209</b>	<b>75 845</b>	<b>89 648</b>	<b>75 150</b>	<b>85 595</b>	<b>107.6%</b>
Goods and services	67 629	69 294	74 374	69 754	75 073	89 596	74 550	84 995	107.5%
Interest, dividends and rent on land	–	610	–	455	772	52	600	600	125.1%
<b>Total expenses</b>	<b>67 629</b>	<b>69 904</b>	<b>74 374</b>	<b>70 209</b>	<b>75 845</b>	<b>89 648</b>	<b>75 150</b>	<b>85 595</b>	<b>107.6%</b>
<b>Surplus/(Deficit)</b>	<b>8 711</b>	<b>13 230</b>	<b>11 778</b>	<b>15 228</b>	<b>13 095</b>	<b>32 295</b>	<b>27 914</b>	<b>50 208</b>	
<b>Statement of financial position</b>									
Investments	642 520	508 651	566 080	138 260	130 716	570 371	348 000	621 900	109.0%
Receivables and prepayments	12 004	3 119	15 554	11 842	13 523	6 722	3 571	3 571	56.6%
Cash and cash equivalents	3 048	85 407	6 246	457 824	468 487	33 423	276 196	7 424	77.5%
<b>Total assets</b>	<b>657 572</b>	<b>597 177</b>	<b>587 880</b>	<b>607 926</b>	<b>612 726</b>	<b>610 516</b>	<b>627 767</b>	<b>632 895</b>	<b>98.5%</b>
Accumulated surplus/(deficit)	640 236	574 235	572 811	578 838	591 015	591 015	613 903	619 031	97.7%
Trade and other payables	–	9 108	7 687	14 692	12 805	10 489	7 763	7 763	148.8%
Provisions	551	1 337	4 257	67	4 546	–	1 500	1 500	26.8%
Managed funds (e.g. poverty alleviation fund)	–	12 497	3 125	14 329	4 360	9 012	4 601	4 601	334.6%
Derivatives financial instruments	8 560	–	–	–	–	–	–	–	–
<b>Total equity and liabilities</b>	<b>649 347</b>	<b>597 177</b>	<b>587 880</b>	<b>607 926</b>	<b>612 726</b>	<b>610 516</b>	<b>627 767</b>	<b>632 895</b>	<b>98.8%</b>

**Statements of estimates of financial performance and position****Table 38.34 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 (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>135 803</b>	<b>17.8%</b>	<b>100.0%</b>	<b>134 227</b>	<b>143 623</b>	<b>176 812</b>	<b>9.2%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	130 121	34.6%	78.8%	118 471	126 764	158 773	6.9%	90.5%	
<i>of which:</i>									
Administrative fees	42 565	9.0%	38.8%	66 212	70 847	75 807	21.2%	43.2%	
Sales by market establishment	43 778	62.5%	20.0%	36 233	38 769	41 483	-1.8%	27.4%	
Other non-tax revenue	5 682	-42.4%	21.2%	15 756	16 859	18 039	47.0%	9.5%	
<b>Total revenue</b>	<b>135 803</b>	<b>17.8%</b>	<b>100.0%</b>	<b>134 227</b>	<b>143 623</b>	<b>176 812</b>	<b>9.2%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>85 595</b>	<b>7.0%</b>	<b>100.0%</b>	<b>112 704</b>	<b>120 593</b>	<b>129 035</b>	<b>14.7%</b>	<b>100.0%</b>	
Goods and services	84 995	7.0%	99.4%	112 062	119 906	128 300	14.7%	99.4%	
Interest, dividends and rent on land	600	-0.5%	0.6%	642	687	735	7.0%	0.6%	
<b>Total expenses</b>	<b>85 595</b>	<b>7.0%</b>	<b>100.0%</b>	<b>112 704</b>	<b>120 593</b>	<b>129 035</b>	<b>14.7%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>50 208</b>			<b>21 523</b>	<b>23 030</b>	<b>47 777</b>			
<b>Statement of financial position</b>									
Investments	621 900	6.9%	74.9%	637 208	662 752	690 085	3.5%	98.6%	
Receivables and prepayments	3 571	4.6%	1.0%	3 821	4 088	4 375	7.0%	0.6%	
Cash and cash equivalents	7 424	-55.7%	24.1%	4 339	4 643	4 968	-12.5%	0.8%	
<b>Total assets</b>	<b>632 895</b>	<b>2.0%</b>	<b>100.0%</b>	<b>645 368</b>	<b>671 483</b>	<b>699 428</b>	<b>3.4%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	619 031	2.5%	96.5%	656 876	702 857	688 014	3.6%	98.2%	
Trade and other payables	7 763	-5.2%	1.7%	4 763	5 096	5 096	-13.1%	0.8%	
Provisions	1 500	3.9%	0.1%	1 500	1 605	1 717	4.6%	0.2%	
Managed funds (e.g. poverty alleviation fund)	4 601	-28.3%	1.7%	4 601	4 601	4 601	–	0.7%	
<b>Total equity and liabilities</b>	<b>632 895</b>	<b>2.0%</b>	<b>100.0%</b>	<b>667 740</b>	<b>714 159</b>	<b>699 428</b>	<b>3.4%</b>	<b>100.0%</b>	

1. Rand million.

## Housing Development Agency

### Mandate

The Housing Development Agency was established in terms of the Housing Development Agency Act (2008). The agency 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 agency provides provinces and municipalities with project, technical and land geospatial services; and promotes intergovernmental relations for the accelerated development of human settlements.

### Selected performance indicators

**Table 38.35 Housing Development Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/Objective/Activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of national priority programmes provided with programme management and technical support per year	Development management operation	Outcome 8: Sustainable human settlements and improved quality of household life	1	3	4	3	4	4	5
Number of priority projects assessed and ready for implementation per year	Development management operation		- <sup>1</sup>	- <sup>1</sup>	5	10	15	20	- <sup>2</sup>
Number of informal settlements interventions supported per year	Development management operation		- <sup>1</sup>	5	5	5	5	5	5
Number of hectares of well located land released for human settlements development per year	Built environment and operation		3 698	3 559	3 288	2 500	3 000	3 000	2 000
Number of provinces provided with project, technical and land geospatial services per year	Built environment and operation		7	9	9	9	9	9	9

1. No historical data available.

2. Target expected to be achieved by 2019/20.

### Expenditure analysis

The focus of the Housing Development Agency over the medium term will be on facilitating and implementing catalytic projects led by government and the private sector, rezoning and releasing hectares of well located land for new housing developments, and upgrading informal settlements in identified mining towns through the rollout of the national upgrading support programme. This is in line with the NDP's vision of transformed 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.

Over the MTEF period, the agency plans to assess 35 priority projects for implementation readiness and facilitate the release of 8 000 hectares of well located land for the development of human settlements in the built environment and operations programme. The agency's focus on project, technical and geospatial interventions across all provinces, for catalytic projects and other human settlements developments, is expected to drive an increase in expenditure from R550.6 million in 2017/18 to R647.3 million in 2020/21.

The agency's staff complement is expected to increase from 182 in 2017/18 to 267 in 2020/21 as it increases its internal capacity and support services to the human settlements sector. Spending on compensation of employees is expected to increase at an average annual rate of 5.6 per cent, from R199.4 million in 2017/18 to R234.8 million in 2020/21.

The agency is expected to receive 38.3 per cent (R705 million) of its total revenue over the medium term through transfers from the department. The remainder of the agency's revenue is generated through project and programme fees for work it undertakes on behalf of provinces and municipalities. Total revenue is expected to increase at an average annual rate of 5.5 per cent, from R550.6 million in 2017/18 to R647.3 million over the medium term.

