

# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

To be appropriated by vote in 2017/18	R 6 186 359 000
Responsible MEC	MEC for Human Settlements
Administering Department	Department of Human Settlements
Accounting Officer	Head of Department of Human Settlements

### 1. OVERVIEW

#### Vision

Integrated sustainable human settlements within a smart Gauteng City Region.

#### Mission

To facilitate the delivery of sustainable integrated human settlements, new towns and smart cities in partnership with relevant role-players from all sectors of society through:

- Development of suitably located and affordable housing (shelter) and decent human settlements;
- Creating new post-apartheid towns and transforming current cities and towns in Gauteng, moving towards efficiency, inclusion and sustainability; and
- Building cohesive, sustainable and caring communities with improved access to work and social amenities, including sports and recreation facilities, with community development and optimal access/ inclusion.

#### Values

The department's values are based on the Batho Pele (People First) principles of the South African Public Service. Its specific focus is on:

- Integrity;
- Honesty;
- Loyalty;
- Professionalism;
- Human dignity;
- Service delivery; and
- Excellence.

#### Strategic goals

The department's Strategic Plan gives effect to the ten pillars that drive the Gauteng Provincial Government's (GPG) five-year programme. The department aims to achieve the following four strategic outcome oriented goals:

- Good governance and strategic management of the Gauteng Department of Human Settlements (GDHS);
- Development of legislative frameworks, policies and plans that enable spatial transformation in the delivery of human settlements;
- Well located, sustainable, integrated human settlements that provide security of tenure; and
- GDHS immoveable assets maintained, devolved and transferred.

#### Core functions and responsibilities

The mandate of the department is derived from the Constitution. Its primary roles are:

- To promote and facilitate the provision of adequate housing in the province;
- To develop provincial housing policies that will strengthen the ability to provide housing opportunities to qualifying beneficiaries in order to build sustainable communities;
- To develop and implement programmes and projects that give effect to the province's short, medium and long term housing plans; and
- To manage the housing delivery process and transform informal settlements, especially in priority townships, into



sustainable and vibrant communities; and provide services in respect of subsidies and rental housing.

### **Main services**

The department delivers quality housing opportunities to the people of the Gauteng City Region and develops integrated infrastructure to create cohesive communities. The department is responsible for managing provincial housing assets through the property management programme and for redistributing or transferring properties to beneficiaries. In addition, it aims to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. Through the Human Settlement Development Grant (HSDG), the department delivers mega human settlements and post-apartheid cities. Developing human settlements along other nodal developments is important to achieve maximum impact as well as economies of scale whilst supporting the programme of radical transformation. The department is mandated with upgrading of existing townships and inner cities through urban renewal programmes, inner city revitalisation, ensuring that the Gauteng Rental Housing Strategy is realised, mining towns revitalisation, integration of hostel residents into the broader social fabric and ensuring that every Gauteng resident has access to housing through the Finance-linked Individual Subsidy Programme (FLISP).

### **Ten pillar programme of transformation, modernisation and re-industrialisation**

#### **Modernisation of the public service and transformation of the state and governance**

The department will support the above pillar by strengthening and aligning the department's organisational capacity and capability to deliver on its mandate. The department will ensure that its business units perform efficiently by providing effective and efficient corporate support through technology to the core functions of the department. The programme ensures effective leadership, management and administrative support to the core business divisions through continuous refinement of organizational strategy and structure in compliance with appropriate legislation and best practice.

#### **Decisive spatial transformation and modernisation of human settlements and urban development**

As part of achieving decisive spatial transformation and modernising human settlements and urban development, the department will undertake research and develop policies and plans that give support to the achievement of the ideals expressed by the pillars. Examples of such policies include the Inclusionary Housing Bill; the Densification Policy; the Gauteng Rental Housing Strategy; and the Land Invasion Framework. Through the Housing Development Programme, the department aims to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. A total allocation of R5.5 billion in the form of the HSDG has been allocated to support the realization of these pillars. The emphasis is on providing individual subsidies and housing opportunities to beneficiaries in accordance with the housing policy. The department plans to implement mega-projects to provide various housing types, developing along nodes with economic and employment opportunities and transport.

The department further supports these pillars by providing for the sale and transfer of rental stock, devolution of housing assets, implementation of the Enhanced Extended Benefit Scheme, and housing property maintenance. The department also provides cleaning services to its stock of flats and the transfer of ownership to beneficiaries. An allocation of R179 million has been set aside to support the realisation of the above pillars through these programmes. The department facilitates affordable rental accommodation and delivers housing units in targeted presidential projects to promote home ownership. It is combating fraud and corruption in the allocation of houses to beneficiaries and ensuring radical economic transformation. In April 2014, the department approved the Strategic Framework on Anti-Fraud, Corruption and Ethics and the Fraud Prevention Plan. The department is engaged on issues of combating fraud and corruption, oversight, transparency and accountability, fraud detection, reporting and monitoring as they are critical components of dealing with fraud and corruption as part of its mandate of delivering housing opportunities to the people of Gauteng. The department has established the Project Management Office (PMO) to deliver on the collaboration, cooperation and coordination protocols thereby addressing service delivery protest, reducing the waiting times for beneficiaries who are on the waiting list and ensuring coordination of departmental plans with other GPG departments. The main objectives of the PMO include the following:

- Developing processes to support the efficient and effective delivery of services in partnership and collaboration with various stakeholders in the public and private sector;
- Facilitating and coordinating the implementation of allocated projects from initiation through execution to closure; and
- Overseeing and ensuring attainment of quality project deliverables in line with project plan.

Lastly, the department intends to support the modernisation of human settlements by utilising modern technology through the installation of the centralised biometric system for beneficiary administration. The validation of qualifying housing beneficiaries will be implemented without exception and the waiting list will be reformed through the monitored and up to date demand database.



### **National Development Plan (NDP) and the departmental strategy for 2014-19**

The NDP is the overarching plan with which all departments and state agencies are aligned. In terms of NDP Vision 2030, and Chapter 8 in particular, the department needs to ensure that the people of Gauteng have a decent standard of living, eliminating poverty and reducing inequality, through the following key areas of focus:

- Shape the spatial form of Gauteng by focusing on infrastructure investment and urban regeneration in terms of infill developments between major urban centres and aggressive densification in good locations;
- Devise alternative innovative financial instruments to increase housing opportunities by increasing the supply of FLISP housing products; harnessing private sector funding and investment in housing, infrastructure development and affordable rental accommodation; and servicing stands by the capital subsidy scheme;
- Play a central coordinating and facilitative role between Global City Region (GCR) cities and capitalise on the growing integrated urban network to implement the housing chapters of the Human Settlement Master Plan, supported by transport and infrastructure plans and well located human settlements in areas of employment and economic activity;
- Prioritise the development of urban infrastructure, the environment and the affordability of living in urban centres in order to implement the provincial Bulk Infrastructure Plan; and align funding streams to support the plan (MIG/USDG/MISA);
- Promote social and spatial integration to achieve social cohesion through identifying and providing new human settlements; and
- Develop efficient and effective human settlements, as opposed to marginalised and dysfunctional settlements or “pockets of poverty”, through a joint effort with stakeholders. Encourage optimal use of land through densification in strategic locations.

### **External activities and events relevant to budget decisions**

Statistics South Africa (Stats SA) has estimated Gauteng’s population growth at 0.5 per cent. It is expected to remain around this level over time. Stats SA indicates that the percentage of unemployed South Africans stood at 27 per cent, and that the average monthly salary for South Africans stands at R8 380. The province’s unemployment rate is affected by migration, and increased funding is needed to cater for the increase in the number of poor people who cannot afford to buy houses. The slowdown in economic conditions and the reduction in government spending over the MTEF pose challenges in terms of the number of houses that the department can deliver. It is constantly reviewing its strategy of sustainable delivery so as to respond efficiently to in-migration challenges by following an integrated planning approach that includes other departments and sectors within the province. The department is moving towards Mega Cities to improve service delivery. One of the ways of improving responses to the macro factors is to mobilise and encourage public-private partnerships and widen the role of the Gauteng Partnership Funds.

### **Acts, rules and regulations**

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- National Environmental Management Act (Act No. 107 of 1998, as amended by Act No. 8 of 2004);
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Construction Industry Development Board Act (Act no. 38 of 2000);
- Extension of Security of Tenure Act (Act No. 62 of 1997);
- Land Administration Act (Act No. 2 of 1995);
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

### **Legislative and other mandates**

The core mandate of the department is to ensure the provision of housing and sustainable human settlements.

### **Policy mandate**

The department is guided by the following policies and strategies:

- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground (BNG) Strategy;
- Gauteng City Region (GCR) Strategy;
- Gauteng Human Settlements Mega Projects Strategy;
- National Housing Policy; and
- National Housing Code.



## 2. REVIEW OF THE CURRENT FINANCIAL YEAR (2016/17)

### **Decisive spatial transformation and modernisation of human settlements and urban development**

The location of housing is of vital importance. Whilst significantly altering existing spatial patterns, the department has the responsibility to “modernise urban development and human settlements” through the greening of these developments and densifying them to counteract the shortage and cost of land in the province.

The department is currently phasing out ‘legacy’ projects, which are the micro projects that are found across the development corridors. Currently, the department is consolidating all legacy projects into mega human settlement projects in all development corridors of the GCR. This is in an endeavour to have such developments taking place in areas closer to employment, economic opportunities and transport facilities so that residents save money and time commuting between their workplaces and homes, and gain access to basic services and other amenities. The department’s performance against the housing programmes implemented to date is summarised below.

**Finance-linked Programme:** The annual target under this sub-programme was 893 houses. To date 980 houses have been delivered. The annual target has already been surpassed because this programme is driven by the private sector with the capacity to deliver more units. The over-performance has no bearing on financial resources, as the initial capitalisation of the programme of R92.5m has not been fully disbursed by the National Housing Finance Corporation (NHFC).

**Land parcels/hectares acquired for human settlements development:** Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale. The department planned to acquire 16 well-located land parcels for the development of affordable housing, social and rental housing initiatives and to address the needs of the gap housing market. These pockets of land are located closer to socio-economic amenities across the province. However, in addressing the “gap” market needs, the department has a responsibility towards the modernisation of human settlements and urban development. To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs, whilst at the same time taking into account the paucity and price of land in the province. To date the department has conducted three land valuations. However the process had not been concluded as at the end of Q3.

**IRDP Phase 1: Planning and Services:** Under this sub-programme, the department had an annual target of 2 677 serviced stands. To date only 536 stands have been serviced. Most of the department’s target on this performance indicator is planned to be achieved in quarter 4 (2 467).

