

Vote 17

Housing

Amount to be appropriated	R4 244 800 000
Statutory appropriations	-
Responsible Minister	Minister of Housing
Administering Department	Department of Housing
Accounting Officer	Director-General of Housing

Aim

The aim of the Department of Housing is to determine, finance, promote, coordinate, communicate and monitor the implementation of policy for housing and human settlement.

Key objectives and programmes

Access to housing and secure accommodation is an integral part of Government's commitment to reducing poverty and improving people's quality of life. This requires a sustainable housing development process that will progressively provide adequate housing for all, as required by the Constitution. The Department of Housing aims to ensure that every South African has access to a permanent residential structure, within sustainable human settlements, that guarantees privacy and adequate protection against the elements. Housing assistance to the poor is therefore the core focus of the Department.

The Department of Housing's key objectives over the medium term are:

- To develop and manage a sustainable human settlement policy, which promotes human settlement integration and addresses the needs of special groups
- To manage the funding of national housing programmes in terms of the legislation
- To coordinate policy-planning and delivery across Government
- To establish and maintain capacity-building programmes for implementing national housing policy and programmes
- To implement communication strategies to increase the Department's visibility and contact with different stakeholders in the housing sector

The Department's objectives are realised through six programmes:

- *Administration* provides administrative and management support services to the Department.
- *Policy Planning* ensures an efficient national housing policy framework.
- *Programme Management* manages national housing programmes.
- *Housing Performance* monitors and assesses the impact of housing delivery, manages housing information, and provides the necessary support to housing institutions.
- *Communication* promotes and facilitates the flow of information between the Department and its stakeholders.
- *Housing Development Funding* funds national housing programmes in terms of the Housing Act (107 of 1997).

Strategic overview and key policy developments: 1998/99 – 2004/05

Since 1994, the Department of Housing has sought to reduce the enormous housing backlogs that accumulated during apartheid. Since the 1994 White Paper on Housing was adopted, the structures put in place have facilitated the transfer of funds through provincial governments to individuals. This has allowed people to build or upgrade their homes, while ensuring that the human settlements that emerge are functional and sustainable. More than 5 million poor people have secured tenure in safe homes since 1994.

Despite these successes, the Department is aware that some problems persist, such as the quality of housing. The Department has identified a continuing need to focus on the quality of the houses and communities built in terms of housing policy. It will therefore increasingly emphasise the provision of medium density housing, while improving housing access to the poor through the People's Housing Process, a programme aimed at households wishing to supplement their subsidies by building or organising the building of their homes themselves. This will not only impact on the quality of the product and the range of housing delivery instruments available, but also increase the resources available for housing. Introducing quality control measures for project-built housing is a further way of improving the quality of subsidised housing products.

To confront problems such as urban sprawl and housing backlogs, peripheral settlements and a lack of access to basic urban amenities requires integrated development planning. Recognising the need to align national, provincial and local budgets, and planning and budgeting processes across national departments, the Human Settlement Redevelopment Programme was initiated in 1999. Its aim is to improve the quality of the urban environment and to address the legacy of dysfunctional urban areas.

The building of capacity in all spheres of Government will help to improve the delivery of housing in a coordinated and integrated manner. In light of the lessons learnt since 1994, the National Housing Subsidy Programme is being revised, to enhance the equity and effectiveness of its work and improve its business efficiency.

The need to increase rental housing stock is also receiving more attention. The Rental Housing Act (50 of 1999) promotes improved relationships between landlords and tenants, and the Social Housing Foundation aims to establish institutions to develop and manage rental housing stock on a sustainable basis.

The Minister of Housing plans to implement an emergency housing development programme to effect prompt funding allocations to alleviate emergency housing needs. This approach flows, in part, from the Grootboom decision of the Constitutional Court. Policy guidelines for the provision of emergency housing have been developed, with provinces reserving a portion of their housing allocation for this.

A need has also been identified to improve existing traditional dwellings to secure them against the elements, and the Department is developing policy on this.