**Programmes/objectives/activities****Table 38.36 Housing Development Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	48 403	51 050	54 824	74 344	15.4%	22.7%	78 582	82 982	87 546	5.6%	13.5%
Strategic support	24 252	21 059	26 558	48 504	26.0%	11.2%	50 770	53 613	56 562	5.3%	8.8%
Development management operation	91 161	62 092	48 361	255 257	40.9%	38.2%	269 807	284 916	300 586	5.6%	46.4%
Built environment and operation	–	64 718	119 724	172 489	–	28.0%	182 321	192 531	202 610	5.5%	31.3%
<b>Total</b>	<b>163 816</b>	<b>198 919</b>	<b>249 467</b>	<b>550 594</b>	<b>49.8%</b>	<b>100.0%</b>	<b>581 480</b>	<b>614 042</b>	<b>647 304</b>	<b>5.5%</b>	<b>100.0%</b>

**Statements of historical financial performance****Table 38.37 Housing Development Agency statements of historical financial performance**

R thousand	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average Outcome/ Budget (%) 2014/15 - 2017/18
	Budget	2014/15	Budget	2015/16	Budget	2016/17			
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>47 328</b>	<b>42 824</b>	<b>335 984</b>	<b>70 537</b>	<b>114 778</b>	<b>68 243</b>	<b>152 377</b>	<b>339 926</b>	<b>80.2%</b>
Sale of goods and services other than capital assets	44 303	39 227	320 264	54 963	110 828	66 169	148 200	318 652	76.8%
<i>of which:</i>									
Administrative fees	2 837	3 493	9 838	11 388	57 903	31 366	90 943	33 409	49.3%
Sales by market establishment	41 466	35 734	310 426	43 575	52 925	34 803	57 257	285 243	86.4%
Other non-tax revenue	3 025	3 597	15 720	15 574	3 950	2 074	4 177	21 274	158.2%
<b>Transfers received</b>	<b>101 047</b>	<b>114 996</b>	<b>176 183</b>	<b>119 293</b>	<b>167 512</b>	<b>167 512</b>	<b>210 668</b>	<b>210 668</b>	<b>93.4%</b>
<b>Total revenue</b>	<b>148 375</b>	<b>157 820</b>	<b>512 167</b>	<b>189 830</b>	<b>282 290</b>	<b>235 755</b>	<b>363 045</b>	<b>550 594</b>	<b>86.8%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>148 375</b>	<b>163 816</b>	<b>512 167</b>	<b>198 919</b>	<b>282 290</b>	<b>249 467</b>	<b>363 045</b>	<b>550 594</b>	<b>89.0%</b>
Compensation of employees	92 836	81 565	105 936	90 376	150 690	150 690	196 495	199 416	95.6%
Goods and services	52 833	79 754	404 796	106 631	129 887	97 064	164 731	349 647	84.2%
Depreciation	2 423	2 280	1 244	1 744	1 641	1 641	1 742	1 479	101.3%
Interest, dividends and rent on land	283	217	191	168	72	72	77	52	81.7%
<b>Total expenses</b>	<b>148 375</b>	<b>163 816</b>	<b>512 167</b>	<b>198 919</b>	<b>282 290</b>	<b>249 467</b>	<b>363 045</b>	<b>550 594</b>	<b>89.0%</b>
<b>Surplus/(Deficit)</b>	<b>–</b>	<b>(5 996)</b>	<b>–</b>	<b>(9 089)</b>	<b>–</b>	<b>(13 712)</b>	<b>–</b>	<b>–</b>	

**Statements of estimates of financial performance****Table 38.38 Housing Development Agency statements of estimates of financial performance**

R thousand	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average Expenditure/ Total (%) 2017/18	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average Expenditure/ Total (%) 2017/18 - 2020/21
				2018/19	2019/20	2020/21		
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>339 926</b>	<b>99.5%</b>	<b>38.7%</b>	<b>359 302</b>	<b>379 087</b>	<b>399 426</b>	<b>5.5%</b>	<b>61.7%</b>
Sale of goods and services other than capital assets	318 652	101.0%	34.9%	336 815	355 677	375 239	5.6%	57.9%
<i>of which:</i>								
Administrative fees	33 409	112.3%	6.9%	35 313	37 291	39 342	5.6%	6.1%
Sales by market establishment	285 243	99.9%	28.0%	301 502	318 386	335 897	5.6%	51.8%
Other non-tax revenue	21 274	80.8%	3.8%	22 487	23 410	24 187	4.4%	3.8%
<b>Transfers received</b>	<b>210 668</b>	<b>22.4%</b>	<b>61.3%</b>	<b>222 177</b>	<b>234 955</b>	<b>247 878</b>	<b>5.6%</b>	<b>38.3%</b>
<b>Total revenue</b>	<b>550 594</b>	<b>51.7%</b>	<b>100.0%</b>	<b>581 479</b>	<b>614 042</b>	<b>647 304</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>550 594</b>	<b>49.8%</b>	<b>100.0%</b>	<b>581 479</b>	<b>614 042</b>	<b>647 304</b>	<b>5.5%</b>	<b>100.0%</b>
Compensation of employees	199 416	34.7%	48.0%	210 783	222 587	234 829	5.6%	36.2%
Goods and services	349 647	63.7%	51.2%	369 091	389 760	411 197	5.6%	63.5%
Depreciation	1 479	-13.4%	0.8%	1 563	1 651	1 232	-5.9%	0.2%
Interest, dividends and rent on land	52	-37.9%	0.1%	42	45	47	-3.2%	0.0%
<b>Total expenses</b>	<b>550 594</b>	<b>49.8%</b>	<b>100.0%</b>	<b>581 479</b>	<b>614 042</b>	<b>647 304</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>–</b>			<b>–</b>	<b>–</b>	<b>–</b>		

**Personnel information****Table 38.39 Housing Development Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts on approved establishment	Housing Development Agency	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Average: Salary level/Total (%)			
			2016/17			2017/18			2018/19		2019/20		2020/21				2017/18 - 2020/21		
			Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost				Number	Cost
Salary level	251	253	168	150.7	0.9	182	199.4	1.1	258	210.8	0.8	262	222.6	0.8	267	234.8	0.9	5.6%	100.0%
1-6	11	11	11	1.6	0.1	11	1.9	0.2	11	2.0	0.2	11	2.1	0.2	11	2.2	0.2	4.8%	4.7%
7-10	130	131	80	32.4	0.4	81	38.3	0.5	134	38.8	0.3	136	41.0	0.3	138	43.4	0.3	4.2%	50.0%
11-12	26	26	26	17.8	0.7	26	21.5	0.8	26	22.1	0.8	26	23.4	0.9	26	24.7	0.9	4.8%	11.0%
13-16	45	45	45	88.1	2.0	45	66.2	1.5	45	134.8	3.0	45	142.2	3.2	45	150.0	3.3	31.3%	19.0%
17-22	39	40	6	10.8	1.8	19	71.5	3.8	42	13.1	0.3	44	13.9	0.3	47	14.6	0.3	-41.1%	15.3%

1. Rand million.

**National Housing Finance Corporation****Mandate**

The National Housing Finance Corporation was established in 1996. 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, including rental housing and home ownership.

**Selected performance indicators****Table 38.40 National Housing Finance Corporation performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of housing opportunities facilitated through disbursements per year <sup>1</sup>	Strategic investment	Outcome 8: Sustainable human settlements and improved quality of household life	136	182	126	319	205	188	- <sup>2</sup>
Number of housing opportunities facilitated through leveraged funds per year	Strategic investment		542	912	1 090	1 278	410	750	750
Value of funds disbursed per year	Strategic investment		R247m	R77m	R66m	R164m	R102m	R94m	- <sup>1</sup>
Value of funds leveraged from the private sector per year <sup>1</sup>	Strategic investment		R236m	R392m	R472m	R648m	R410m	R375m	R380m
Number of housing opportunities facilitated through disbursements per year <sup>1</sup>	Lending		3 876	1 241	2 599	2 425	1 302	1 296	1 800
Number of housing opportunities facilitated through leveraged funds per year <sup>1</sup>	Lending		4 558	28 051	32 338	2 920	3 154	3 406	3 679
Value of funds disbursed per year <sup>2</sup>	Lending		R482m	R164m	R240m	R226m	R325m	R225m	R247m
Value of funds leveraged from the private sector per year	Lending		R585m	R1.1bn	R1.2bn	R353m	R372m	R402m	R434m

1. Indicator discontinued.

2. Fluctuations due to project life cycle.

**Expenditure analysis**

The National Housing Finance Corporation's focus over the medium term continues to be on the provision of wholesale funding to the affordable housing sector through retail intermediaries such as social housing institutions and non-banking finance institutions. The corporation's focus contributes to the NDP's vision of transformed 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 corporation expects to fund 393 affordable housing units through loan disbursements in the strategic investment programme, amounting to R196 million over the MTEF period, and facilitate the provision of a further 1 910 affordable housing units through indirect investments to the value of R1.2 billion. The corporation is set to deliver housing finance through the facilitation and provision of wholesale and mortgage loan finance through the lending programme, and provide 14 637 social, private rental and incremental housing opportunities worth R2 billion over the medium term.