**IRDP: Phase 1: Planning and Services: Informal Settlements.** Under this sub-programme, the department planned to service 5 596 stands. Only 146 stands have been serviced to date. The reasons for non-performance can be attributed to a combination of factors which include among others, delays in the relocation of beneficiaries to make way for the construction work. In addition, there are delays in approving electricity and water reticulation for the Slovo Park project. Delivery in Kagiso/Azaadville (Chief Mogale Phase II) was delayed by non-approval of top-up funding. The issue of top-up funding was resolved in quarter 3 and the department is expecting to fast track delivery in the fourth quarter. The Wagterskop project in the Western Corridor was delayed due to non-availability of bulk infrastructure in the area.

**IRDP: Phase 2: Top Structure Construction:** Under this sub-programme, the department had an annual target of 4 920 houses and only 374 houses have been completed to date. Accounting for this poor performance are infrastructure challenges such as insufficient bulk services in projects such as Olievenhoutbosch Ext 27 and Heatherly East (Nellmapius Ext 22) (Mega Project - Tshwane East) and invasions and vandalism of houses awaiting allocation. A directive has since been issued to allocate all houses with water and sanitation connection to address the problem. Projects such as Obed Mthombeni Nkosi Phase I (Mose) have been affected by delays in the signing of agreements resulting in the late commencement of the project.

**Integrated Residential Development Programme (IRDP): Phase 2: Top Structure Construction: Informal Settlements:** Under this sub-programme, the department has an annual target of 13 881 and to date 3 611 houses have been built. Delays in the appointment of contractors, community and labour unrest as well as the late approval of top-up funding contributed to the programme’s poor performance. The appointment of contractors has been expedited, community and labour unrest resolved and local labour is now being employed in the projects as part of the mitigating steps.

**Informal Settlements Upgrading:** under this sub-programme, the department has an annual target of 4 327 and to date only 1 211 houses have been completed. The shortfall in achieving the target of housing units is due to various factors such as protests, illegal invasions, late appointment of contractors, delays in National Home Builder Registration Council (NHBRC) enrolment confirmation from Quality Assurance (QA). New contractors have been appointed to complete the work and to fast track delivery. Other contractors have been put on terms for the delivery of outstanding outputs.

**Rural Housing:** Under this programme, the department planned to build 300 units. To date only 24 units have been



completed at Sokhulumi Rural Development. Slow delivery of the programme is attributed to cash flow challenges by the contractor. The department is addressing the issue with the contractor.

**Community residential units (CRUs) converted/upgraded:** Nothing was planned for implementation under this programme due to a directive from the National Minister of Human Settlements prohibiting implementation of this programme.

**CRUs constructed:** 729 units were planned for the financial year and to date only 193 have been constructed. Poor performance is due to different factors ranging from pending township approvals, illegal occupants, delays in the appointment of a Professional Resource Team (PRT) and deferred quantification of outstanding work with the contractors.

Under the **Priority Programme**, a total of 2 682 housing units was planned for the year and to date 757 units have been delivered. The shortfall in performance is due to insufficient bulk infrastructure and lack of services in Kokosi Ext 6, Fleurhof and Cosmo City. Shacks encroaching the development area at Cosmo City slowed down the performance and delivery of targets. In Kokosi Ext 6, Performance is expected to increase after the water and sewer reticulation is complete. In terms of stands delivered a total of 2 853 stands were delivered to date against an annual target of 2 286 stands.

Under **Provincial Specific programme**, 398 houses were planned for the year and 167 houses have been delivered to date. Lufhereng mixed development was affected by delays in the approval of the specification for the house plans and approval of house plans for military veterans in Elias Motsoaledi was not finalized.

Under **Job Creation**, the department planned to create 15 000 employment opportunities. To date 7 480 job opportunities have been created. 2 740 opportunities were created for adult males, 807 for adult females, 3 170 for youth males, 689 for youth females and 24 for people with disabilities. Opportunities were created across all corridors of the GCR.

**Training in construction and business management:** The department planned to train 15 people with disabilities, 25 youth entrepreneurs, 20 woman entrepreneurs in construction and business management. Twenty youth and 60 women are currently being trained on business management and basic construction. Training of people with disabilities is planned or will take place in the last quarter of the year.

### 3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2017/18)

#### Modernisation of human settlements and urban development

In alignment with the Medium Term Strategic Framework (MTSF) targets, the department will continue to undertake a rigorous exercise to ensure that targets set are a true reflection of the MTSF expectations and to ensure variances that occurred during the previous financial years are carried forward and spread across the remaining financial years and linked to the budget. This is to make up for the loss or under-planning encountered during the past three financial years due to various reasons highlighted under challenges. The department has therefore attempted to align the 2017/18 targets with those of both national and provincial MTSFs.

#### Financial Intervention Programme

Under the **FLISP** programme which is intended to assist people who do not earn enough to qualify to receive financial assistance (bonds) from the financial institutions but do not earn a sufficiently small amount to qualify for social housing, that is, people who earn between R3 500 – R18 000 per month, the department is targeting to produce 3 638 housing units for the coming financial year.

#### Incremental Housing Programme

Under the IRDP: Phase 1: Planning and services, the department plans to service 14 697 stands in 2017/18. For the IRDP Phase 1: Planning and Services under Informal Settlements, the department plans to service 9 128 stands in the coming year. Under Phase 2: Top Structure, the department plans to deliver 9 298 units and under IRDP: Phase 2: Top Structure: Informal Settlements, it plans to deliver 14 720 units.

The target for 2017/18 for the number of stands serviced for informal settlement upgrading programme is 1 600; for the number of houses completed for the informal settlement upgrading programme, the target is 4 936 for the upcoming year.

#### Social and Rental Intervention Programme

The department plans to build 13 334 Social Housing Capital Grant units for rental housing and 2 200 institutional subsidy units. Under **CRUs**, the department will construct 872 units in 2017/18. It will implement the Farm Worker Housing Assistance Programme targeting 391 housing units. The Rural Housing: Communal Land Rights Programme has a target of 100 house units for the year under review.

The department supports the important national goal of universal access to basic services, although this is primarily the



responsibility of the Department of Cooperative Governance and Traditional Affairs (COGTA). In its supportive role, the department is planning to service 1 600 stands and deliver 4 936 units under its informal settlement upgrading programme. The servicing of stands provides for connection of basic services such as access to basic water, sanitation and electricity.

#### **Sales and Transfer of Housing Properties Programme**

In relation to residential properties transferred to beneficiaries through the Enhanced Extended Discount Benefit Scheme (EEDBS) (pre-1994), the department is planning to transfer 400 title deeds to beneficiaries, whilst under the post-1994 properties regularized programme, the target is 78 795 for 2017/18. The planned target for number of title deeds issued on new housing developments throughout the year is 25 897 and the targeted number of property units devolved to municipalities is 1 000.

#### **Decisive spatial transformation**

Developing human settlements along other nodal developments is vitally important to achieve maximum impact as well as economies of scale. The department is targeting pockets of land that are located closer to socio-economic amenities across the province. To develop sustainable human settlements, the department has to ensure that it affords the various segments of the housing market access to different housing typologies that suit their needs.

In line with the provincial priorities of an inclusive GCR, the department will during the 2017/18 financial year embark on high yield projects which include Tsakane Ext 22, Chief Luthuli Ext. Mega and Germiston South (Eastern Development Corridor) (Ekurhuleni). Cosmo City, Goudrand Ext 24 (DRD), 3 D Diepsloot East (Central Development Corridor) (Joburg). Winterveldt Ext 3 Phase 2 (Northern Development Corridor) (Tshwane). Wagterskop (Mega), (Western Development Corridor) (West Rand). Sebokeng Ext 28 (Boiketlong Mega), Ratanda Ext. 1, 3, 5, 6, 7&8 (Ratanda Precinct Mega), Savannah City (Vaal Triangle Mega), Obed Mthombeni Nkosi Phase I (Mose) (Ratanda Precinct Mega), Westside Park (Golden Highway Mega), Southern Development Corridor (Sedibeng).

#### **Job Creation**

The department plans to create 8 000 employment opportunities through the Extended Public Works Programme (EPWP), GEYODI and Tshepo 500 000 in 2017/18. The department will strengthen the implementation of its empowerment policies by prioritising GEYODI mainstreaming across all the programmes and sub programmes. Through its empowerment and job creation initiatives/contribution, the department will train 100 youth and place them with contractors through the National Youth Service Framework (NYSF). The department will target the training of 25 youth entrepreneurs, 20 women entrepreneurs and 15 people living with disabilities (PWDs) in construction and business management. The department further plans to recruit 30 companies owned by designated groups (10 women, 10 Youth and 10 PWDs) to participate in the incubator programme.

#### **Challenges faced by the department are:**

- In-migration of people from other provinces and outside the country who are in pursuit of employment opportunities and a better life, thereby creating a continuous increase in housing demand in the province;
- Increasing commodity prices caused by the state of the economy;
- Distressed infrastructure as a result of rapid urbanisation and inward migration;
- An increased demand for provision of basic services to existing informal settlements across the province;
- Growth in “gap” market demand in line with the revised threshold;
- Difficulties in acquiring suitable and well-located housing land;
- Slow turn-around times on the FLISP application processing; and
- Paucity and high price of land in the province.

#### **The following are some of the mitigating steps that need to be taken to address these difficulties:**

- integrated planning using relevant forums between the Urban Settlement Development Grant (UDSG) and the HSDG in line with municipal IDPs. This will promote optimal utilisation of the grants for better human settlement and service delivery;
- Move towards planning and delivery of mega cities to achieve accelerated service delivery and economic development;
- Consumer education to ensure that there is wide-spread knowledge of opportunities such as FLISP; and
- Entrenching the contractual obligation for the service providers to use local labour to ensure job creation.

## **4. REPRIORITISATION**

The department continues to review its operations to identify potential cost savings and eliminate inefficiencies. This will translate into reprioritisation, essential in the present tight fiscal environment. The department continues to explore less expensive building technologies and, taking the MTEF period as a whole, has examined how it can prioritise its budget to meet its primary objectives. The budgets for programmes such as Programme 3 i.e. R73.8 million were reprioritised from the item transfers and subsidies following the reprioritisation of the departmental business plan and were re-directed to



Programme 4 where the funds are most urgently needed. This was mainly to fund the EEDBS, a programme responsible for the transfer of deeds to beneficiaries.

When comparing the 2016/17 budget with the 2017/18 budget, Programme 1: Corporate services reprioritised funds within the programme as part of cost containment implementation. Items such as administrative fees, catering, advertising, communication, venues and facilities and consumable stationery were reduced to fund items which support the core such as consultants, professional bodies and property payments which will fund the commission of municipal services. Programme 1 decreases by R32.5 million to fund Programme 3 where expenditure on property payments is incurred. Programme 3 decreases by R73.8 million to fund the in Programme 4 as a result of the reprioritised departmental business plan.