Expenditure estimates

Table 17.1: Housing

Programme	Expenditure outcome					Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	Revised			
R thousand	1998/99	1999/00	2000/01	2001/02		2002/03	2003/04	2004/05
1 Administration	22 133	24 896	32 601	52 592	43 905	54 717	38 740	45 914
2 Policy Planning	2 968	3 556	3 515	7 247	6 947	14 243	13 898	14 992
3 Programme Management	634 157	413 301	69 727	280 429	225 961	216 274	125 701	153 517
4 Housing Performance	54 045	298 983	193 302	175 157	172 907	177 917	308 527	297 168
5 Communication	1 021	4 119	4 151	14 033	7 533	13 175	10 177	11 768
6 Housing Development Funding	3 033 242	2 749 521	3 026 199	3 255 555	3 254 022	3 768 474	4 166 698	4 375 232
Total	3 747 566	3 494 376	3 329 495	3 785 013	3 711 275	4 244 800	4 663 741	4 898 591
Change to 2001 Budget Estimate				66 680	(7 058)	301 129	585 339	

Economic classification

Current	157 108	633 187	293 379	454 987	431 250	399 851	415 722	435 415
Personnel	17 324	17 810	22 604	32 230	29 730	45 988	48 483	50 908
Transfer payments	118 864	592 576	237 123	339 474	336 174	260 334	311 853	289 102
Other current	20 920	22 801	33 652	83 283	65 346	93 529	55 386	95 405
Capital	3 590 458	2 861 189	3 036 116	3 330 026	3 280 025	3 844 949	4 248 019	4 463 176
Transfer payments	3 589 049	2 857 609	3 033 530	3 325 960	3 275 959	3 843 676	4 246 900	4 461 973
Acquisition of capital assets	1 409	3 580	2 586	4 066	4 066	1 273	1 119	1 203
Total	3 747 566	3 494 376	3 329 495	3 785 013	3 711 275	4 244 800	4 663 741	4 898 591

Standard items of expenditure

Personnel	17 324	17 810	22 604	32 230	29 730	45 988	48 483	50 908
Administrative	4 332	5 029	7 229	13 395	9 595	17 464	16 218	18 402
Inventories	710	3 316	2 349	3 637	2 137	4 367	2 267	2 385
Equipment	1 409	4 504	3 364	5 959	5 959	2 918	2 455	2 560
Land and buildings	-	-	-	-	-	-	-	-
Professional and special services	15 498	13 174	23 146	64 358	51 721	70 053	35 565	73 261
Transfer payments	3 707 913	3 450 185	3 270 653	3 665 434	3 612 133	4 104 010	4 558 753	4 751 075
Miscellaneous	380	358	150	-	-	-	-	-
Total	3 747 566	3 494 376	3 329 495	3 785 013	3 711 275	4 244 800	4 663 741	4 898 591

Expenditure trends

The Housing Vote continues to operate on the basis of the 2001 programme structure. Spending on *Housing Development Funding* dominates the Vote, consuming an average of 86,6 per cent over the seven-year period.

While programmes responsible for policy-making, planning, monitoring and communication grew rapidly between 1998/99 and 2001/02, *Housing Development Funding* grew slowly. The medium term sees a stabilisation of growth of the support programmes, while *Housing Development Funding* accelerates quite strongly with average annual growth above 10 per cent.

The 2002 Budget raises the 2001 Budget baseline of the Department of Housing by R301 million in 2002/03 and R585 million in 2003/04. These allocations increase the conditional grant for housing subsidies by R300 million and R570 million in these two years. The additional amounts can contribute towards reducing the housing backlog and provide some room for adjustment to the value of subsidies.

Departmental receipts

Departmental receipts are projected to reach nearly R1,5 million in 2002/03. The bulk of receipts flows from financial transactions (recovery of loans and advances), but also includes interest earned on housing subsidies, sale of publications and other sales. Income over the medium term is estimated to average just under R1,5 million per year.

Table 17.2: Departmental receipts

R thousand	Revenue outcome				Medium-term revenue estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome	appropriation			
			2000/01	2001/02			
Non-tax revenue	32	44	96	89	214	162	68
Property income	24	32	22	29	27	28	30
Sales of goods and services	8	11	74	60	186	133	37
Miscellaneous	-	1	-	-	1	1	1
Financial transactions (recovery of loans and advances)	1 598	1 375	663	1 212	1 246	1 319	1 395
Total departmental receipts	1 630	1 419	759	1 301	1 460	1 481	1 463

Programme 1: Administration

Administration provides the Department with strategic leadership, and administrative and management support services. Centralised administrative support services include financial administration and management, internal audit, and human resource management and legal services. The programme also provides for the purchase and maintenance of department vehicles.