Over the MTEF period, the corporation will be merged with the Rural Housing Loan Fund and the National Urban Reconstruction and Housing Agency to create a consolidated development finance institution for human settlements. Cost containment measures effected as part of this organisational redesign are expected to lead to a marginal decrease in the corporation's expenditure over the MTEF period, from R241.1 million in 2017/18 to R240.1 million in 2020/21.

The corporation receives its revenue mainly from interest on loans, interest and dividends on investments, and rental income. Revenue is expected to increase from R423.1 million in 2017/18 to R510.6 million in 2020/21, at an average annual rate of 6.5 per cent. The corporation's balance sheet will be strengthened by an equity injection of R130 million over the medium term from the department.

### Programmes/objectives/activities

**Table 38.41 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 (%)
	2014/15	2015/16	2016/17				2017/18	2018/19	2019/20		
Administration	117 087	70 072	79 633	107 015	-3.0%	37.5%	106 508	110 592	117 252	3.1%	46.8%
Retail	12 335	(8 633)	3 105	7 462	-15.4%	1.6%	7 909	8 375	8 861	5.9%	3.5%
Strategic investment	1 902	5 207	938	1 078	-17.2%	0.8%	1 150	1 225	1 303	6.5%	0.5%
Lending	120 115	237 321	136 476	125 568	1.5%	60.0%	111 629	115 184	112 709	-3.5%	49.3%
<b>Total</b>	<b>251 439</b>	<b>303 967</b>	<b>220 151</b>	<b>241 123</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>227 196</b>	<b>235 376</b>	<b>240 126</b>	<b>-0.1%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 38.42 National Housing Finance Corporation 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 (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18 - 2017/18	
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>459 122</b>	<b>486 142</b>	<b>389 643</b>	<b>432 733</b>	<b>402 046</b>	<b>447 314</b>	<b>433 674</b>	<b>423 061</b>	<b>106.2%</b>
Sale of goods and services other than capital assets	429 630	448 303	331 392	372 102	339 742	367 560	387 379	347 492	103.2%
of which:									
Administrative fees	–	6 033	2 320	3 008	2 430	4 386	2 430	2 176	217.3%
Sales by market establishment	214 815	221 135	164 536	184 547	168 656	181 587	192 475	172 658	102.6%
Other non-tax revenue	29 492	37 839	58 251	60 631	62 304	79 754	46 295	75 569	129.3%
<b>Total revenue</b>	<b>459 122</b>	<b>486 142</b>	<b>399 524</b>	<b>466 657</b>	<b>402 046</b>	<b>447 314</b>	<b>433 674</b>	<b>423 061</b>	<b>107.6%</b>
<b>Expenses</b>									
<b>Current expenses</b>	<b>221 964</b>	<b>245 750</b>	<b>220 540</b>	<b>303 967</b>	<b>209 511</b>	<b>182 314</b>	<b>219 508</b>	<b>241 123</b>	<b>111.7%</b>
Compensation of employees	76 467	107 642	65 533	51 209	67 002	70 675	70 081	75 039	109.1%
Goods and services	105 749	115 303	133 521	229 844	123 081	91 869	131 771	148 342	118.5%
Depreciation	1 030	965	–	1 385	–	–	–	–	228.3%
Interest, dividends and rent on land	38 719	21 840	21 486	21 529	19 429	19 770	17 656	17 742	83.1%
<b>Total expenses</b>	<b>229 902</b>	<b>251 438</b>	<b>220 540</b>	<b>303 967</b>	<b>216 677</b>	<b>220 151</b>	<b>226 592</b>	<b>241 123</b>	<b>113.8%</b>
<b>Surplus/(Deficit)</b>	<b>229 220</b>	<b>234 704</b>	<b>178 984</b>	<b>162 690</b>	<b>185 369</b>	<b>227 163</b>	<b>207 082</b>	<b>181 938</b>	
<b>Statement of financial position</b>									
Carrying value of assets	83 902	83 586	76 291	90 536	93 240	92 868	94 440	93 294	103.6%
of which:									
Acquisition of assets	–	(1 987)	–	(822)	–	(1 016)	–	(2 748)	–
Investments	1 078 551	531 415	528 034	733 405	745 637	896 918	751 035	884 827	98.2%
Inventory	169 810	190 438	114 927	95 694	101 487	72 844	76 722	64 030	91.4%
Loans	2 567 732	2 066 927	2 078 089	1 808 724	2 005 807	1 818 984	2 187 128	2 061 240	87.7%
Receivables and prepayments	32 332	7 372	8 649	8 637	13 761	10 650	13 899	21 870	70.7%
Cash and cash equivalents	16 241	430 077	503 092	344 570	216 031	358 113	135 676	241 048	157.7%
Taxation	17 977	18 601	15 534	60 841	37 837	32 554	37 837	–	102.6%
<b>Total assets</b>	<b>3 966 545</b>	<b>3 328 416</b>	<b>3 324 616</b>	<b>3 142 407</b>	<b>3 213 800</b>	<b>3 282 931</b>	<b>3 296 737</b>	<b>3 366 308</b>	<b>95.1%</b>

**Table 38.42 National Housing Finance Corporation statements of historical financial performance and position**

Statement of financial position	Audited outcome		Audited outcome		Audited outcome		Budget estimate	Revised estimate	Average: Outcome/Budget (%)
	Budget		Budget		Budget				
R thousand	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
Accumulated surplus/(deficit)	1 272 551	1 339 232	1 353 721	1 317 379	1 334 091	1 362 954	1 348 698	1 372 233	101.6%
Capital and reserves	1 084 000	880 000	880 000	908 525	907 950	931 736	907 951	931 736	96.6%
Capital reserve fund	–	430 000	530 000	530 000	630 000	630 000	730 000	730 000	122.8%
Borrowings	707 319	295 754	265 018	283 360	249 696	249 274	217 302	216 379	72.6%
Trade and other payables	28 322	69 102	22 278	13 408	16 677	17 439	16 150	23 170	147.6%
Taxation	5 078	–	–	–	–	–	–	–	–
Provisions	12 348	62 421	16 382	11 142	16 006	19 034	16 006	17 549	181.3%
Managed funds (e.g. poverty alleviation fund)	856 926	193 220	203 847	44 883	25 668	39 225	27 465	41 971	28.7%
Derivatives financial instruments	–	58 686	53 370	33 711	33 711	33 269	33 165	33 269	132.2%
<b>Total equity and liabilities</b>	<b>3 966 545</b>	<b>3 328 415</b>	<b>3 324 616</b>	<b>3 142 408</b>	<b>3 213 799</b>	<b>3 282 931</b>	<b>3 296 737</b>	<b>3 366 307</b>	<b>95.1%</b>

**Statements of estimates of financial performance and position****Table 38.43 National Housing Finance Corporation statements of estimates of financial performance and position**