Funding reprioritised to Programme 4: Housing Assets and Property Maintenance will promote home ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats.

## 5. PROCUREMENT

The department will continue to procure goods and services in line with the budget allocation and in terms of all prescribed policies and acts; and will monitor and control spending as efficiently and as effectively as possible. Purchasing, receiving and using goods and services on time is essential to service delivery. All contracts are subjected to market-related price analysis and the terms and conditions are analysed to identify areas where the department can negotiate for better value for money without compromising quality. The department encourages the use of small black owned businesses to promote sustainable job creation, using a range of such businesses to promote fairness and transparency.

In relation to procurement, in the 2017/18 financial year the department plans to:

- Start with migration from the manual operating system to SAP implementation. This will improve completeness and accuracy of reports;
- Continue to train and develop its staff;
- Implement the use of pre-approved lists as the basis of appointment of service providers for regular services. This will ensure timeous appointment of contractors within the first quarter of the financial year;
- Acquire goods and services in line with targets as indicated in the procurement plan;
- Enhance contract management across the department especially for construction projects; and
- Honour contractual obligations.

## 6. RECEIPTS AND FINANCING

### 6.1. Summary of receipts

TABLE 8.1: SUMMARY OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Equitable share	508 099	682 160	959 170	824 723	1 023 792	1 023 792	644 254	683 268	721 281
Conditional grants	4 108 399	4 432 595	4 126 734	5 046 443	5 024 874	5 024 874	5 542 105	5 907 304	6 270 283
<b>Total receipts</b>	<b>4 616 498</b>	<b>5 114 755</b>	<b>5 085 904</b>	<b>5 871 166</b>	<b>6 048 666</b>	<b>6 048 666</b>	<b>6 186 359</b>	<b>6 590 572</b>	<b>6 991 564</b>

The equitable share and conditional grants are the main source of funding for the GDHS. The Human Settlements Development Grant and the funding made available by the province caters for the implementation of national and provincial housing programmes. In the 2017/18 financial year the total budget of R6.2 billion is made up of a conditional grant R5.5 billion and the equitable share of R644 million.

Over the MTEF period, total receipts will have increased steadily from R4.6 billion in 2013/14 to R7 billion in the 2019/20 financial year. The funding made available will enable the department to embark on projects that will contribute decisively to spatial transformation and radical economic transformation by ensuring that people are located closer to places of work and economic opportunities. It will also provide sustainable human settlements services and infrastructure, in line with national access and equity policy and objectives. The conditional grant increases from R5 billion in 2016/17 to R6.3 billion in the 2019/20 financial year, aligned to the estimated inflation projections. This grant will assist the department in addressing the housing backlog in the province, mainly caused by the increasing number of people who migrate to the province in pursuit of a better life and employment opportunities.



Included in the HSDG is an amount of R129 million in 2017/18 and R114 million in 2018/19 earmarked for revamping mining towns including Merafong City, Randfontein, Westonaria and Mogale City. An amount of R14.6 million is made available by the province to enable the department to provide for infrastructure.

Through the HSDG, the department will embark on mega projects in the Central Corridor that includes Goudrand Ext 24, Diepsloot and Cosmo City. The department will spend some of the funding made available on projects such as Winterveldt Phase 2 and Nelmapius over the MTEF period on mixed housing development projects as part of a decisive spatial transformation and modernization of human settlements in the Northern Corridor.

The Eastern Corridor will ensure the continuation and implementation of projects such as Chief Albert Luthuli, Tsakane Ext 22 and Germiston South whilst the Western Corridor will deliver projects such as Westonari Borwa Mixed Housing Development, the continuation of Chief Mogale, Kagiso Ext 13, Kokosi Ext 6 and Munsieville Ext 9. Funding allocated to the Southern Corridor will yield mixed housing developments in Sebokeng Ext 28 and 30, finance linked subsidy projects such as Savannah City and Vanderbijlpark Central East no. 7 and the provision of access to basic services in areas such as Sicelo Shiceka, Mamello and KwaZenzele Phase 2.

An amount from the HSDG of R167 million in 2017/18 and R330 million for the two outer years of the MTEF is allocated for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands, and to provide the tools and personnel needed for these activities. The allocation will deal with the Extended Discount Benefit Scheme and the transfer of housing properties to beneficiaries.

## 6.2. Departmental receipts

TABLE 8.2: DEPARTMENTAL RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Sales of goods and services other than capital assets	3 255	989	1 442	414	414	1 507	435	460	485
Interest, dividends and rent on land		2 007	1 500	362	362	362	380	402	425
Transactions in financial assets and liabilities	1 633	1 964	34 716	3 888	3 888	9 296	4 082	4 319	4 561
<b>Total departmental receipts</b>	<b>4 888</b>	<b>4 960</b>	<b>37 658</b>	<b>4 664</b>	<b>4 664</b>	<b>11 165</b>	<b>4 897</b>	<b>5 181</b>	<b>5 571</b>

The department generates its revenue from parking fees, sale of tender documents and collection of revenue from rental of departmental properties. For the period under review, revenue remains stable due to the nature of the department's business. The department receives a once off collection of revenue for capital assets in the financial year 2015/16 and 2016/2017. The significant collection of R33 million for 2015/2016 resulted from revenue received from funds that were rolled over from Ekurhuleni Metropolitan Municipality. The department receives once off revenue resulting from servitudes rights during the 2016/17 financial year. For the year under review, the department has experienced an increase in the sale of tender documents. It is anticipated that increased parking fees, tender document prices and commission on third party payments could improve revenue collection over the MTEF. The department is no longer transferring funds to conveyancers upfront for individual subsidies hence there is no interest generated from such transactions.

## 7. PAYMENT SUMMARY

### 7.1. Key assumptions

The assumptions that underpin the department's 2017 expenditure are summarized below. A 7.4 per cent wage increase is anticipated over the MTEF. A 6.2 per cent increase in general goods and services is anticipated in 2017/18, 5.9 per cent in 2018/19 and 5.6 per cent in 2019/20, in line with the projected consumer price index (CPI). The following elements have been taken into consideration when determining budgets for personnel and other economic classifications for the 2017 MTEF:

- Number of staff and possible changes over the MTEF;
- Basic salary costs including conditions of service adjustments from 1 April each year;
- Increased take-up of benefits such as medical aid and home owners' allowance based on bargaining council agreements;
- Inflation in the cost of goods and services, based on headline CPI projections;
- Provision for eradicating informal settlements through the province;
- Provision for upgrading infrastructure services; and
- Decisive spatial transformation and radical economic transformation.



## 7.2. Programme summary

TABLE 8.3: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	194 925	278 832	364 812	439 360	473 624	474 017	417 217	426 851	450 527
2. Housing Needs, Research And Planning	10 818	14 595	22 369	33 076	33 298	33 759	35 822	36 771	38 833
3. Housing Development	4 240 571	4 647 462	4 278 821	5 287 261	5 419 275	5 413 369	5 559 388	5 964 045	6 323 914
4. Housing Assets Management Property Management	96 857	85 408	76 707	106 484	117 484	122 536	173 932	162 905	178 290
<b>Total payments and estimates</b>	<b>4 543 171</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 866 181</b>	<b>6 043 681</b>	<b>6 043 681</b>	<b>6 186 359</b>	<b>6 590 572</b>	<b>6 991 564</b>

## 7.3. Summary of Economic Classification

TABLE 8.4 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>388 805</b>	<b>417 208</b>	<b>545 326</b>	<b>555 611</b>	<b>637 208</b>	<b>637 178</b>	<b>582 004</b>	<b>617 480</b>	<b>655 862</b>
Compensation of employees	313 488	341 232	355 623	399 387	399 387	399 387	418 510	442 725	466 786
Goods and services	75 317	75 976	189 703	156 225	237 821	237 791	163 494	174 755	189 076
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 141 781</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 260 703</b>	<b>5 361 004</b>	<b>5 361 003</b>	<b>5 557 078</b>	<b>5 923 145</b>	<b>6 287 042</b>
Households	4 141 781	4 574 792	4 196 305	5 260 703	5 361 004	5 361 003	5 557 078	5 923 145	6 287 042
<b>Payments for capital assets</b>	<b>12 585</b>	<b>9 111</b>	<b>1 059</b>	<b>49 867</b>	<b>45 367</b>	<b>45 367</b>	<b>47 276</b>	<b>49 947</b>	<b>48 660</b>
Machinery and equipment	9 099	9 073	1 052	40 000	33 500	33 500	42 262	44 447	44 040
Software and other intangible assets	3 486	38	7	9 867	11 867	11 867	5 014	5 500	4 620
<b>Payments for financial assets</b>		<b>25 186</b>	<b>19</b>		<b>102</b>	<b>133</b>			
<b>Total economic classification</b>	<b>4 543 171</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 866 181</b>	<b>6 043 681</b>	<b>6 043 681</b>	<b>6 186 359</b>	<b>6 590 572</b>	<b>6 991 564</b>

The table above shows that departmental expenditure increased from R4.5 billion in the 2013/14 financial year to R5 billion in the 2014/15 financial year. The increase mainly resulted from the recalculation of the equitable share receipts based on Stats SA data that showed Gauteng's population as higher than previously indicated. Expenditure was R4.7 billion in 2015/16 due to the HSDG being reduced by R908 million by the National Department of Human Settlements to fund priority projects in other provinces. For the period under review, the budget increases from R5.9 billion in 2016/17 to R6.1 billion in the 2017/18 financial year due to the land management function being moved to the Department of Infrastructure Development. However, over the 2017 MTEF the budget grows by 5.6 percent year on year. The largest share of the budget is allocated to the Housing Development Programme, which aims to establish sustainable human settlements where all citizens have access to housing and other social amenities.

**Programme 1:** Administration expenditure increased from R195 million in 2013/14 to R279 million in the 2014/15 financial year. In 2015/16, the expenditure increased to R365 million; this related to the realignment of the personnel budget from Programme 3: Housing Development. For the 2017/18 financial year the budget shows a slight decrease of R57 million to R417 million when compared to the previous financial year's adjusted budget of R474 million. This is mainly due to once off additional funding made available to the department to fund rates and taxes and departmental security services during the 2016/17 adjustment budget process. In the 2018/19 financial year the budget will amount to R427 million and significantly increases in the 2019/20 financial year to R451 million. The increase will assist the department to improve its professionalism by employing more scarce skills to support the administration of Mega Projects.