Expenditure estimates

Table 17.3: Administration

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome	appropriation			
			2000/01	2001/02			
Minister ¹	503	518	694	617	654	690	724
Management	1 439	1 752	2 759	3 920	4 453	4 772	5 108
Corporate Services	20 058	22 526	29 114	47 625	49 609	33 277	40 081
Government Motor Transport	-	-	-	1	1	1	1
Sector Education and Training Authority	-	-	28	429	-	-	-
Thefts and Losses	133	100	6	-	-	-	-
Total	22 133	24 896	32 601	52 592	54 717	38 740	45 914
Change to 2001 Budget Estimate				1 391	5 439	-	

¹ Payable as from 1 April 2001. Salary: R493 320. Car allowance: R123 331.

	Expenditure outcome			Adjusted appropriation 2001/02	Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2002/03	2003/04	2004/05
R thousand							
Economic classification							
Current	20 998	22 519	31 475	50 738	54 093	38 239	45 532
Personnel	9 543	9 509	11 182	14 431	18 693	19 691	20 676
Transfer payments	–	–	28	429	–	–	–
Other current	11 455	13 010	20 265	35 878	35 400	18 548	24 856
Capital	1 135	2 377	1 126	1 854	624	501	382
Transfer payments	–	–	–	1	1	1	1
Acquisition of capital assets	1 135	2 377	1 126	1 853	623	500	381
Total	22 133	24 896	32 601	52 592	54 717	38 740	45 914

Standard items of expenditure

Personnel	9 543	9 509	11 182	14 431	18 693	19 691	20 676
Administrative	3 375	3 480	4 294	6 928	9 300	8 169	9 009
Inventories	431	629	870	771	838	866	905
Equipment	1 135	3 190	1 534	3 318	1 415	1 135	866
Land and buildings	–	–	–	–	–	–	–
Professional and special services	7 383	7 855	14 617	26 714	24 470	8 878	14 457
Transfer payments	–	–	28	430	1	1	1
Miscellaneous	266	233	76	–	–	–	–
Total	22 133	24 896	32 601	52 592	54 717	38 740	45 914

Policy developments

The introduction of the Public Finance Management Act (1 of 1999) has necessitated the strengthening of financial services, leading to improved financial reporting and monitoring in relation to the conditional grants to provinces and entities falling under this Department, as well as more effective use of donor funds.

Transformation and restructuring are major policy challenges and considerable progress has been made. The focus has been on transforming service delivery, and on employment equity, affirmative action, representivity of the disabled, and institution-building. A key responsibility is implementing an HIV/Aids policy, which includes condom distribution and awareness programmes and campaigns directed at young people.

Expenditure trends

Spending on *Administration* increased by an annual average of 33,4 per cent between 1998/99 and 2001/02, with a decline of 4,0 per cent a year over the medium term. High growth during the earlier period was mainly because the Department completed its restructuring and administrative infrastructure to achieve full capacity.

Programme 2: Policy Planning

The aim of *Policy Planning* is to develop a sound national housing policy framework. In addition to funding certain statutory bodies and making contributions to housing organisations, the programme comprises the following subprogrammes:

- The National Housing Policy and Strategy subprogramme undertakes analysis and research relating to housing policy; collects information on demand and supply opportunities and constraints; and examines appropriate institutional, legal and policy frameworks. It also helps

amend housing policy and strategy, manages the integrated multi-term housing development plans, and guides the design of appropriate institutional frameworks for implementing housing policy and strategy.

- Housing Framework Legislation drafts the housing legislation required to implement approved policy and strategies, and assesses the impact of legislation on the housing function.
- Human Settlement Policy and Integration focuses on urban and rural development challenges and is responsible for international cooperation on human settlement policy.