Statement of financial performance	Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Average: Expenditure/Total (%)
		2014/15 - 2017/18	Average: Expenditure/Total (%)	2018/19	2019/20	2020/21		
R thousand	2017/18	2014/15 - 2017/18	Average: Expenditure/Total (%)	2018/19	2019/20	2020/21	2017/18 - 2020/21	Average: Expenditure/Total (%)
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>423 061</b>	<b>-4.5%</b>	<b>98.2%</b>	<b>467 084</b>	<b>511 638</b>	<b>510 553</b>	<b>6.5%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	347 492	-8.1%	84.1%	402 183	458 392	459 200	9.7%	86.9%
<i>of which:</i>								
Administrative fees	2 176	-28.8%	0.8%	2 176	2 176	2 176	–	0.5%
Sales by market establishment	172 658	-7.9%	41.6%	184 300	218 550	228 512	9.8%	41.9%
Other non-tax revenue	75 569	25.9%	14.1%	64 900	53 245	51 353	-12.1%	13.1%
<b>Total revenue</b>	<b>423 061</b>	<b>-4.5%</b>	<b>100.0%</b>	<b>467 084</b>	<b>511 638</b>	<b>510 553</b>	<b>6.5%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>241 123</b>	<b>-0.6%</b>	<b>95.1%</b>	<b>227 196</b>	<b>235 376</b>	<b>240 126</b>	<b>-0.1%</b>	<b>100.0%</b>
Compensation of employees	75 039	-11.3%	30.7%	75 951	76 339	80 161	2.2%	32.6%
Goods and services	148 342	8.8%	56.2%	135 783	145 812	148 934	0.1%	61.3%
Interest, dividends and rent on land	17 742	-6.7%	8.0%	15 462	13 225	11 031	-14.7%	6.1%
<b>Total expenses</b>	<b>241 123</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>227 196</b>	<b>235 376</b>	<b>240 126</b>	<b>-0.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>181 938</b>			<b>239 888</b>	<b>276 262</b>	<b>270 427</b>		
<b>Statement of financial position</b>								
Carrying value of assets	93 294	3.7%	2.7%	94 194	95 094	95 994	1.0%	2.8%
<i>of which:</i>								
Acquisition of assets	(2 748)	11.4%	-0.0%	(900)	(900)	(900)	-31.1%	-0.0%
Investments	884 827	18.5%	23.2%	888 162	760 135	731 472	-6.1%	23.8%
Inventory	64 030	-30.5%	3.2%	57 993	36 230	14 218	-39.4%	1.3%
Loans	2 061 240	-0.1%	59.1%	2 323 811	2 441 579	2 534 422	7.1%	68.2%
Receivables and prepayments	21 870	43.7%	0.4%	22 418	23 007	23 636	2.6%	0.7%
Cash and cash equivalents	241 048	-17.6%	10.5%	54 716	95 744	64 176	-35.7%	3.3%
<b>Total assets</b>	<b>3 366 308</b>	<b>0.4%</b>	<b>100.0%</b>	<b>3 441 295</b>	<b>3 451 789</b>	<b>3 463 920</b>	<b>1.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 372 233	0.8%	41.1%	1 396 414	1 435 010	1 476 925	2.5%	41.4%
Capital and reserves	931 736	1.9%	27.9%	931 736	880 000	880 000	-1.9%	26.4%
Capital reserve fund	730 000	19.3%	17.7%	810 000	860 000	860 000	5.6%	23.7%
Borrowings	216 379	-9.9%	8.0%	183 985	151 590	119 196	-18.0%	4.9%
Trade and other payables	23 170	-30.5%	0.9%	23 487	25 817	24 158	1.4%	0.7%
Provisions	17 549	-34.5%	0.8%	18 369	18 926	19 831	4.2%	0.5%
Managed funds (e.g. poverty alleviation fund)	41 971	-39.9%	2.4%	44 909	48 052	51 416	7.0%	1.4%
Derivatives financial instruments	33 269	-17.2%	1.2%	32 394	32 394	32 394	-0.9%	1.0%
<b>Total equity and liabilities</b>	<b>3 366 307</b>	<b>0.4%</b>	<b>100.0%</b>	<b>3 441 294</b>	<b>3 451 789</b>	<b>3 463 920</b>	<b>1.0%</b>	<b>100.0%</b>

## Personnel information

**Table 38.44 National Housing Finance Corporation personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)				
		2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		Unit cost	
National Housing Finance Corporation Limited		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	2017/18 - 2020/21		
Salary level	97	97	76	70.7	0.9	97	75.0	0.8	96	76.0	0.8	79	76.3	1.0	79	80.2	1.0	2.2%	100.0%
1 – 6	36	36	14	2.0	0.1	36	4.2	0.1	36	4.3	0.1	29	3.6	0.1	29	3.8	0.1	-3.8%	37.0%
7 – 10	30	30	26	11.3	0.4	30	14.7	0.5	29	14.2	0.5	22	12.7	0.6	22	13.2	0.6	-3.5%	29.2%
11 – 12	10	10	14	11.3	0.8	10	9.3	0.9	10	9.1	0.9	9	9.9	1.1	9	10.3	1.1	3.6%	10.9%
13 – 16	19	19	20	35.6	1.8	19	36.6	1.9	19	37.4	2.0	17	38.5	2.3	17	40.4	2.4	3.4%	20.6%
17 – 22	2	2	2	10.5	5.2	2	10.3	5.1	2	11.0	5.5	2	11.7	5.9	2	12.5	6.2	6.6%	2.3%

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 account administration and support services.

### Selected performance indicators

**Table 38.45 National Urban Reconstruction and Housing Agency performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Value of loans disbursed per year	Affordable housing	Outcome 8: Sustainable human settlements and improved quality of household life	R246.6m	R432.9m	R180.6m	R280m	R420m	R480m	R520m
Number of loans approved per year	Affordable housing		16	15	8	14	21	24	26
Number of houses completed per year	Affordable housing		1 606	2 261	1 904	910	1 365	1 560	1 690
Value of loans disbursed per year	Infrastructure and community services loans		R15.1m	R8.4m	R12.8m	R10m	R8m	R8m	R8m
Number of loans approved per year	Infrastructure and community services loans		2	4	4	4	2	2	2
Value of loans disbursed per year	Subsidy housing loans		R81.1m	R149.5m	R80.1m	R126m	R190m	R214m	R246m
Number of loans approved per year	Subsidy housing loans		15	32	28	36	60	66	74
Number of houses completed per year	Subsidy housing loans		5 962	3 984	4 820	7 020	10 012	11 620	13 620

### Expenditure analysis

The focus of the National Urban Reconstruction and Housing Agency over the medium term will be on expanding its provision of loans and bridging finance to emerging contractors in the affordable housing market. Its work contributes to the NDP's vision of transformed human settlements in South Africa.

Over the MTEF period, the agency expects to provide 71 loans to build 4 615 affordable housing units, and provide 200 project loans for the completion of 35 252 subsidy houses. Due to the low project volumes and the inability to meet projected outputs since 2015 in the infrastructure and community services loans programme, the agency has decided to decrease lending in this investment stream and wind down expenditure in this programme. The agency will be merged with the National Housing Finance Corporation and the Rural Housing Loan Fund over the medium term to create a consolidated development finance institution for human settlements.

The agency generates revenue from management fees, interest and loan fees in the infrastructure and community services loans programme. The agency's revenue is projected to decrease at an average annual

rate of 11.1 per cent, from R124.5 million in 2017/18 to R87.5 million in 2020/21, mainly due to a projected decrease in revenue from management fees as various programmes, such as the ceiling retrofit programme, reach completion. Total expenditure is set to decrease in line with this, at an average annual rate of 10.8 per cent, from R118.6 million in 2017/18 to R84.2 million in 2020/21.