**Programme 2:** Housing Needs, Planning and Research expenditure increased from R10.8 million to R22.4 million between 2012/13 and 2015/16. In 2016/17, the programme budget grew significantly to R33 million. The increased budget was mainly because the personnel budget from Programme 3: Housing Development was transferred to the correct cost centre. In 2017/18 the allocated budget of R36 million within the programme provides for the regulatory framework for housing delivery, develops policy guidelines and provides provincial inputs on housing legislation. Over the MTEF the budget grows to R39 million or by 6 per cent year on year.

**Programme 3:** The Housing Development Programme makes up the largest share of the budget. Its aim is to establish sustainable human settlements where all citizens have access to housing and other social amenities. Expenditure for the programme grew



from R4.2 billion in the 2013/14 financial year to R4.6 billion in the 2014/15 financial year. In the 2015/16 financial year, the expenditure remained stable at R4.2 billion due to additional funding of R390 million being made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1-2 and Savannah City. Although the programme received additional funding, the HSDG was reduced by R400 million over the 2016 MTEF to make provision for the Housing Development Agency (HDA). An amount of R124 million is earmarked for the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The budget for the programme increases slightly from R5.4 billion in 2016/17 to R5.6 billion in 2017/18 as, citing tight fiscal constraints, the National Department of Human Settlements reduced the HSDG by R439 million. The budget increase to R5.9 billion and R6.3 billion for the outer years of the MTEF is in line with expected inflation. Included in the 2017/18 allocation of the HSDG is an amount of R129 million earmarked for the revamping of mining towns that includes Merafong, Rand West and Mogale City. The budget for the programme will enable the department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and promote effective and efficient delivery of provincial and local housing programmes.

**Programme 4: Housing Assets Property Management** expenditure was R97 million in 2013/14 and R85 million in 2014/15. The budget for the programme increased to R117 million in 2016/17 mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. Over the MTEF, the budget increases from R117 million in 2016/17 to R178 million in 2019/20. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands, and to provide the tools and personnel needed for these activities. The programme motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats, and disposes off the department's commercial properties.

Expenditure on **compensation of employees** increased from R313 million in 2013/14 to R341 million in 2014/15. In the 2015/16 financial year, the expenditure for personnel amounted to R356 million. The personnel budget grows from R399 million in the 2016/17 financial year to R467 million in the 2019/20 financial year. The increased allocation is mainly attributable to the yearly general increment related to improved conditions of employment as well as the filling of critical vacant posts in the department.

The total expenditure for **goods and services** increased considerably from R75 million in the 2013/14 financial year, to R190 million in the 2015/16 financial year. In 2016/17, the allocation for goods and services increased to R238 million mainly due to once off additional funding made available to the department to fund rates and taxes and departmental security services during the adjustment budget process and to address the budget pressure that the department is experiencing. The budget decreases to R189 million for the outer year of the MTEF period due to cost containment measures being put in place.

**Transfers and subsidies** expenditure increased from R4.1 billion in 2013/14 to R4.6 billion in 2014/15. The growth in transfers and subsidies was driven by the growth in the HSDG intended to build cohesive and sustainable communities by ensuring that services and infrastructure are provided to create sustainable human settlements. For the period 2016/17, the total allocation for transfers and subsidies amounted to R5.4 billion due to provincial funding made available for bulk infrastructure in Syferfontein Phase 2. The budget increases to R5.6 billion in 2017/18 to make provision for the HDA. The allocation increases to R6.3 billion for the 2019/20 financial year. The increase caters for accelerated delivery in housing projects and the eradication of informal settlements in the province.

**Expenditure on machinery and equipment** fluctuates, decreasing from R9 million in 2013/14 to R1.4 million in 2015/16. The budget increases to R33.5 million in 2016/17. The 2017/18 budget is R42 million, increasing to R44 million in the outer year of the MTEF. The budget is mainly for procuring the equipment for personnel to carry out their duties efficiently and effectively. This is due to the envisaged increase in human resource capacity to augment the professional capacity of the department

## 7.4. Infrastructure payments

### 7.4.1 Departmental infrastructure payments

Please refer to the Estimates of Capital Expenditure (ECE) for details on infrastructure payments.

### 7.4.2. Departmental Public-Private-Partnership (PPP) projects

N/A

## 7.5. Transfers

### 7.5.1. Transfers to public entities



TABLE 8.5: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Gauteng Partnership Fund	322 917	100 170	200 000	212 400	212 400	212 400	224 719	237 753	251 067
<b>Total departmental transfers</b>	<b>322 917</b>	<b>100 170</b>	<b>200 000</b>	<b>212 400</b>	<b>212 400</b>	<b>212 400</b>	<b>224 719</b>	<b>237 753</b>	<b>251 067</b>

The Gauteng Partnership Funds (GPF) mandate is to provide housing finance and solutions for households that earn incomes between R3 500 and R18 000 per month. Its aim is to facilitate or mobilise funding for affordable housing and to support Gauteng Human Settlements to facilitate private sector participation and mobilise appropriate funding for social housing and integrated projects.

The GPF receives contributions from the Gauteng Department of Human Settlements from time to time but the entity funds itself mainly from the interest earned from the original capitalisation of the GDHS donation. The GPF receives interest from loans that were given out to borrowers. In 2013/14 the entity received a contribution from the GDHS of R323 million, in 2014/15 the contribution amounted to R100 million. The contribution amounted to R200 million in 2015/16 and R212 million in 2016/17. The GPF will receive a contribution of R225 million in 2017/18 which will assist it to strengthen its strategic objective of increasing and leveraging private sector funding for affordable housing in Gauteng with the ultimate aim of increasing the rate of delivery of sustainable human settlements in the province. The funding is expected to increase to R238 million in 2018/19 and R251 million in the outer year of the MTEF.

### 7.5.2. Transfers to other entities

N/A.

### 7.5.3 Transfers to local government

TABLE 8.6 SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Category A</b>		<b>38 349</b>	<b>516 576</b>	<b>741 384</b>	<b>741 384</b>	<b>741 384</b>	<b>389 069</b>	<b>361 929</b>	<b>287 891</b>
Ekurhuleni Metro			127 759	126 738	126 738	126 738	41 203	43 634	46 077
City of Johannesburg		38 349	302 161	411 613	411 613	411 613	257 202	222 282	140 424
City of Tshwane			86 656	203 033	203 033	203 033	90 664	96 013	101 390
<b>Category B</b>		<b>138 871</b>	<b>135 066</b>	<b>190 452</b>	<b>190 452</b>	<b>190 452</b>			
Emfuleni									
Midvaal									
Lesedi			13 700						
Mogale City				86 752	86 752	86 752			
Randfontein			52 500	32 700	32 700	32 700			
Westonaria				44 700	44 700	44 700			
Merafong City		125 171	82 566	26 300	26 300	26 300			
<b>Category C</b>		<b>13 133</b>							
Sedibeng District Municipality		13 133							
West Rand District Municipality									
<b>Unallocated</b>									
<b>Total transfers to municipalities</b>		<b>190 353</b>	<b>651 642</b>	<b>931 836</b>	<b>931 836</b>	<b>931 836</b>	<b>389 069</b>	<b>361 929</b>	<b>287 891</b>

Transfers to local government increases from R190 million to R652 million between 2014/15 and 2015/16. During the 2015/16 period the department transferred a total of R517 million to Category A and R135 million to category B municipalities. All the transfers made to Category A municipalities were for the delivery of housing stock/units where the municipality is appointed as an implementing agent. R40.5 million was transferred to Randfontein municipality for the construction of a water reservoir which will unlock a number of developments in the West Rand area and parts of the southern region. The budget for the construction of the water reservoir was funded from the mining town's earmarked allocation. R82 million was transferred to Merafong municipality and was earmarked for the construction of a bridge over a railway line to connect the old and new developments; R22 million was earmarked for servicing of 500 sites and R34 million was allocated for the construction of 265 housing units.



The budget for transfers increases to R932 million during the 2016/17 financial year. Category A municipalities receive R741 million whereas category B municipalities receive R190 million. The department entered into subsidy funding agreements with all the municipalities receiving funds. The funding was primarily for the construction of top structures and to a lesser degree servicing of stands. Mining towns' funds is being used to a large degree for infrastructure upgrade in these mining towns. These areas do not receive funds from the USDG. Funding is provided for these targeted areas to unblock development bottlenecks. The budget for transfers to local government decreases to R389 million in 2017/18 as the department plans to implement some of the projects previously implemented by municipalities. The budget will further decrease to R361 million and R288 million for the two outer years of the MTEF.

## 8. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of this programme is to strengthen and align the department's ability to deliver on its mandate. It enables the department's business units to perform efficiently by providing corporate support (HR, financial management, supply chain, ITC, risk management and facilities management and support). The programme ensures effective leadership, management and administrative support of the core business divisions through continuous refinement of organisational strategy and structure in compliance with appropriate legislation and practice. The programme's outputs are in line with government's Outcome 12 which seeks to achieve "An efficient, effective and developmental oriented public service and an empowered, fair and inclusive citizenship".

#### Programme objectives

- To ensure that the department's supply chain processes are conducted in a manner that is fair, transparent, equitable, competitive and cost effective; and that the management and operation of the function is efficient and effective and adds value to the strategic objectives of the department;
- To ensure that Human Resources Management is a strategic partner to all units in the department;
- To provide effective legal services to the department;
- To provide efficient and effective facilities management to the department;
- To provide effective, efficient and stable ICT infrastructure and support to the department;
- To ensure prudent financial management, efficient and effective procurement systems and to ensure; that financial planning and budgeting are aligned to the department's Strategic Plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
- To ensure effective, efficient and transparent risk management, financial systems and controls to safeguard departmental assets; and
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility in departmental operations.

TABLE 8.7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Corporate Services	194 925	278 832	364 812	439 360	473 624	474 017	417 217	426 851	450 527
<b>Total payments and estimates</b>	<b>194 925</b>	<b>278 832</b>	<b>364 812</b>	<b>439 360</b>	<b>473 624</b>	<b>474 017</b>	<b>417 217</b>	<b>426 851</b>	<b>450 527</b>

TABLE 8.8: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>182 283</b>	<b>244 354</b>	<b>362 731</b>	<b>389 177</b>	<b>427 549</b>	<b>428 003</b>	<b>369 609</b>	<b>376 553</b>	<b>401 497</b>
Compensation of employees	118 580	174 036	237 472	242 921	203 507	203 507	250 117	263 914	275 515
Goods and services	63 703	70 318	125 259	146 256	224 042	224 496	119 492	112 639	125 982
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>72</b>	<b>181</b>	<b>1 003</b>	<b>316</b>	<b>316</b>	<b>524</b>	<b>332</b>	<b>351</b>	<b>370</b>
Provinces and municipalities									
Households	72	181	1 003	316	316	524	332	351	370
<b>Payments for capital assets</b>	<b>12 570</b>	<b>9 111</b>	<b>1 059</b>	<b>49 867</b>	<b>45 357</b>	<b>45 357</b>	<b>47 276</b>	<b>49 947</b>	<b>48 660</b>
Buildings and other fixed structures									
Machinery and equipment	9 084	9 073	1 052	40 000	33 490	33 490	42 262	44 447	44 040
Software and other intangible assets	3 486	38	7	9 867	11 867	11 867	5 014	5 500	4 620



R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Payments for financial assets		25 186	19		102	133			
Total economic classification	194 925	278 832	364 812	439 360	473 624	474 017	417 217	426 851	450 527

The table above shows that the programme's expenditure increased from R195 million in 2013/14 to R279 million in the 2014/15 financial year. In the 2015/16 financial year expenditure was R365 million and then a further increase R74 million in 2016/17 to R439 million. It will then reduce to R417 million and increase to R451 million in the outer year of the MTEF.