Expenditure estimates

Table 17.4: Policy Planning

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01		2001/02	2002/03	2003/04
R thousand							
National Housing Policy and Strategy	1 174	658	890	3 554	5 427	5 596	5 932
Housing Framework Legislation	–	–	–	907	4 145	3 387	3 921
Human Settlement Policy and Integration	1 012	1 411	1 982	2 738	4 623	4 862	5 086
Statutory Boards	742	961	618	–	–	–	–
Contributions							
Habitat Foundation	40	20	25	48	48	53	53
Urban 21 - African Regional Preparatory Conference	–	506	–	–	–	–	–
Total	2 968	3 556	3 515	7 247	14 243	13 898	14 992
Change to 2001 Budget Estimate				(3 341)	(6 733)	2 509	
Economic classification							
Current	2 933	3 413	3 277	6 767	14 016	13 724	14 802
Personnel	1 327	1 275	1 894	3 878	6 758	7 130	7 487
Transfer payments	40	526	25	48	48	53	53
Other current	1 566	1 612	1 358	2 841	7 210	6 541	7 262
Capital	35	143	238	480	227	174	190
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	35	143	238	480	227	174	190
Total	2 968	3 556	3 515	7 247	14 243	13 898	14 992
Standard items of expenditure							
Personnel	1 327	1 275	1 894	3 878	6 758	7 130	7 487
Administrative	218	440	523	693	1 909	1 637	1 727
Inventories	6	2	28	420	702	723	761
Equipment	35	144	266	576	540	409	445
Land and buildings	–	–	–	–	–	–	–
Professional and special services	1 322	1 151	773	1 632	4 286	3 946	4 519
Transfer payments	40	526	25	48	48	53	53
Miscellaneous	20	18	6	–	–	–	–
Total	2 968	3 556	3 515	7 247	14 243	13 898	14 992

Policy developments

The Housing Amendment Act (4 of 2001) removes some of the inefficiencies in the institutional arrangements covered in the Housing Act of 1997. The Amendment Act abolishes Housing Development Boards, transferring their powers, duties, rights and obligations to the provincial Members of the Executive Councils (MEC) responsible for Housing. The new Act empowers the Minister to determine a procurement policy on housing development and puts regulatory measures in place to restrict the sale or alienation of state-subsidised housing.

The Department of Housing also completed its first Environmental Implementation Plan in accordance with the National Environmental Management Act (107 of 1998).

Expenditure trends

Spending on *Policy Planning*, a small component of the Housing Vote, increased by an average of 34,7 per cent a year between 1998/99 and 2001/02, but declines to 27,4 per cent per year over the medium term. Expenditure growth is related largely to personnel expenditure, and professional and special services to capacitate the Department to develop policy.

Key outputs, indicators and targets

Policy Planning

Subprogramme	Output	Output measure/indicator	Target
National Housing Policy and Strategy	Savings linked housing subsidy scheme	Implementation of the scheme	April 2002
		Increase in savings linked subsidies	Ongoing
	Multi-term housing development plan	Timely completion of plan	April 2002
	Rental housing policy	Rental housing policy and subsidy mechanism	In place July 2002
	Emergency relief housing programmes	Emergency housing relief available	March 2002
	Community reinvestment policy for sector	Policy is in place and implemented	May 2002
Housing Framework Legislation	Regulations for Home Loan and Mortgage Disclosure Act	Timely finalisation of regulations	May 2002
	Community Reinvestment Bill	Cabinet approval	April 2002
	Social Housing Bill	Presentation of Bill to Cabinet	April 2002
	Monitoring of housing-related legislation	Reports on compliance with regulations	2 reports per year
	Draft of the Prevention of Illegal Eviction from Unlawful Occupation of Land Amendment Bill	Timely re-submission of Act	February 2002
Human Settlement Policy and Integration	Alignment of housing and land policy	Forum with Department of Land Affairs	March 2002
	Inter-departmental policy coordination	Coordinated policy development and implementation	March 2003
	International multilateral cooperation	Compliance with international agreements on human settlements	March 2003
	Environmentally sound, safe, healthy and creative human settlements	Implementation of first phase of green financing project	January 2003
	Human settlement indicators programme	Sustainable monitoring system for tracking trends in human settlements	Ongoing
	Human settlement policy framework	A policy framework promoting sustainability	May 2002

The Inter-Departmental Task Team on Environmentally Efficient Housing quantified the benefits of energy efficiency in housing and is conducting a feasibility study to investigate a financing mechanism to support environmental efficiency in the housing sector.

The Rental Housing Act (50 of 1999) Regulations were approved in October 2000, and provincial Rental Housing Tribunals are being established.