### Programmes/objectives/activities

**Table 38.46 National Urban Reconstruction and Housing Agency expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	54 886	61 465	65 128	58 021	1.9%	56.0%	57 648	60 368	63 620	3.1%	69.0%
Affordable housing	511	20 545	2 989	3 262	85.5%	5.4%	4 745	5 054	5 379	18.1%	5.4%
Programme management	17 543	43 548	50 978	53 154	44.7%	35.9%	8 740	9 288	9 861	-43.0%	19.9%
Infrastructure and community services loans	90	2 750	1	2	-71.9%	0.6%	2	2	2	-	0.0%
Subsidy housing loans	367	2 866	3 149	4 168	124.8%	2.2%	4 718	5 026	5 348	8.7%	5.6%
<b>Total</b>	<b>73 397</b>	<b>131 174</b>	<b>122 245</b>	<b>118 607</b>	<b>17.3%</b>	<b>100.0%</b>	<b>75 853</b>	<b>79 738</b>	<b>84 210</b>	<b>-10.8%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 38.47 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 (%) 2014/15 - 2017/18	
	Budget	2014/15	Budget	2015/16	Budget	2016/17				2017/18
<b>Revenue</b>										
<b>Non-tax revenue</b>		<b>106 104</b>	<b>83 921</b>	<b>114 278</b>	<b>149 223</b>	<b>195 578</b>	<b>142 565</b>	<b>106 100</b>	<b>124 491</b>	<b>95.8%</b>
Sale of goods and services other than capital assets		70 492	63 628	101 338	85 752	174 498	123 708	80 953	103 561	88.2%
<i>of which:</i>										
Administrative fees		44 138	24 294	54 604	35 950	112 603	59 889	13 489	58 818	79.6%
Sales by market establishment		26 354	39 334	46 734	49 802	61 895	63 819	67 464	44 744	97.7%
Other non-tax revenue		35 612	20 293	12 940	63 471	21 080	18 857	25 147	20 930	130.4%
<b>Total revenue</b>		<b>106 104</b>	<b>83 921</b>	<b>114 278</b>	<b>149 223</b>	<b>195 578</b>	<b>142 565</b>	<b>106 100</b>	<b>124 491</b>	<b>95.8%</b>
<b>Expenses</b>										
<b>Current expenses</b>		<b>100 668</b>	<b>73 395</b>	<b>94 033</b>	<b>131 174</b>	<b>144 392</b>	<b>122 245</b>	<b>78 009</b>	<b>118 607</b>	<b>106.8%</b>
Compensation of employees		34 018	27 996	32 808	34 669	33 398	34 311	36 010	36 856	98.2%
Goods and services		61 962	38 804	56 516	66 214	97 207	81 507	31 881	74 507	105.4%
Depreciation		1 504	1 168	698	1 102	471	471	0	0	102.5%
Interest, dividends and rent on land		3 184	5 427	4 011	29 189	13 316	5 956	10 118	7 244	156.1%
<b>Total expenses</b>		<b>100 668</b>	<b>73 395</b>	<b>94 033</b>	<b>131 174</b>	<b>144 392</b>	<b>122 245</b>	<b>78 009</b>	<b>118 607</b>	<b>106.8%</b>
<b>Surplus/(Deficit)</b>		<b>5 436</b>	<b>10 526</b>	<b>20 245</b>	<b>18 049</b>	<b>51 186</b>	<b>20 320</b>	<b>28 091</b>	<b>5 884</b>	
<b>Statement of financial position</b>										
Carrying value of assets		2 293	2 263	2 435	1 753	1 334	1 663	2 455	1 448	83.7%
<i>of which:</i>										
Acquisition of assets		(1 101)	(956)	(1 643)	(704)	(419)	(900)	(2 290)	(954)	64.4%
Investments		1 435	3 138	3 217	-	-	-	-	700	82.5%
Loans		188 318	258 312	386 279	338 909	404 191	378 272	378 947	351 211	97.7%
Receivables and prepayments		9 015	7 152	7 139	10 866	11 288	27 419	18 903	11 288	122.4%
Cash and cash equivalents		416 638	311 138	206 193	354 154	427 933	281 436	473 359	298 226	81.7%
Non-current assets held for sale		-	-	-	3 138	988	1 300	-	-	449.2%
<b>Total assets</b>		<b>617 699</b>	<b>582 003</b>	<b>605 264</b>	<b>708 820</b>	<b>845 734</b>	<b>690 090</b>	<b>873 664</b>	<b>662 873</b>	<b>89.9%</b>
Accumulated surplus/(deficit)		391 630	(99 200)	(88 063)	(81 153)	(29 965)	(60 832)	(1 876)	(54 953)	-109.0%
Capital and reserves		38 300	199 284	38 300	199 284	237 584	237 584	237 584	237 584	158.4%
Capital reserve fund		-	338 300	560 284	399 300	361 000	361 000	361 000	361 000	113.8%
Borrowings		97 365	65 221	75 187	69 975	69 975	69 975	69 975	69 976	88.0%
Trade and other payables		90 403	17 946	17 105	24 905	25 538	30 272	25 379	41 620	72.4%
Provisions		-	1 809	2 451	2 194	2 531	2 228	2 531	2 361	114.4%
Managed funds (e.g. poverty alleviation fund)		-	58 643	-	94 315	179 071	49 862	179 071	5 286	58.1%
<b>Total equity and liabilities</b>		<b>617 699</b>	<b>582 003</b>	<b>605 264</b>	<b>708 820</b>	<b>845 734</b>	<b>690 089</b>	<b>873 664</b>	<b>662 873</b>	<b>89.9%</b>

## Statements of estimates of financial performance and position

**Table 38.48 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	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21	
R thousand								
<b>Revenue</b>								
<b>Non-tax revenue</b>	<b>124 491</b>	<b>14.0%</b>	<b>100.0%</b>	<b>83 430</b>	<b>88 143</b>	<b>87 534</b>	<b>-11.1%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	103 561	17.6%	75.8%	67 726	73 511	73 640	-10.7%	83.0%
<i>of which:</i>								
Administrative fees	58 818	34.3%	35.6%	7 615	8 049	8 500	-47.5%	18.8%
Sales by market establishment	44 744	4.4%	40.2%	60 111	65 462	65 140	13.3%	64.2%
Other non-tax revenue	20 930	1.0%	24.2%	15 704	14 632	13 894	-12.8%	17.0%
<b>Total revenue</b>	<b>124 491</b>	<b>14.0%</b>	<b>100.0%</b>	<b>83 430</b>	<b>88 143</b>	<b>87 534</b>	<b>-11.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
<b>Current expenses</b>	<b>118 607</b>	<b>17.3%</b>	<b>100.0%</b>	<b>75 853</b>	<b>79 738</b>	<b>84 210</b>	<b>-10.8%</b>	<b>100.0%</b>
Compensation of employees	36 856	9.6%	30.9%	40 827	43 560	46 436	8.0%	48.7%
Goods and services	74 507	24.3%	58.2%	28 028	29 180	30 776	-25.5%	43.2%
Depreciation	0	-93.0%	0.7%	-	-	-	-100.0%	0.0%
Interest, dividends and rent on land	7 244	10.1%	10.2%	6 998	6 998	6 998	-1.1%	8.1%
<b>Total expenses</b>	<b>118 607</b>	<b>17.3%</b>	<b>100.0%</b>	<b>75 853</b>	<b>79 738</b>	<b>84 210</b>	<b>-10.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>5 884</b>			<b>7 577</b>	<b>8 405</b>	<b>3 324</b>		
<b>Statement of financial position</b>								
Carrying value of assets	1 448	-13.8%	0.3%	1 582	1 332	1 062	-9.8%	0.2%
<i>of which:</i>								
Acquisition of assets	(954)	-0.1%	-0.1%	(1 205)	(315)	(313)	-31.0%	-0.1%
Investments	700	-39.4%	0.2%	-	-	-	-100.0%	0.0%
Loans	351 211	10.8%	50.0%	406 261	431 646	455 717	9.1%	61.0%
Receivables and prepayments	11 288	16.4%	2.1%	9 610	9 611	9 615	-5.2%	1.5%
Cash and cash equivalents	298 226	-1.4%	47.3%	253 525	236 295	216 892	-10.1%	37.3%
<b>Total assets</b>	<b>662 873</b>	<b>4.4%</b>	<b>100.0%</b>	<b>670 977</b>	<b>678 884</b>	<b>683 287</b>	<b>1.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(54 953)	-17.9%	-11.4%	(47 375)	(38 968)	(35 644)	-13.4%	-6.6%
Capital and reserves	237 584	6.0%	33.2%	237 584	237 584	237 584	-	35.3%
Capital reserve fund	361 000	2.2%	55.3%	361 000	361 000	361 000	-	53.6%
Borrowings	69 976	2.4%	10.4%	69 975	69 975	69 975	-0.0%	10.4%
Trade and other payables	41 620	32.4%	4.3%	42 320	41 820	42 898	1.0%	6.3%
Provisions	2 361	9.3%	0.3%	2 186	2 186	2 186	-2.5%	0.3%
Managed funds (e.g. poverty alleviation fund)	5 286	-55.2%	7.9%	5 286	5 286	5 286	-	0.8%
<b>Total equity and liabilities</b>	<b>662 873</b>	<b>4.4%</b>	<b>100.0%</b>	<b>670 976</b>	<b>678 882</b>	<b>683 285</b>	<b>1.0%</b>	<b>100.0%</b>

## Personnel information

**Table 38.49 National Urban Reconstruction and Housing Agency personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)				
		2016/17	Unit cost	2017/18	Unit cost	2018/19	Unit cost	2019/20	Unit cost	2020/21	Unit cost	2017/18 - 2020/21							
National Urban Reconstruction and Housing Agency		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Salary level	41	41	44	34.3	0.8	41	36.9	0.9	46	40.8	0.9	46	43.6	0.9	46	46.4	1.0	8.0%	100.0%
1-6	1	1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	4.6%	2.2%
7-10	9	9	21	9.8	0.5	9	2.9	0.3	9	3.1	0.3	9	3.3	0.4	9	3.5	0.4	6.5%	20.2%
11-12	19	19	12	9.8	0.8	19	15.7	0.8	24	18.9	0.8	24	20.1	0.8	24	21.1	0.9	10.4%	50.7%
13-16	9	9	7	8.4	1.2	9	10.7	1.2	9	10.7	1.2	9	11.4	1.3	9	12.3	1.4	4.7%	20.2%
17-22	3	3	3	6.2	2.1	3	7.3	2.4	3	7.9	2.6	3	8.5	2.8	3	9.2	3.1	8.1%	6.7%

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 German development bank Kreditanstalt für Wiederaufbau. 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 38.50 Rural Housing Loan Fund performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of loans disbursed per year	Incremental housing	Outcome 8: Sustainable human settlements and improved quality of household life	40 185	39 760	45 512	44 738	53 772	50 464	45 418
Value of loans issued to intermediaries per year	Incremental housing		R261.5m	R168.3m	R286.8m	R268.4m	R259.6m	R249.6m	R224.6m
Individual housing subsidy vouchers issued per year	Subsidy voucher programme		-1	-1	-1	-1	20	40	60

1. No historical data available

### Expenditure analysis

Over the medium term, the Rural Housing Loan Fund will continue to increase access to unsecured housing credit to rural households earning less than R15 000 per month through its network of retail intermediaries and community-based organisations. The fund's focus contributes to the NDP's vision transformed 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.