The budget shows significant growth of 42 per cent from 2014/15 to 2015/16. This is mainly because the personnel budget shifted from other programmes to this programme in line with the approved structure. The allocated funding will enable the department to strengthen governance, combat fraud and corruption and enhance security and risk management by conducting internal audits and facilitating external audits. It will ensure the implementation of and compliance with minimum information security standards and other security legislation. Improved service is aligned with the organisation's core objectives and is achieved through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services.

The programme's expenditure on compensation of employees increased from R119 million in 2013/14 to R174 million in 2014/15 before increasing to R237 million in the 2015/16 financial year. The allocation is R243 million in the 2016/17 financial year. The increase results from the personnel budget being moved from other programmes to Programme 1: Administration. The budget remains relatively stable at R264 million and R276 million in the two outer years of the MTEF in line with estimates for projected growth.

Goods and services expenditure increased slightly from R64 million to R70 million between the 2013/14 to 2014/15 financial year. In the 2015/16 financial year, the expenditure amounted to R125 million. The budget increased to R146 million in the 2016/17 financial year before it decreases to R126 million in the outer year of the MTEF mainly due to funds being reprioritised towards compensation of employees. The budget made available for goods and services will provide for the payment of departmental rates and taxes, security services and operational activities of the department.

## PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

### Programme description

The purpose of this programme is to facilitate and undertake housing delivery planning, identify housing needs, provide a regulatory framework for housing delivery, develop policy guidelines, provide provincial inputs on housing legislation and any amendments to these, develop provincial multi-year housing delivery plans, ensure alignment of housing plans with IDPs and conduct research into the demand for housing. The programme promotes effective and efficient delivery of provincial and local government housing programmes; integrated redevelopment of urban communities at scale; and sustainable local economies. The programme has a number of transversal functions including quality assurance, research and development and inputs into policy development, planning and housing support.

### Programme objectives

- Develop and implement departmental policies and initiate research to achieve the strategic objectives;
- Facilitate the realignment of and compliance with the regulatory environment for sustainable human settlements;
- Develop annual performance plans and the Five Year Strategic Plan;
- Implement, revise and review the department's Programme of Action (PoA); and
- Provide support to various directorates in the department on the development of performance; and indicators for both the annual performance plans (APPs) and PoA.

TABLE 8.9: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	4 120	1 095	1 334	11 272	11 319	10 432	14 051	13 770	14 543
2. Policy	3 171	12 784	17 664	10 611	10 711	12 059	11 303	11 958	12 628
3. Planning	3 478	695	3 197	11 195	11 268	11 268	10 468	11 043	11 662
4. Research	49	21	174						
Total payments and estimates	10 818	14 595	22 369	33 076	33 298	33 759	35 822	36 771	38 833



TABLE 8.10: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>10 818</b>	<b>14 595</b>	<b>22 369</b>	<b>33 076</b>	<b>33 288</b>	<b>33 078</b>	<b>35 822</b>	<b>36 771</b>	<b>38 833</b>
Compensation of employees	10 479	14 162	21 422	32 657	32 657	32 657	35 380	36 335	38 371
Goods and services	339	433	947	420	631	421	442	436	462
Interest and rent on land									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Households									
<b>Payments for capital assets</b>					<b>10</b>	<b>10</b>			
Machinery and Equipment					10	10			
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>10 818</b>	<b>14 595</b>	<b>22 369</b>	<b>33 076</b>	<b>33 298</b>	<b>33 759</b>	<b>35 822</b>	<b>36 771</b>	<b>38 833</b>

The programme's expenditure increased from R10.8 million to R14.6 million between the 2013/14 and 2014/15 financial years. The increase was to ensure that the Inclusionary Housing Incentives chapter was completed for insertion into the Bill. Expenditure in 2015/16 increased significantly by R7 million to R22 million. The increase was because the personnel budget shifted from Programme 3: Housing Development to this programme in line with the approved organisational structure. The budget amounts to R33 million in 2016/17, R35.8 million in 2017/18 and R38.9 million in the outer year of the MTEF. The increase in the budget is mainly to develop and implement departmental policies, initiate research to achieve strategic objectives and ensure alignment and compliance with the regulatory environment for sustainable human settlements and the building of new cities.

The expenditure for the Sub-programme: Policy increased from R3.1 million from 2013/14 to R17.6 million in 2015/16. The budget decreases to R10.6 million in 2016/17 before decreasing to R11.3 million in 2017/18 and to R12.6 million for the outer year of the MTEF. The budget of the sub-programme will assist the department to develop and implement policies to achieve strategic objectives and ensure alignment and compliance with the regulatory environment.

The expenditure on Sub-programme: Planning decreases from R3.5 million in 2013/14 to R695 000 in 2014/15 due to the function being shifted to the HDA. The budget increases to R11.6 million in 2017/18 and R12.6 million for the two outer years of the MTEF period. The growth in the budget is to support the development and alignment of the departmental planning frameworks including the APPs, the Integrated Multi-year Housing Development Plan, the Medium Term Budget Policy Statements and Programmes of Action, in line with national and provincial requirements.

The Sub-programme: Research recorded expenditure of R49 000 in 2013/14 and increased to R174 000 in 2015/16 mainly to conduct research and develop innovative methods to address housing needs. There is no allocation over the MTEF as the function was moved to the HDA from the 2016/17 financial year.

## SERVICE DELIVERY MEASURES

### PROGRAMME 2: HOUSING, NEEDS, RESEARCH AND PLANNING

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
<b>Sub Programme: Policy</b>			
Number of Acts passed/ or policy guidelines approved	3	3	3
<b>Sub Programme: Planning</b>			
Number of municipalities capacitated and supported with regard to human settlements ( housing) development planning	12	12	12
<b>Sub Programme: Research</b>			
Number of research projects approved	2	2	2
Number of research papers completed	2	2	2



### PROGRAMME 3: Housing Development

#### Programme description

The core focus of the Housing Development Programme is to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The emphasis in this programme is on the provision of individual subsidies and housing opportunities to beneficiaries in accordance with the national housing policy. This programme promotes effective and efficient delivery of provincial and local housing programmes. It concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable local economies. The programme outputs are reflected in government's Outcome 8, which seeks to achieve "Sustainable human settlement and improved quality of household life".

#### Programme objectives

- Provide and develop integrated infrastructure for the creation of cohesive communities;
- Promote home ownership;
- Substantially reduce levels of unemployment;
- Create a healthy and clean living environment;
- Provide engineering services at an affordable and sustainable level;
- Reduce levels of crime and violence;
- Upgrade existing housing and create additional affordable housing;
- Alleviate poverty;
- Create sustainable livelihoods;
- Create a caring and responsive government;
- Create a better life for all; and
- Implement integrated, high impact, time bound and targeted interventions.

TABLE 8.11: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	195 719	156 394	162 859	128 849	171 862	171 371	183 960	198 773	209 905
2. Financial Interventions	577 555	484 450	461 805	339 157	457 781	457 781	553 993	664 823	1 005 443
3. Incremental Interventions	2 536 186	3 460 983	3 095 163	4 226 618	4 015 612	4 010 197	4 244 326	4 001 406	3 840 285
4. Social And Rental Intervention	883 058	529 650	543 731	510 427	756 434	727 706	482 757	961 186	1 102 511
5. Rural Intervention	48 053	15 985	15 263	82 210	17 586	46 314	94 351	137 857	165 770
<b>Total payments and estimates</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 287 261</b>	<b>5 419 275</b>	<b>5 413 369</b>	<b>5 559 388</b>	<b>5 964 045</b>	<b>6 323 914</b>

TABLE 8.12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>195 704</b>	<b>158 259</b>	<b>160 031</b>	<b>126 644</b>	<b>169 657</b>	<b>168 712</b>	<b>169 905</b>	<b>198 773</b>	<b>209 905</b>
Compensation of employees	184 429	153 034	96 729	120 565	159 979	159 979	129 487	139 066	149 360
Goods and services	11 275	5 225	63 302	6 079	9 678	8 733	40 419	59 704	60 545
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>4 044 852</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 160 617</b>	<b>5 249 618</b>	<b>5 244 657</b>	<b>5 389 482</b>	<b>5 765 272</b>	<b>6 114 009</b>
Provinces and municipalities									
Households	4 044 852	4 489 203	4 118 790	5 160 617	5 249 618	5 244 657	5 389 482	5 765 272	6 114 009
<b>Payments for capital assets</b>	<b>15</b>								
Buildings and other fixed structures									
Machinery and equipment	15								
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 287 261</b>	<b>5 419 275</b>	<b>5 413 369</b>	<b>5 559 388</b>	<b>5 964 045</b>	<b>6 323 914</b>

The programme's purpose is to establish sustainable human settlements where all citizens have access to housing and other social amenities and to assist the department to deliver on its mega projects and programmes: mixed housing development, eradication of informal settlements, alternative tenure, the urban renewal programme.



The programme takes up the largest share of the departments' budget and amounts to R4.2 billion in both 2013/14 and 2015/16 before increasing to R5.2 billion in 2016/17. In the 2015/16 financial year, expenditure remained steady at R4.3 billion due to additional funding of R390 million being made available for provincial mega projects and provision of bulk infrastructure for Syferfontein Phase 1-2 and Savannah City. This is after the National Department of Human Settlements reprioritised R908 million from the provincial HSDG allocation to priority provinces. The HSDG was further reduced by R400 million over the 2016 MTEF to make provision for the HDA. The budget is R5.4 billion in 2016/17 after the department received once off additional funding of R100 million from the province to fund bulk infrastructure for the Syferfontein Phase 2 mega project. An amount of R124 million is earmarked for the mining towns of Merafong, Randfontein and Westonaria in the 2016/17 financial year. The budget for the programme increases slightly from R5.4 billion in 2016/17 to R5.6 billion in 2017/18 as a result of the HSDG being reduced by R439 million, with the National Department of Human Settlements citing tight fiscal constraints. The budget increases to R5.9 billion and R6.3 billion for the outer years of the MTEF in line with inflationary rates. Included in the 2017/18 allocation of the HSDG is an amount of R129 million earmarked for the revamping of mining towns. The budget for the programme will enable the department to build integrated, cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements and by promoting effective and efficient delivery of provincial and local housing programmes.