Programme 3: Programme Management

Programme Management manages national housing programmes. It has five subprogrammes:

- Housing Subsidy Scheme develops and manages the national housing subsidy scheme, managing ownership, informal land rights, social housing, rental, and special needs subsidy programmes, as well as phasing out old subsidy schemes. It is responsible for establishing a system for evaluating the implementation of national housing programmes.
- The Special Investigative Unit investigates allegations of maladministration, irregularities, fraud and theft related to the implementation of the housing subsidy scheme.

- Capacity Building establishes and maintains training and institutional-development programmes to facilitate the implementation of national housing policy and programmes.
- Special Programmes Support is geared towards managing special housing and human settlement programmes, providing funding for special initiatives. It also manages research into traditional building technologies, and provides advice to other departments on infrastructure policy and management for rural and urban priority nodes.
- Phasing Out of Subsidy Programmes phases out redundant subsidy programmes.

Expenditure estimates

Table 17.5: Programme Management

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Housing Subsidy Scheme	2 739	17 454	6 772	4 499	5 423	5 519	7 350
Special Investigative Unit	–	–	–	5 437	5 042	3 597	3 812
Capacity Building	12 883	11 728	10 648	81 871	12 437	3 365	18 225
Special Programmes Support	580 546	358 111	36 556	176 622	181 107	111 220	117 882
Phasing Out of Subsidy Programmes	37 989	26 008	15 751	12 000	12 265	2 000	6 248
Total	634 157	413 301	69 727	280 429	216 274	125 701	153 517
Change to 2001 Budget Estimate				73 071	3 061	1 695	

Economic classification

Current	49 552	276 202	33 559	180 253	112 240	16 605	37 727
Personnel	2 583	2 896	3 163	5 690	7 087	7 474	7 848
Transfer payments	45 321	272 560	28 751	162 000	87 265	2 000	6 248
Other current	1 648	746	1 645	12 563	17 888	7 131	23 631
Capital	584 605	137 099	36 168	100 176	104 034	109 096	115 790
Transfer payments	584 542	137 000	35 850	100 000	104 000	109 000	115 540
Acquisition of capital assets	63	99	318	176	34	96	250
Total	634 157	413 301	69 727	280 429	216 274	125 701	153 517

Standard items of expenditure

Personnel	2 583	2 896	3 163	5 690	7 087	7 474	7 848
Administrative	264	323	462	878	1 082	1 068	1 971
Inventories	28	1	733	48	85	94	109
Equipment	63	110	385	196	135	162	430
Land and buildings	–	–	–	–	–	–	–
Professional and special services	1 316	364	356	11 617	16 620	5 903	21 371
Transfer payments	629 863	409 560	64 601	262 000	191 265	111 000	121 788
Miscellaneous	40	47	27	–	–	–	–
Total	634 157	413 301	69 727	280 429	216 274	125 701	153 517

Policy developments

A major policy development has been the enhancement of housing subsidy programmes. This involves investigating the development and enhancement of new housing subsidy programmes and rental housing subsidies. Subsidy programmes have been revised to include the project linked subsidy and the individual subsidy programme.

The Presidential Job Summit Pilot Project on Rental Housing is guiding the development of policy on rental housing. The National Housing Finance Corporation (NHFC) will soon be appointed to manage this.

The programme is managing a USAID funded project under the People's Housing Process. The programme assists other national government departments to develop infrastructure policy and to manage and coordinate the Presidential Rural and Urban Renewal Nodes.

Expenditure trends

Spending on *Programme Management* declined rapidly between 1998/99 and 2001/02 due to the completion of the Special Integrated Presidential Projects in 1999, which focused on 13 violence-torn communities and communities in crisis.

A further reason for the decline in spending on the programme is the suspension of the Bulk and Connector Infrastructure Grant from the Housing Vote in 1998/99. The grant was consolidated into the Consolidated Municipal Infrastructure Programme Grant managed by the Department of Provincial and Local Government.

The budget continues to decline over the medium term as funding for special programmes shrinks.