Over the medium term, the fund expects to provide 149 654 incremental loans to the value of R733.8 million, and introduce a subsidy voucher programme to provide an estimated 120 vouchers that eligible households will be able to exchange for building materials and services. To administer the programme, the number of personnel in the fund is expected to increase from 18 in 2017/18 to 22 in 2020/21. As a result, spending on compensation of employees is expected to increase at an average annual rate of 10.3 per cent, from R17.6 million in 2017/18 to R23.7 million in 2020/21. The fund's total expenditure is expected to increase at an average annual rate of 1.4 per cent, from R50 million in 2017/18 to R52 million in 2020/21.

The fund's revenue comprises interest earned on loan advances and investments, and dividends received from cash deposits at the South African Reserve Bank related to loan agreements with the Kreditanstalt für Wiederaufbau and the Development Bank of Southern Africa. Total revenue is projected to decrease from R62.5 million in 2017/18 to R59.5 million in 2020/21 as fewer loans are expected to be disbursed over the medium term, resulting in a decrease in revenue from interest. The fund will be merged with the National Housing Finance Corporation and the National Urban Reconstruction and Housing Agency over the MTEF period to create a consolidated finance institution for the development of human settlements.

### Programmes/objectives/activities

**Table 38.51 Rural Housing Loan Fund 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 (%)
	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21		
R thousand												
Administration	3 141	4 505	4 935	5 042		17.1%	9.6%	5 385	5 687	5 531	3.1%	10.7%
Incremental housing	31 292	47 181	41 765	37 753		6.5%	86.8%	38 924	41 105	41 770	3.4%	79.0%
Subsidy voucher programme	-	-	-	7 164		-	3.6%	4 277	4 517	4 788	-12.6%	10.3%
<b>Total</b>	<b>34 433</b>	<b>51 686</b>	<b>46 700</b>	<b>49 959</b>		<b>13.2%</b>	<b>100.0%</b>	<b>48 586</b>	<b>51 308</b>	<b>52 089</b>	<b>1.4%</b>	<b>100.0%</b>

### Statements of historical financial performance and position

**Table 38.52 Rural Housing Loan Fund statements of historical financial performance and position**

Statement of financial performance	Audited outcome		Audited outcome		Audited outcome		Budget estimate		Average: Outcome/Budget (%)	
	Budget	2014/15	Budget	2015/16	Budget	2016/17	Budget	2017/18		
R thousand										
<b>Revenue</b>										
<b>Non-tax revenue</b>		<b>44 141</b>	<b>54 765</b>	<b>49 476</b>	<b>55 072</b>	<b>51 397</b>	<b>61 463</b>	<b>51 268</b>	<b>62 472</b>	<b>119.1%</b>
Sale of goods and services other than capital assets		42 570	42 110	44 209	39 890	44 341	45 667	45 832	52 487	101.8%
of which:										
Administrative fees		-	-	-	-	2 167	-	551	-	-
Sales by market establishment		42 570	42 110	44 209	39 890	42 174	45 667	45 281	52 487	103.4%
Other non-tax revenue		1 572	12 655	5 267	15 182	7 056	15 796	5 436	9 985	277.4%
<b>Transfers received</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50 000</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>		<b>44 141</b>	<b>84 349</b>	<b>49 476</b>	<b>55 072</b>	<b>51 397</b>	<b>61 463</b>	<b>101 268</b>	<b>62 472</b>	<b>106.9%</b>

**Table 38.52 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 (%)
	2014/15		2015/16		2016/17		2017/18		2014/15 - 2017/18
<b>Expenses</b>									
<b>Current expenses</b>	<b>30 140</b>	<b>34 433</b>	<b>39 870</b>	<b>33 522</b>	<b>41 938</b>	<b>46 700</b>	<b>48 278</b>	<b>49 960</b>	<b>102.7%</b>
Compensation of employees	10 678	10 328	13 754	10 720	15 969	17 559	18 554	17 633	95.4%
Goods and services	7 274	13 703	13 991	10 827	14 718	17 792	18 351	20 954	116.5%
Depreciation	262	174	850	181	379	212	878	878	61.0%
Interest, dividends and rent on land	11 926	10 228	11 275	11 794	10 872	11 137	10 495	10 495	97.9%
<b>Total expenses</b>	<b>31 778</b>	<b>34 433</b>	<b>39 870</b>	<b>51 686</b>	<b>41 938</b>	<b>46 700</b>	<b>48 278</b>	<b>49 960</b>	<b>112.9%</b>
<b>Surplus/(Deficit)</b>	<b>12 363</b>	<b>49 916</b>	<b>9 606</b>	<b>3 386</b>	<b>9 459</b>	<b>14 763</b>	<b>52 990</b>	<b>12 512</b>	
<b>Statement of financial position</b>									
Carrying value of assets	688	458	1 494	341	282	173	98	1 855	110.4%
<i>of which:</i>									
<i>Acquisition of assets</i>	(290)	(368)	(2 230)	(96)	(2 760)	(55)	(150)	(320)	15.5%
Investments	3 493	9 517	9 564	11 050	9 564	11 657	9 564	5 171	116.2%
Loans	447 203	346 573	476 945	329 454	464 517	455 703	498 758	472 064	85.0%
Receivables and prepayments	12 515	2 157	118	2 418	118	1 238	118	13	45.3%
Cash and cash equivalents	19 780	180 176	57 891	213 038	53 047	104 610	60 662	153 812	340.5%
Taxation	21 590	36 881	-	18 717	-	18 717	-	20 527	439.3%
<b>Total assets</b>	<b>505 269</b>	<b>575 762</b>	<b>546 012</b>	<b>575 018</b>	<b>527 528</b>	<b>592 098</b>	<b>569 200</b>	<b>653 442</b>	<b>111.6%</b>
Accumulated surplus/(deficit)	79 395	149 242	117 564	152 627	119 091	167 390	124 040	189 550	149.7%
Capital reserve fund	285 737	285 737	285 737	285 737	285 737	285 738	335 737	335 738	100.0%
Borrowings	138 034	138 508	140 205	135 421	120 181	132 004	106 888	125 784	105.2%
Trade and other payables	374	733	999	781	1 019	864	1 041	1 437	111.1%
Provisions	1 729	1 542	1 507	451	1 500	6 102	1 494	933	144.9%
<b>Total equity and liabilities</b>	<b>505 269</b>	<b>575 762</b>	<b>546 012</b>	<b>575 017</b>	<b>527 528</b>	<b>592 098</b>	<b>569 200</b>	<b>653 442</b>	<b>111.6%</b>