The expenditure for the Sub-programme: Financial Intervention was R577 million in 2013/14 and R484 million in 2014/15. The reason for the increase was to facilitate immediate access to housing goods and services, create an enabling environment and provide implementation support. In the 2015/16 financial year the expenditure stood at R462 million, mainly to cater for credit linked individual housing subsidies, housing finance linked individual subsidies, the EEDBS, rectified RDP stock 1994-2002, social and economic facilities, NHBRC enrolment and procurement of land parcels. In 2016/17, the programme budget decreases to R458 million from the previous financial year due to the reprioritisation of the departmental business plan and EEDBS funding being moved to Programme 4. The programme budget increases to R554 million in 2017/18 and to R1 billion in 2019/20. The projected budget growth will cater for the 1 725 houses targeted to be built under the Finance Linked Individual Subsidy Programme.

The expenditure of the sub-programme: Incremental Intervention increased from R2.5 billion in 2013/14 to R3.5 billion in 2014/15. The expenditure decreased to R3 billion in 2015/16 after R908 million from the department's HSDG allocation was reprioritised to priority provinces by NDHS. The budget remains relatively stable at R4 billion through 2016/17. Over the 2017 MTEF, it remains at R4.2 billion in 2017/18 and decreases to R3.8 billion in 2019/20. Through this programme, the department will embark on mega projects in the Central Corridor that includes Goudrand Ext 24, Diepsloot and Cosmo City. The department will spend some of the funding made available in 2017/18 and over the MTEF period on mixed development housing projects as part of a decisive spatial transformation and modernization of human settlements in the Northern Corridor on projects such as Winterveldt Phase 2 and Nelmapius. The Eastern Corridor will ensure the continuation and implementation of projects such as Chief Albert Luthuli, Tsakane Ext 22 and Germiston South whilst the Western Corridor will deliver projects such as Westonari Borwa Mixed Housing Development, the continuation of Chief Mogale, Kagiso Ext 13, Kokosi Ext 6 and Munsieville Ext 9. Funding allocated to the Southern Corridor will yield mixed housing developments in Sebokeng Ext 28 and 30, Finance Linked Subsidy projects such as Savannah City and Vanderbijlpark Central East no. 7 and the provision of access to basic services in areas such as Sicelo Shiceka, Mamello and KwaZenzele Phase 2 and will provide for servicing 6 000 stands for project-linked subsidies. Under the Integrated Residential Development Programme (IRDP), the department plans to service 24 860 stands and build 26 142 houses for IRDP.

The expenditure for the sub-programme: **Social and Rental Intervention** declined significantly from R883 million to R530 million between 2013/14 and 2014/15. This decrease was driven by the growing demand for housing resulting, among other factors, from in-migration to the province in 2013/14. The 2014/15 expenditure of R530 million shows a decline of R353 million or 33 per cent from the previous financial year. The expenditure increases to R544 million in 2015/16 and to R756 million in 2016/17. The budget decreases to R482 million in 2017/18 before increasing to R1.1 billion in 2019/20. The budget will provide for the 8 440 units to be built for institutional subsidies and the construction of 2 527 units for CRUs over the MTEF period. The sub-programme plans to build 3 060 units of rural housing.

Transfers and subsidies expenditure increased from R4 billion in 2013/14 to R4.5 billion in 2014/15. The growth in transfers and subsidies was driven by the growth in the Human Settlements Conditional Grant to build cohesive and sustainable communities by ensuring that services and infrastructure are provided. For the period 2016/17, the total allocation for transfers and subsidies amounted to R5.2 billion due to provincial funding made available for bulk infrastructure in Syferfontein Phase 2. The budget increases to R5.4 billion in 2017/18 to make provision for the HDA. The allocation increases to R6.3 billion for the 2019/20 financial year. The increase caters for accelerated delivery in housing projects and the eradication of informal settlements in the province.



## SERVICE DELIVERY MEASURES

### PROGRAMME 3: HOUSING DEVELOPMENT

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
<b>Sub-programme: Financial Interventions</b>			
Number of houses built for individual credit-linked subsidies	600	295	495
<b>Sub-Programme: Incremental Interventions</b>			
Number of houses built for individual credit-linked subsidies	19 222	16 527	17 419
Number of land parcels acquired for human settlement development	8 106	8 905	15 389
<b>Sub-Programme: Social and Rental Housing Interventions</b>			
Number of houses built for individual credit-linked subsidies	2 265	1 408	2 135
Number of land parcels acquired for human settlement development	6	6	6
<b>Sub-Programme: Rural Interventions</b>			
Number of houses built for individual credit-linked subsidies	200	310	224
Number of land parcels acquired for human settlement development	400	0	150
Number of houses built for individual credit-linked subsidies	1 100	1 142	1 475
Number of land parcels acquired for human settlement development	1 901	600	800
<b>Provincial Specific Programmes</b>			
Number of houses built for individual credit-linked subsidies	800	280	300

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

#### Programme description

The purpose of the programme is to promote home-ownership in historically disadvantaged communities. It coordinates, manages and oversees the maintenance of departmental immovable assets in the form of flats, hostels and vacant stands; and encourages and supports the provision of tools and personnel to maintain these departmental immovable assets. The department motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats. It disposes of the department's commercial properties.

#### Programme objectives

- To capacitate social housing institutions to accelerate housing delivery;
- To facilitate the stabilisation of the sectional title environment;
- To facilitate an enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions;
- To phase out special needs housing and facilitate interactions with provincial departments;
- To provide housing assistance to departmental staff;
- To facilitate medium-density housing (rental, instalment sale and cooperative housing);
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock);
- To promote home ownership;
- To dispose of commercial property and vacant land owned by the department in the most economical way; and
- To deliver housing units in targeted presidential projects.

TABLE 8.13: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSETS AND PROPERTY MAINTENANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration				6 714	6 714	6 714	6 668	5 383	5 627
2. Sales And Transfer Of Housing Properties	53 979	42 642	39 388	51 000	62 000	36 500	100 000	110 000	120 000
3. Devolution Of Housing Properties	42 878			2 270	2 270	2 270	2 384	2 522	2 663
4. Housing Properties Maintenance		42 766	37 319	46 500	46 500	77 052	64 880	45 000	50 000
<b>Total payments and estimates</b>	<b>96 857</b>	<b>85 408</b>	<b>76 707</b>	<b>106 484</b>	<b>117 484</b>	<b>122 536</b>	<b>173 932</b>	<b>162 905</b>	<b>178 290</b>



TABLE 8.14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>			<b>195</b>	<b>6 714</b>	<b>6 714</b>	<b>6 714</b>	<b>6 668</b>	<b>5 383</b>	<b>5 627</b>
Compensation of employees			195	3 244	3 244	3 244	3 527	3 407	3 540
Goods and services			195	3 470	3 470	3 470	3 142	1 976	2 087
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>96 857</b>	<b>85 408</b>	<b>76 512</b>	<b>99 770</b>	<b>110 770</b>	<b>115 822</b>	<b>167 264</b>	<b>157 522</b>	<b>172 663</b>
Provinces and municipalities									
Households	96 857	85 408	76 512	99 770	110 770	115 822	167 264	157 522	172 663
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>96 857</b>	<b>85 408</b>	<b>76 707</b>	<b>106 484</b>	<b>117 484</b>	<b>122 536</b>	<b>173 932</b>	<b>162 905</b>	<b>178 290</b>

Housing Assets Property Management expenditure was R97 million in 2013/14 and decreased to R85 million in 2014/15. The budget for the programme increased to R117 million in 2016/17 mainly to fund the EEDBS resulting from the reprioritisation of the departmental business plan. Over the MTEF, the budget increases from R173 million in 2017/18 to R178 million in 2019/20. This allocation is mainly for coordinating, managing and overseeing the maintenance of the department's immovable assets in the form of flats, hostels and vacant stands; and to provide the tools and personnel needed for these activities. The programme motivates, guides and manages the provision of tenure for occupants and promotes home ownership through sectionalisation of flats, and disposes of the department's commercial properties.

## SERVICE DELIVERY MEASURES

### PROGRAMME 4: HOUSING ASSETS AND PROPERTY MAINTENANCE

Performance measures	Estimated Annual Targets		
	2017/18	2018/19	2019/20
Sub Programme: Sale and Transfer of Housing Properties	8 000	8 000	8 000
Sub Programme: Devolution of Housing Properties	2 500	2 500	2 500
Sub Programme: Housing Property Maintenance	450	450	450
Sub Programme: Housing Property Maintenance: 6 Inner City Hostels	6	6	6

## 9. OTHER PROGRAMME INFORMATION

### 9.1. Personnel numbers and costs

TABLE 8.15: PERSONNEL AND COSTS: HUMAN SETTLEMENTS

Personnel numbers	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
1. Administration	498	519	483	483	483	483	483
2. Housing Needs, Research And Planning	295	38	38	38	38	38	38
3. Housing Development	466	304	304	304	304	304	304
4. Housing Assets Management Property Management	152	58	58	58	45	45	45
Direct charges							
<b>Total provincial personnel numbers</b>	<b>1 411</b>	<b>919</b>	<b>883</b>	<b>870</b>	<b>870</b>	<b>870</b>	<b>870</b>
Total provincial personnel cost (R thousand)	313 488	341 232	355 623	399 387	418 510	442 725	466 786
Unit cost (R thousand)	224	376	405	459	481	509	537