Key outputs, indicators and targets

Programme Management

Subprogramme	Output	Output measure/indicator	Target
Housing Subsidy Scheme	Refine and update existing national housing programmes	Number and type of subsidies processed and implemented	200 000 per year
	Evaluate housing programmes	Revision of policy and new policy developed	March 2003
	Administer the interest subsidy scheme	Payments to financial Institutions	Amount of R34 million paid by May 2006
Special Investigative Unit	Reduce irregularities in the housing subsidy scheme	Percentage of cases resolved compared with the number of cases that arise	To be determined
Capacity Building	Training	Number of officials and councillors trained	± 1 100 per year
	Capacity-building programme	Urban/rural split of supported municipalities	30% rural
	Professionalisation of the housing sector	Memorandum of Understanding with Institute for Housing	March 2003
		Legislation establishing professional housing body	March 2003
		Participation in formulating education for housing, both for consumers and industry professionals	March 2003
Special Programmes Support	Support to the National Housing Finance Corporation	Rental units per year	50 000 new
		Jobs created per year	12 000

Special Programmes Support is working on the Presidential Project on Rental Housing which aims to deliver 50 000 rental housing units over three years. It is also delivering the Human Settlement Redevelopment Programme, which provides grant support to municipalities to address dysfunctional human settlements.

Programme 4: Housing Performance

Housing Performance monitors and assesses the impact of housing delivery, manages housing information, and supports housing institutions. The programme consists of five subprogrammes:

- Implementation Monitoring assesses the implementation of national housing policy and its impact. It also focuses on housing institutions, monitoring their activities against a range of indicators.
- Information Management maintains national housing databases and information systems.
- The Office of Disclosure administers activities derived from the Home Loan and Mortgage Disclosure Act (63 of 2000).
- Secretariat Support provides policy support and coordination.

- The Contributions subprogramme provides financial support to the National Housing Finance Corporation, Servcon Housing Solutions (Pty) Ltd, the South African Housing Trust, the Social Housing Foundation and the National Home Builders Registration Council.

Expenditure estimates

Table 17.6: Housing Performance

Subprogramme	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Audited	Preliminary outcome		2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Implementation Monitoring	1 493	2 290	3 015	4 024	7 144	7 193	10 051
Information Management	6 583	4 762	8 795	21 162	19 268	12 473	24 869
Office of Disclosure	–	–	–	10	5 163	5 347	5 612
Secretariat Support	1 112	1 353	1 692	2 047	2 120	2 513	2 635
South African Housing Development Board	89	–	–	513	–	–	–
Contributions							
National Housing Finance Corporation	–	–	–	1	1	1	–
Servcon	4 768	163 778	68 800	71 800	67 000	61 000	44 000
South African Housing Trust	40 000	116 000	103 000	67 000	77 121	215 000	210 001
Social Housing Foundation	–	–	8 000	8 600	–	5 000	–
National Home Builders Registration Council	–	10 800	–	–	100	–	–
Total	54 045	298 983	193 302	175 157	177 917	308 527	297 168
Change to 2001 Budget Estimate				(2 108)	3 586	6 422	

Economic classification

Current	53 913	298 202	192 556	174 434	177 617	308 270	296 885
Personnel	3 300	3 206	4 938	6 229	10 097	10 650	11 182
Transfer payments	44 768	290 578	179 800	147 400	144 221	281 000	254 001
Other current	5 845	4 418	7 818	20 805	23 299	16 620	31 702
Capital	132	781	746	723	300	257	283
Transfer payments	–	–	–	1	1	1	–
Acquisition of capital assets	132	781	746	722	299	256	283
Total	54 045	298 983	193 302	175 157	177 917	308 527	297 168
Standard items of expenditure							
Personnel	3 300	3 206	4 938	6 229	10 097	10 650	11 182
Administrative	280	476	802	1 631	2 328	2 372	2 569
Inventories	53	65	210	125	334	340	355
Equipment	132	870	972	1 006	599	513	567
Land and buildings	–	–	–	–	–	–	–
Professional and special services	5 464	3 743	6 548	18 765	20 337	13 651	28 494
Transfer payments	44 768	290 578	179 800	147 401	144 222	281 001	254 001
Miscellaneous	48	45	32	–	–	–	–
Total	54 045	298 983	193 302	175 157	177 917	308 527	297 168

Policy developments

More attention is going to monitoring the various policies, strategies, programmes and instruments that have been implemented, with greater emphasis on quality measures. A monitoring plan covering all programmes is being developed, which will generate a comprehensive monitoring format.

One component of the programme focuses on the construction sector. It has identified indicators for the capacity of the building and construction industries. The development of a database of emerging contractors in construction will be a focus in 2002/03.