**Statements of estimates of financial performance and position****Table 38.53 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 (%)	
	2017/18	2014/15 - 2017/18		2018/19	2019/20	2020/21	2017/18 - 2020/21		
<b>Revenue</b>									
<b>Non-tax revenue</b>	<b>62 472</b>	<b>4.5%</b>	<b>91.2%</b>	<b>58 310</b>	<b>58 880</b>	<b>59 468</b>	<b>-1.6%</b>	<b>100.0%</b>	
Sale of goods and services other than capital assets	52 487	7.6%	70.2%	52 468	54 098	56 011	2.2%	90.0%	
<i>of which:</i>									
<i>Sales by market establishment</i>	52 487	7.6%	70.2%	52 468	54 098	56 011	2.2%	90.0%	
Other non-tax revenue	9 985	-7.6%	21.1%	5 842	4 782	3 457	-29.8%	10.0%	
<b>Total revenue</b>	<b>62 472</b>	<b>-9.5%</b>	<b>100.0%</b>	<b>58 310</b>	<b>58 880</b>	<b>59 468</b>	<b>-1.6%</b>	<b>100.0%</b>	
<b>Expenses</b>									
<b>Current expenses</b>	<b>49 960</b>	<b>13.2%</b>	<b>91.2%</b>	<b>48 587</b>	<b>51 308</b>	<b>52 089</b>	<b>1.4%</b>	<b>100.0%</b>	
Compensation of employees	17 633	19.5%	30.9%	18 216	20 769	23 669	10.3%	39.7%	
Goods and services	20 954	15.2%	35.2%	18 829	18 792	18 636	-3.8%	38.3%	
Depreciation	878	71.5%	0.8%	901	983	237	-35.4%	1.5%	
Interest, dividends and rent on land	10 495	0.9%	24.3%	10 641	10 765	9 547	-3.1%	20.6%	
<b>Total expenses</b>	<b>49 960</b>	<b>13.2%</b>	<b>100.0%</b>	<b>48 587</b>	<b>51 308</b>	<b>52 089</b>	<b>1.4%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>12 512</b>			<b>9 723</b>	<b>7 572</b>	<b>7 379</b>			
<b>Statement of financial position</b>									
Carrying value of assets	1 855	59.4%	0.1%	1 204	520	58	-68.5%	0.1%	
<i>of which:</i>									
<i>Acquisition of assets</i>	(320)	-4.6%	-0.0%	(332)	(332)	-	-100.0%	-0.0%	
Investments	5 171	-18.4%	1.6%	5 271	5 371	5 371	1.3%	0.8%	
Loans	472 064	10.8%	66.7%	454 750	489 087	583 734	7.3%	73.7%	
Receivables and prepayments	13	-81.8%	0.3%	13	13	13	-	0.0%	
Cash and cash equivalents	153 812	-5.1%	27.4%	192 248	176 800	101 690	-12.9%	23.1%	
Taxation	20 527	-17.7%	4.0%	20 527	20 527	-	-100.0%	2.3%	
<b>Total assets</b>	<b>653 442</b>	<b>4.3%</b>	<b>100.0%</b>	<b>674 013</b>	<b>692 318</b>	<b>690 866</b>	<b>1.9%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	189 550	8.3%	27.4%	215 340	257 241	243 243	8.7%	33.3%	
Capital reserve fund	335 738	5.5%	49.7%	335 737	335 737	335 738	-	49.6%	
Borrowings	125 784	-3.2%	22.3%	120 364	96 663	109 100	-4.6%	16.7%	
Trade and other payables	1 437	25.2%	0.2%	1 486	1 562	1 616	4.0%	0.2%	
Provisions	933	-15.4%	0.4%	1 086	1 115	1 169	7.8%	0.2%	
<b>Total equity and liabilities</b>	<b>653 442</b>	<b>4.3%</b>	<b>100.0%</b>	<b>674 013</b>	<b>692 318</b>	<b>690 866</b>	<b>1.9%</b>	<b>100.0%</b>	

## Personnel information

**Table 38.54 Rural Housing Loan Fund personnel numbers and cost by salary level**

Number of posts estimated for 31 March 2018			Number and cost <sup>1</sup> 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 (%)			
			2016/17		Unit cost	2017/18		Unit cost	2018/19		Unit cost	2019/20		Unit cost			2020/21		2017/18 - 2020/21
			Number	Cost		Unit cost	Number		Cost	Unit cost		Number	Cost		Unit cost	Number	Cost	Unit cost	
Rural Housing Loan Fund			18	17.6	1.0	18	17.6	1.0	18	18.2	1.0	18	20.8	1.2	22	23.7	1.1	10.3%	100.0%
Salary level	18	18	17	17.6	1.0	18	17.6	1.0	18	18.2	1.0	18	20.8	1.2	22	23.7	1.1	10.3%	100.0%
1-6	4	4	4	0.9	0.2	4	0.7	0.2	4	0.7	0.2	4	0.8	0.2	4	0.8	0.2	5.8%	21.2%
7-10	8	8	8	5.4	0.7	8	4.3	0.5	8	4.4	0.6	8	5.1	0.6	12	7.8	0.6	21.9%	47.0%
13-16	5	5	4	8.7	2.2	5	9.6	1.9	5	9.7	1.9	5	11.0	2.2	5	11.2	2.2	5.0%	26.5%
17-22	1	1	1	2.6	2.6	1	3.0	3.0	1	3.4	3.4	1	3.8	3.8	1	3.9	3.9	9.1%	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 authority is mandated to regulate the social housing sector, and ensure a sustainable and regulated flow of investment into the social housing sector to support the restructuring of urban spaces through providing capital grants to accredited social housing institutions.

### Selected performance indicators

**Table 38.55 Social Housing Regulatory Authority performance indicators by programme/objective/activity and related outcome**

Indicator	Programme/objective/activity	MTSF outcome	Past			Current	Projections		
			2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Number of social housing units delivered per year	Project development and funding	Outcome 8: Sustainable human settlements and improved quality of household life	2 053	3 054	3 058	6 000	12 508	12 508	12 508
Number of social housing units approved for capital grant funding per year <sup>1</sup>	Project development and funding		→	1 979	6 529	12 000	14 000	14 000	14 000
Number of Institutional grants approved per year	Sector development		21	65	38	40	43	45	45
Total number of social housing units under regulation	Compliance, accreditation and regulation		20 447	18 580	26 332	30 832	37 085	46 466	56 832
Number of social housing institutions accredited per year	Compliance, accreditation and regulation		61	61	65	70	75	80	80

1. New indicator.

2. No historical data available.

### Expenditure analysis

The Social Housing Regulatory Authority regulates the social housing sector with the aim of restructuring South Africa's urban spaces and addressing social and spatial dysfunctions by approving, administering and disbursing institutional and capital grants to accredited social housing institutions. The authority contributes to the vision of transformed 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 authority's consolidated capital grant is expected to provide capital subsidies to accredited social housing projects with the aim of reducing the capital cost of development and providing lower rental costs for people earning between R3 501 and R15 000 per month. Due to Cabinet approved budget reductions of R1.4 billion effected on the authority's capital allocation, funding to the grant is expected to decrease from R843.8 million in 2017/18 to R778.5 million in 2019/20. However, these funds are expected to yield 37 524 medium density, affordable rental units in targeted areas over the medium term.

The authority administers and disburses the institutional investment grant, which is primarily for building capacity within social housing institutions. This grant has an allocation of R64 million over the MTEF period to assist emerging social housing institutions in becoming fully operational, accredited entities that deliver

affordable rental units. To facilitate the accreditation of an additional 235 social housing institutions over the medium term, an estimated R51.3 million will be spent in the compliance, accreditation and regulations programme. In addition, the development of an automated system to audit buildings and tenants is expected to result in regulatory efficiencies by 2020/21.

The authority derives all its revenue through transfers from the department. It expects to break even in each year over the MTEF period, with revenue and expenditure both expected to decrease at an average annual rate of 2.1 per cent, from R926.9 million in 2017/18 to R870.3 million in 2020/21, due to the reductions approved by Cabinet.

### Programmes/objectives/activities

**Table 38.56 Social Housing Regulatory Authority expenditure trends and estimates by programme/objective/activity**

R thousand	Audited outcome			Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term expenditure estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21		
Administration	42 426	38 597	33 960	37 539	-4.0%	20.8%	38 564	40 819	42 820	4.5%	4.6%
Project Development and Funding	33 620	197 507	321 137	854 074	194.0%	75.8%	748 819	743 966	784 478	-2.8%	90.8%
Sector Development	–	–	15 756	22 347	–	1.6%	22 294	23 578	24 913	3.7%	2.7%
Compliance, Accreditation and Regulation	2 344	2 514	6 000	13 003	77.0%	1.8%	16 075	17 072	18 122	11.7%	1.9%
<b>Total</b>	<b>78 390</b>	<b>238 618</b>	<b>376 853</b>	<b>926 963</b>	<b>127.8%</b>	<b>100.0%</b>	<b>825 752</b>	<b>825 435</b>	<b>870 333</b>	<b>-2.1%</b>	<b>100.0%</b>