**TABLE 8.16: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBER AND COSTS: HUMAN SETTLEMENTS**

	Actual		Revised estimate				Medium-term expenditure estimate				Average annual growth over MTEF						
	2013/14	2014/15	2015/16	2016/17		2017/18	2018/19	2019/20	Personnel growth rate	Costs growth rate	% Costs of Total						
R thousands	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs					
Salary level																	
1 – 6	429	96 308	372	139 728	315	99 858	278	30	308	151 311	329	155 849	329	160 228	2.2%	1.9%	35.8%
7 – 10	645	144 798	350	131 464	350	120 092	342	4	346	110 835	346	122 323	346	134 695	6.7%	6.7%	28.4%
11 – 12	134	30 082	154	57 844	154	95 311	145	8	153	72 677	153	79 424	152	89 036	9.6%	9.6%	19.7%
13 – 16	78	17 510	43	16 152	43	37 298	40	2	42	42 144	42	46 190	43	52 828	7.8%	7.8%	11.0%
Other	125	28 062			21	19 841	21		21	22 420		14 724		23 410	-100.0%	1.5%	5.2%
Total	1 411	316 760	919	345 188	883	372 400	826	44	870	399 387	870	418 510	870	466 786		5.3%	100%
Programme																	
1.Administration	498	118 580	519	174 036	483	237 472	448	35	483	242 922	483	250 116	483	275 515		4.3%	59.8%
2. Housing Needs, Research And Planning	295	10 479	38	14 162	38	21 422	37	1	38	32 657	38	35 380	38	38 371		5.5%	8.2%
3. Housing Development	466	184 429	304	153 034	304	96 729	297	7	304	120 565	304	129 487	304	149 360		7.4%	31.2%
4. Housing Assets Management Property Management	152		58		58		44	1	45	3 244	45	3 527	45	3 540		3.0%	0.8%
Total	1 411	313 488	919	341 232	883	355 623	826	44	870	399 387	870	418 510	870	466 786		5.3%	100%



For the period under review, the table above indicates personnel numbers and personnel cost estimates relating to the GDHS. The departmental structure was reviewed immediately after the splitting of the former Department of Local Government and Housing in order to ensure that the new GDHS is able to meet its delivery objectives with the required personnel capacity. The filling of posts that resumed after the split was done in accordance with the new department taking into consideration the availability of funds in the compensation budget. The number of contract workers declined substantially from the previous financial years, with contract workers being absorbed as permanent staff members. The table above indicates that the personnel numbers will remain stable at 870 over the MTEF as the department does not plan to create additional positions but rather fill all the critical vacant positions in line with the approved structure. The slight decline from 883 to 870 is due to the land management function being moved to the Department of Infrastructure Development. The growth in personnel costs is in line with inflation rates and takes into consideration improved conditions of service.

## 9.2. Training

TABLE 8.17: INFORMATION ON TRAINING: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Number of staff	1 411	919	883	870	870	870	870	870	870
Number of personnel trained	200	300	400	500	500	500	600	635	635
<i>of which</i>									
Male	90	140	160	240	240	240	240	254	254
Female	110	160	240	260	260	260	360	381	381
Number of training opportunities	20	20	20	25	25	25	25	26	26
<i>of which</i>									
Tertiary	10	10	8	10	10	10	12	13	13
Workshops	7	7	4	5	5	5	6	6	6
Seminars	3	3	3	3	3	3	2	2	2
Other			5	7	7	7	5	5	5
Number of bursaries offered	73	100	100	100	100	100	100	106	106
Number of interns appointed	29	30	30	30	30	30	30	32	32
Number of learnerships appointed	29	30	15	15	15	15	15	16	16
Number of days spent on training	80	80	100	120	120	120	126	133	133
<b>Payments on training by programme</b>									
1. Administration	7 120	904	3 686	4 044	4 089	4 089	4 185	4 427	4 668
<b>Total payments on training</b>	<b>7 120</b>	<b>904</b>	<b>3 686</b>	<b>4 044</b>	<b>4 089</b>	<b>4 089</b>	<b>4 185</b>	<b>4 427</b>	<b>4 668</b>

The GDHS recognizes that its most important asset is its employees, and that this asset will need to be managed to ensure its continued success. The transformation of GDHS requires a continuous and uncompromising acquisition of the required skills. The table above gives the number of staff participating in the training programmes provided by the department to improve efficiency and service delivery. It shows a gender breakdown in relation to various types of training as well as details of the number of bursaries and training developments. The training offered relates to the core service delivery programmes which are aimed at improving performance and efficiency i.e. technical planning and project management, strategic management, governance and financial management. The other training cost relates to bursaries to various institutions for different courses. The department budgeted 1 per cent of the departments' total compensation to training as prescribed by the skills development act.

## 9.3. Reconciliation of structural changes

There are no structural changes.



## **ANNEXURES TO ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE**



TABLE 8.18: SPECIFICATION OF RECEIPTS: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
<b>Sales of goods and services other than capital assets</b>	<b>3 255</b>	<b>989</b>	<b>1 442</b>	<b>414</b>	<b>414</b>	<b>1 507</b>	<b>435</b>	<b>460</b>	<b>485</b>
Sale of goods and services produced by department (excluding capital assets)	3 255	989	1 442	414	414	1 507	435	460	485
Sales by market establishments	3 255	989	1 442	414	414	1 507	435	460	485
Administrative fees									
Other sales									
<i>Of which</i>									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	<b>2 007</b>			<b>362</b>	<b>362</b>	<b>362</b>	<b>380</b>	<b>402</b>	<b>425</b>
Interest	2 007			362	362	362	380	402	425
Rent on land									
<b>Sales of capital assets</b>			<b>1 500</b>			<b>3 206</b>			
Land and sub-soil assets									
Other capital assets			1 500			3 206			
<b>Transactions in financial assets and liabilities</b>	<b>1 633</b>	<b>1 964</b>	<b>34 716</b>	<b>3 888</b>	<b>3 888</b>	<b>6 090</b>	<b>4 082</b>	<b>4 319</b>	<b>4 561</b>
<b>Total departmental receipts</b>	<b>4 888</b>	<b>4 960</b>	<b>37 658</b>	<b>4 664</b>	<b>4 664</b>	<b>11 165</b>	<b>4 897</b>	<b>5 181</b>	<b>5 471</b>

TABLE 8.19 : TABLED PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENTS

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>388 805</b>	<b>417 208</b>	<b>545 326</b>	<b>555 611</b>	<b>637 208</b>	<b>637 178</b>	<b>582 004</b>	<b>617 480</b>	<b>655 862</b>
Compensation of employees	313 488	341 232	355 623	399 387	399 387	399 387	418 510	442 725	466 786
Salaries and wages	234 978	341 232	308 961	329 839	329 838	329 839	345 134	365 861	390 673
Social contributions	78 510		46 662	69 548	69 549	69 548	73 376	76 864	76 113
Goods and services	75 317	75 976	189 703	156 225	237 821	237 791	163 494	174 755	189 076
Administrative fees		71	56	118	118	118	174	184	195
Advertising	3 813	2 230	3 525	5 007	8 008	8 007	4 256	3 218	3 398
Minor assets	1 090	169	52	2 103	1 103	1 073	683	694	733
Audit cost: External	7 589	5 209	12 531	13 414	13 414	13 414	13 265	14 650	15 470
Bursaries: Employees	269	421	446	4 045	1 045	1 045	597	661	698
Catering: Departmental activities	1 476	361	611	1 151	1 651	1 651	802	548	579
Communication (G&S)	18 218	15 600	12 280	15 531	12 929	12 929	10 200	8 220	7 680
Computer services	88	3 891	3 488	7 002	7 002	9 402	3 852	4 279	3 519
Consultants and professional services: Business and advisory services	8 270	15 960	20 195	9 040	11 772	14 504	15 677	15 312	14 170
Legal services	25	13		106	106	106			
Contractors	37	196		3 064	1 064	1 064	938	604	638
Agency and support / outsourced services	99		5 402	4 714	25 413	22 836	6 690	4 807	3 573
Entertainment	21								



R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Fleet services (including government motor transport)</i>		14 745	10 149	10 000	10 000	10 000	10 154	12 841	13 560
<i>Inventory: Clothing material and accessories</i>	50	381				46			
<i>Inventory: Food and food supplies</i>	215	13		100	100	100	216	357	377
<i>Inventory: Fuel, oil and gas</i>				16	14	16	17	18	19
<i>Inventory: Medical supplies</i>			6						
<i>Consumable supplies</i>	2 833	1 397	2 751	9 555	7 174	6 174	2 880	2 510	2 652
<i>Consumable: Stationery, printing and office supplies</i>	4 034	2 350	1 577	3 310	3 228	3 228	2 096	2 391	2 525
<i>Operating leases</i>		1 948	14 760	3 659	18 659	17 659	15 779	15 405	16 268
<i>Property payments</i>	3 503	1 601	88 731	46 309	97 309	97 309	63 815	76 960	91 221
<i>Transport provided: Departmental activity</i>	15 560			2 500	500	500	625	700	739
<i>Travel and subsistence</i>	4 673	5 919	5 127	4 835	4 835	4 834	3 110	3 194	3 373
<i>Training and development</i>	534	904	3 240	5 044	3 044	3 044	3 383	3 766	4 062
<i>Operating payments</i>	136	850	1 080	1 502	433	832	776	784	828
<i>Venues and facilities</i>	2 784	1 747	3 696	4 100	8 900	7 900	3 510	2 652	2 799
<b>Transfers and subsidies</b>	<b>4 141 781</b>	<b>4 574 792</b>	<b>4 196 305</b>	<b>5 260 703</b>	<b>5 361 004</b>	<b>5 361 003</b>	<b>5 557 078</b>	<b>5 923 145</b>	<b>6 287 042</b>
Households	4 141 781	4 574 792	4 196 305	5 260 703	5 361 004	5 361 003	5 557 078	5 923 145	6 287 042
Social benefits	72	264	1 355	316	616	616	332	351	370
Other transfers to households	4 141 709	4 574 528	4 194 950	5 260 387	5 360 388	5 360 387	5 556 746	5 922 794	6 286 672
<b>Payments for capital assets</b>	<b>12 585</b>	<b>9 111</b>	<b>1 059</b>	<b>49 867</b>	<b>45 367</b>	<b>45 367</b>	<b>47 276</b>	<b>49 947</b>	<b>48 660</b>
Machinery and equipment	9 099	9 073	1 052	40 000	33 500	33 500	42 262	44 447	44 040
Transport equipment			837	10 000			16 605	17 568	15 552
Other machinery and equipment	9 099	9 073	215	30 000	33 500	33 500	25 657	26 879	28 488
Heritage Assets									
Software and other intangible assets	3 486	38	7	9 867	11 867	11 867	5 014	5 500	4 620
<b>Payments for financial assets</b>		<b>25 186</b>	<b>19</b>		<b>102</b>	<b>133</b>			
<b>Total economic classification</b>	<b>4 543 171</b>	<b>5 026 297</b>	<b>4 742 709</b>	<b>5 866 181</b>	<b>6 043 681</b>	<b>6 043 681</b>	<b>6 186 359</b>	<b>6 590 572</b>	<b>6 991 564</b>