### Statements of historical financial performance

**Table 38.57 Social Housing Regulatory Authority statements of historical financial performance**

Statement of financial performance									
R thousand	Budget	Audited outcome	Budget	Audited outcome	Budget	Audited outcome	Budget estimate	Revised estimate	Average: Outcome/ Budget (%)
	2014/15	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2017/18	2014/15-2017/18
<b>Revenue</b>									
Non-tax revenue	–	37 365	–	44 144	–	41 356	–	–	–
Other non-tax revenue	–	37 365	–	44 144	–	41 356	–	–	–
<b>Transfers received</b>	<b>861 023</b>	<b>631 023</b>	<b>508 803</b>	<b>143 714</b>	<b>500 963</b>	<b>494 863</b>	<b>926 963</b>	<b>926 963</b>	<b>78.5%</b>
<b>Total revenue</b>	<b>861 023</b>	<b>668 388</b>	<b>508 803</b>	<b>187 858</b>	<b>500 963</b>	<b>536 219</b>	<b>926 963</b>	<b>926 963</b>	<b>82.9%</b>
<b>Expenses</b>									
Current expenses	33 480	44 770	59 156	41 111	45 222	42 790	60 849	58 992	94.4%
Compensation of employees	17 547	17 632	23 171	17 355	21 342	21 342	29 183	29 183	93.7%
Goods and services	14 933	26 048	35 985	22 390	23 495	21 063	31 242	29 385	93.6%
Depreciation	1 000	1 090	–	1 366	385	385	424	424	180.5%
<b>Transfers and subsidies</b>	<b>827 543</b>	<b>33 620</b>	<b>449 647</b>	<b>197 507</b>	<b>455 741</b>	<b>334 063</b>	<b>866 114</b>	<b>867 971</b>	<b>55.1%</b>
<b>Total expenses</b>	<b>861 023</b>	<b>78 390</b>	<b>508 803</b>	<b>238 618</b>	<b>500 963</b>	<b>376 853</b>	<b>926 963</b>	<b>926 963</b>	<b>57.9%</b>
<b>Surplus/(Deficit)</b>	<b>–</b>	<b>589 998</b>	<b>–</b>	<b>(50 760)</b>	<b>–</b>	<b>159 366</b>	<b>–</b>	<b>–</b>	<b>–</b>

### Statements of estimates of financial performance

**Table 38.58 Social Housing Regulatory Authority statements of estimates of financial performance**

Statement of financial performance								
R thousand	Revised estimate 2017/18	Average growth rate (%) 2014/15 - 2017/18	Average: Expenditure/ Total (%) 2017/18	Medium-term estimate			Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%) 2017/18 - 2020/21
				2018/19	2019/20	2020/21		
<b>Revenue</b>								
Transfers received	926 963	13.7%	90.8%	825 752	825 434	870 333	-2.1%	100.0%
<b>Total revenue</b>	<b>926 963</b>	<b>11.5%</b>	<b>100.0%</b>	<b>825 752</b>	<b>825 434</b>	<b>870 333</b>	<b>-2.1%</b>	<b>100.0%</b>
<b>Expenses</b>								
Current expenses	58 992	9.6%	23.0%	68 958	73 158	77 100	9.3%	8.1%
Compensation of employees	29 183	18.3%	9.6%	31 663	34 355	36 760	8.0%	3.8%
Goods and services	29 385	4.1%	12.8%	36 829	38 311	39 838	10.7%	4.2%
Depreciation	424	-27.0%	0.5%	466	492	502	5.8%	0.1%
<b>Transfers and subsidies</b>	<b>867 971</b>	<b>195.6%</b>	<b>77.0%</b>	<b>756 794</b>	<b>752 277</b>	<b>793 233</b>	<b>-3.0%</b>	<b>91.9%</b>
<b>Total expenses</b>	<b>926 963</b>	<b>127.8%</b>	<b>100.0%</b>	<b>825 752</b>	<b>825 435</b>	<b>870 333</b>	<b>-2.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>–</b>			<b>–</b>	<b>(1)</b>	<b>–</b>		

## Personnel information

Table 38.59 Social Housing Regulatory Authority personnel numbers and cost by salary level

Number of posts estimated for 31 March 2018		Number and cost <sup>1</sup> 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 (%)	
		2016/17			2017/18			2018/19			2019/20			2020/21					2017/18 - 2020/21
		Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost	Number	Cost	Unit cost			
Social Housing Regulatory Authority	37	37	38	21.3	0.6	38	29.2	0.8	41	31.7	0.8	41	34.4	0.8	40	36.8	0.9	8.0%	100.0%
Salary level																			
1-6	1	1	1	0.1	0.1	1	0.2	0.2	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	41.5%	4.3%
7-10	21	21	22	6.2	0.3	22	10.6	0.5	23	10.4	0.5	23	11.3	0.5	22	11.8	0.5	3.7%	56.3%
11-12	3	3	3	1.9	0.6	3	2.3	0.8	5	4.6	0.9	5	5.0	1.0	5	5.4	1.1	31.9%	11.2%
13-16	11	11	11	10.9	1.0	11	13.7	1.2	10	13.7	1.4	10	14.9	1.5	10	16.2	1.6	5.7%	25.7%
17-22	1	1	1	2.2	2.2	1	2.4	2.4	1	2.5	2.5	1	2.7	2.7	1	2.9	2.9	7.2%	2.5%

1. Rand million.

## Additional tables

**Table 38.A Summary of conditional grants to provinces and municipalities<sup>1</sup>**

R thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Conditional grants to provinces</b>							
<b>Housing development finance</b>							
Human settlements development grant	17 084 369	18 302 675	18 283 991	19 969 343	18 166 520	18 832 802	20 101 903
Title deeds restoration grant	–	–	–	–	518 655	547 700	577 823
Provincial emergency housing grant	–	–	–	–	260 000	276 900	294 899
<b>Total</b>	<b>17 084 369</b>	<b>18 302 675</b>	<b>18 283 991</b>	<b>19 969 343</b>	<b>18 945 175</b>	<b>19 657 402</b>	<b>20 974 625</b>
<b>Conditional grants to municipalities</b>							
<b>Housing development finance</b>							
Urban settlements development grant	10 284 684	10 554 345	10 839 468	11 382 247	11 306 137	11 880 786	12 534 479
Municipal human settlements capacity grant	300 000	100 000	–	–	–	–	–
Municipal emergency housing grant	–	–	–	–	140 000	149 100	158 792
<b>Total</b>	<b>10 584 684</b>	<b>10 654 345</b>	<b>10 839 468</b>	<b>11 382 247</b>	<b>11 446 137</b>	<b>12 029 886</b>	<b>12 693 271</b>

1. Detail provided in the Division of Revenue Act (2018).

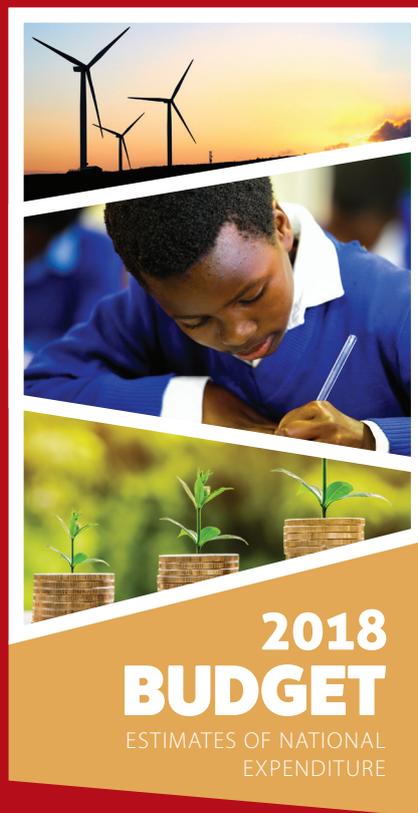
**Table 38.B Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation 2017/18	Medium-term expenditure estimate		
				2014/15	2015/16	2016/17		2018/19	2019/20	2020/21
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
<b>Mega projects (total project cost of at least R1 billion over the project life cycle)</b>										
Human settlements development grant	Houses completed and sites serviced	Various	–	17 084 369	18 302 675	18 283 991	19 969 343	18 166 520	18 832 802	20 101 904
Urban settlements development grant	Bulk infrastructure installed	Various	–	10 284 684	10 554 345	10 839 468	11 382 247	11 306 137	11 880 786	12 534 479
Social Housing Regulatory Authority: Consolidated capital grant	Funding of social housing	Various	–	597 543	109 210	424 388	851 208	743 640	738 414	778 527
<b>Total</b>			–	<b>27 966 596</b>	<b>28 966 230</b>	<b>29 547 847</b>	<b>32 202 798</b>	<b>30 216 297</b>	<b>31 452 002</b>	<b>33 414 910</b>

**Table 38.C Summary of donor funding**

Donor	Project	Programme	Period of commitment	Amount committed	Main economic classification	Spending focus	Audited outcome			Estimate 2017/18	Medium-term expenditure estimate			
							2014/15	2015/16	2016/17		2018/19	2019/20	2020/21	
R thousand														
<b>Foreign In cash</b>														
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	Provision of project level technical support	493	107	–	–	–	–	–	–
<b>Total</b>				<b>600</b>			<b>493</b>	<b>107</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>





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