TABLE 8.20: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>182 283</b>	<b>244 354</b>	<b>362 731</b>	<b>389 177</b>	<b>427 549</b>	<b>428 003</b>	<b>369 609</b>	<b>376 553</b>	<b>401 497</b>
Compensation of employees	118 580	174 036	237 472	242 921	203 507	203 507	250 117	263 914	275 515
Salaries and wages	96 270	174 036	205 100	194 474	165 684	165 684	199 350	210 942	224 632
Social contributions	22 310		32 372	48 447	37 823	37 823	50 767	52 972	50 883
Goods and services	63 703	70 318	125 259	146 256	224 042	224 496	119 492	112 639	125 982
<i>Administrative fees</i>		71	56	111	111	111	166	176	186
<i>Advertising</i>	3 813	2 230	3 525	2 500	5 500	5 500	2 099	2 061	2 176
<i>Minor assets</i>	1 079	169	42	1 449	449	419	522	510	539
<i>Audit cost: External</i>		5 209	12 531	13 414	13 414	13 414	13 265	14 650	15 470
<i>Bursaries: Employees</i>	269	421	446	4 045	1 045	1 045	597	661	698
<i>Catering: Departmental activities</i>	1 284	317	610	800	1 300	1 300	600	500	528
<i>Communication (G&amp;S)</i>	18 218	15 600	12 280	15 530	12 928	12 928	10 201	8 220	7 680
<i>Computer services</i>	88	3 891	3 488	7 002	7 002	9 402	3 852	4 279	3 519



R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Consultants and professional services: Business and advisory services</i>	8 270	15 686	17 204	8 540	10 940	13 632	12 177	11 283	10 915
<i>Legal services</i>	25	13		106	106	106			
<i>Contractors</i>	33	196		3 064	1 064	1 064	787	445	470
<i>Agency and support / outsourced services</i>	99			246	20 946	19 368	259	274	289
<i>Entertainment</i>	21								
<i>Fleet services (including government motor transport)</i>	-2	14 745	10 149	10 000	10 000	10 000	10 154	12 841	13 560
<i>Housing</i>									
<i>Inventory: Clothing material and accessories</i>	50	276				46			
<i>Inventory: Food and food supplies</i>	215	13		100	100	100	216	357	377
<i>Inventory: Fuel, oil and gas</i>				16	14	16	17	18	19
<i>Inventory: Medical supplies</i>			6						
<i>Consumable supplies</i>	2 595	1 397	2 314	9 210	6 810	5 810	2 518	2 126	2 247
<i>Consumable: Stationery, printing and office supplies</i>	3 930	2 332	1 572	2 973	2 973	2 972	1 889	1 561	1 648
<i>Operating leases</i>	-60		14 760	3 500	18 500	17 500	15 612	15 228	16 081
<i>Property payments</i>	3 503	1 601	37 491	46 309	97 309	97 309	33 815	26 960	38 421
<i>Transport provided: Departmental activity</i>	15 560			2 500	500	500	625	700	739
<i>Travel and subsistence</i>	1 460	3 180	2 171	4 665	1 755	1 906	2 946	3 044	3 214
<i>Training and development</i>	534	904	3 240	5 044	3 044	3 044	3 382	3 766	4 062
<i>Operating payments</i>	87	320	304	1 232	432	204	494	518	547
<i>Venues and facilities</i>	2 632	1 747	3 070	3 900	7 800	6 800	3 300	2 461	2 597
<i>Rental and hiring</i>									
Interest and rent on land									
<b>Transfers and subsidies</b>	<b>72</b>	<b>181</b>	<b>1 003</b>	<b>316</b>	<b>616</b>	<b>524</b>	<b>332</b>	<b>351</b>	<b>370</b>
Provinces and municipalities									
Households	72	181	1 003	316	616	524	332	351	370
Social benefits	72	181	1 003	316	616	524	332	351	370
Other transfers to households									
<b>Payments for capital assets</b>	<b>12 570</b>	<b>9 111</b>	<b>1 059</b>	<b>49 867</b>	<b>45 357</b>	<b>45 357</b>	<b>47 276</b>	<b>49 947</b>	<b>48 660</b>
Machinery and equipment	9 084	9 073	1 052	40 000	33 490	33 490	42 262	44 447	44 040
Transport equipment			837	10 000			16 605	17 568	15 552
Other machinery and equipment	9 084	9 073	215	30 000	33 490	33 490	25 657	26 879	28 488
Heritage Assets									
Software and other intangible assets	3 486	38	7	9 867	11 867	11 867	5 014	5 500	4 620
<b>Payments for financial assets</b>		<b>25 186</b>	<b>19</b>		<b>102</b>	<b>133</b>			
<b>Total economic classification</b>	<b>194 925</b>	<b>278 832</b>	<b>364 812</b>	<b>439 360</b>	<b>473 624</b>	<b>474 017</b>	<b>417 217</b>	<b>426 851</b>	<b>450 527</b>



TABLE 8.21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>10 818</b>	<b>14 595</b>	<b>22,369</b>	<b>33 076</b>	<b>33 288</b>	<b>33 749</b>	<b>35 822</b>	<b>36 771</b>	<b>38 833</b>
Compensation of employees	10 479	14 162	21,422	32 657	32 657	32 657	35 380	36 335	38 371
Salaries and wages	10 479	14 162	18,812	25 319	25 318	25 319	27 685	28 347	29 935
Social contributions			2,610	7 338	7 339	7 338	7 695	7 988	8 436
Goods and services	339	433	947	420	631	1 092	442	436	462
Administrative fees				7	7	7	8	8	9
Advertising				7	8	7	8	8	9
Minor assets			7	4	4	4	4	17	18
Catering: Departmental activities	5		1	43	43	43	45	48	51
Communication (G&S)									
Consultants and professional services: Business and advisory services		274	174		332	332			
Contractors	4								
Agency and support / outsourced services						461			
Inventory: Clothing material and accessories		105							
Consumable supplies				8	27	27	9	9	10
Consumable: Stationery, printing and office supplies	104			82		1	73	65	69
Operating leases	60								
Travel and subsistence	10	54	139		110	110	13	14	15
Training and development									
Operating payments	22			269			282	266	281
Venues and facilities	134		626		100	100			
Rental and hiring									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Provinces									
<b>Payments for capital assets</b>					<b>10</b>	<b>10</b>			
Machinery and equipment					10	10			
Transport equipment									
Other machinery and equipment					10	10			
Heritage Assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>10 818</b>	<b>14 595</b>	<b>22 369</b>	<b>33 076</b>	<b>33 298</b>	<b>33 759</b>	<b>35 822</b>	<b>36 771</b>	<b>38 833</b>

TABLE 8.22: PAYMENT AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>	<b>195 704</b>	<b>158 259</b>	<b>160 031</b>	<b>126 644</b>	<b>169 657</b>	<b>168 712</b>	<b>169 905</b>	<b>198 773</b>	<b>209 905</b>
Compensation of employees	184 429	153 034	96 729	120 565	159 979	159 979	129 487	139 069	149 360
Salaries and wages	128 229	153 034	85 049	107 750	136 540	136 540	115 571	124 123	133 577
Social contributions	56 200		11 680	12 815	23 439	23 439	13 916	14 946	15 783
Goods and services	11 275	5 225	63 302	6 079	9 678	8 733	40 419	59 704	60 545
Minor assets	11		3	500	500	500			
Audit cost: External	7 589								
Catering: Departmental activities	187	44		158	158	158			
Communication (G&S)				1	1	1			



R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<i>Consultants and professional services: Business and advisory services</i>			2 817	500	500	540	3 500	4 029	3 255
<i>Contractors</i>							150	159	168
<i>Agency and support / outsourced services</i>			5 402	4 468	4 467	3 007	6 431	4 533	3 284
<i>Fleet services (including government motor transport)</i>	2								
<i>Consumable supplies</i>	238		242	37	37	37	39	41	43
<i>Consumable: Stationery, printing and office supplies</i>		18	5	255	255	255	133	765	808
<i>Operating leases</i>		1 948		159	159	159	167	177	187
<i>Property payments</i>			51 240				30 000	50 000	52 800
<i>Travel and subsistence</i>	3 203	2 685	2 817		2 800	2 648			
<i>Operating payments</i>	27	530	776	1	1	628			
<i>Venues and facilities</i>	18				800	800			
<b>Transfers and subsidies</b>	<b>4 044 852</b>	<b>4 489 203</b>	<b>4 118 790</b>	<b>5 160 617</b>	<b>5 249 618</b>	<b>5 244 657</b>	<b>5 389 482</b>	<b>5 765 272</b>	<b>6 114 009</b>
Households	4 044 852	4 489 203	4 118 790	5 160 617	5 249 618	5 244 657	5 389 482	5 765 272	6 114 009
Social benefits		83	352			92			
Other transfers to households	4 044 852	4 489 120	4 118 438	5 160 617	5 249 618	5 244 565	5 389 482	5 765 272	6 114 009
<b>Payments for capital assets</b>	<b>15</b>								
Machinery and equipment	15								
Other machinery and equipment	15								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>4 240 571</b>	<b>4 647 462</b>	<b>4 278 821</b>	<b>5 287 261</b>	<b>5 419 275</b>	<b>5 413 369</b>	<b>5 559 388</b>	<b>5 964 045</b>	<b>6 323 914</b>



TABLE 8.23: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HOUSING ASSETS AND PROPERTY MANAGEMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
<b>Current payments</b>			<b>195</b>	<b>6 714</b>	<b>6 714</b>	<b>6 714</b>	<b>6 668</b>	<b>5 383</b>	<b>5 627</b>
Compensation of employees				3 244	3 244	3 244	3 527	3 407	3 540
Salaries and wages				2 296	2 296	2 296	2 528	2 449	2 529
Social contributions				948	948	948	999	958	1 011
Goods and services			195	3 470	3 470	3 470	3 142	1 976	2 087
Advertising				2 500	2 500	2 500	2 150	1 149	1 213
Minor assets				150	150	150	158	167	176
Catering: Departmental activities				150	150	150	158		
Consumable supplies			195	300	300	300	315	333	352
Travel and subsistence				170	170	170	152	136	144
Venues and facilities				200	200	200	210	191	202
<b>Transfers and subsidies</b>	<b>96 857</b>	<b>85 408</b>	<b>76 512</b>	<b>99 770</b>	<b>110 770</b>	<b>115 822</b>	<b>167 264</b>	<b>157 522</b>	<b>172 663</b>
Households	96 857	85 408	76 512	99 770	110 770	115 822	167 264	157 522	172 663
Social benefits									
Other transfers to households	96 857	85 408	76 512	99 770	110 770	115 822	167 264	157 522	172 663
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>96 857</b>	<b>85 408</b>	<b>76 707</b>	<b>106 484</b>	<b>117 484</b>	<b>122 536</b>	<b>173 932</b>	<b>162 905</b>	<b>178 290</b>