The macroeconomics component now seeks to align housing and human settlement policy with macroeconomic and fiscal policy. A financial sector component is responsible for monitoring the impact of Government's housing interventions on the financial sector and financial institutions. A job-creation model has been developed to calculate the number of potential jobs from government investment in low cost housing.

Over the medium term, more emphasis will be placed on monitoring financial institutions, particularly as a result of the new Home Loan and Mortgage Disclosure Act.

Expenditure trends

Spending on *Housing Performance* increased by an average of 48,0 per cent a year from 1998/99 to 2001/02, but the rate of growth moderates to around 20,0 per cent over the medium term. The bulk of the increasing allocations are intended for transfer to the South African Housing Trust.

Key outputs, indicators and targets

Housing Performance

Subprogramme	Output	Output measure/indicator	Target
Implementation Monitoring	Comprehensive monitoring system	Queries about system from provinces	Reduce complaints by 50%
		Reports on national housing programmes	Quarterly reports
		Reports on the construction sector	Three reports per year
		Reports on the employment impact of housing policy	2 reports per year
		Reports on housing institutions	Quarterly reports
		Profiles of emerging contractors	1 report per year
		Report on financial and economic sector	At least quarterly reports
Information Management	Housing and human settlement information system	Reduction in number of queries received	Reduce queries by 50%
		Reports on policies implemented	4 quarterly reports
Office of Disclosure	Monitor financial institutions in terms of the Home Loan and Mortgage Disclosure Act	Quarterly reports on performance	4 reports per year
		Reports on possible discriminatory lending patterns and recommendations for rectifying them	4 reports per year after Act comes into effect
		Reports on the compliance with the Promotion of Equality and Prevention of Unfair Discrimination Act	4 reports per year after Act comes into effect
Secretariat Support	Monitoring and communicating decisions by relevant structures	Distribution of minutes and meeting information material	Minutes out within 14 days of meetings

Programme 5: Communication

The aim of the *Communication* programme is to facilitate and promote the free flow of information between the Department and its stakeholders. It consists of four subprogrammes:

- Housing Communication promotes the vision and mission of the Department of Housing.
- Public Relations provides the strategic vision for communicating housing policy through targeted and focused public relations.
- Provincial, Media and Local Liaison maintains relationships with stakeholders by managing information flows through links with non-governmental community structures, the academic community, the building industry and the media.
- Communication Production disseminates information by producing the necessary support and communication material, and through event management, campaigns, advertisements and other media.

Expenditure estimates

Table 17.7: Communication

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
R thousand	1998/99	1999/00	2000/01	2001/02			
Housing Communication	1 021	4 119	2 428	3 857	2 987	3 101	3 268
Public Relations	–	–	420	3 003	3 367	3 121	3 310
Provincial, Media and Local Liaison	–	–	335	994	1 646	1 742	1 825
Communication Production	–	–	968	6 179	5 175	2 213	3 365
Total	1 021	4 119	4 151	14 033	13 175	10 177	11 768
Change to 2001 Budget Estimate				(2 333)	(3 427)	(3 490)	

Economic classification

Current	977	3 939	3 993	13 198	13 085	10 084	11 669
Personnel	571	924	1 427	2 002	3 353	3 538	3 715
Transfer payments	–	–	–	–	–	–	–
Other current	406	3 015	2 566	11 196	9 732	6 546	7 954
Capital	44	180	158	835	90	93	99
Transfer payments	–	–	–	–	–	–	–
Acquisition of capital assets	44	180	158	835	90	93	99
Total	1 021	4 119	4 151	14 033	13 175	10 177	11 768

Standard items of expenditure

Personnel	571	924	1 427	2 002	3 353	3 538	3 715
Administrative	195	310	1 148	3 265	2 845	2 972	3 126
Inventories	192	2 619	508	2 273	2 408	244	255
Equipment	44	190	207	863	229	236	252
Land and buildings	–	–	–	–	–	–	–
Professional and special services	13	61	852	5 630	4 340	3 187	4 420
Transfer payments	–	–	–	–	–	–	–
Miscellaneous	6	15	9	–	–	–	–
Total	1 021	4 119	4 151	14 033	13 175	10 177	11 768

Policy developments

The *Communication* programme aims for effective communication through improved interaction with provincial housing structures and better communication in the sector generally. The programme focuses on streamlining functions, enabling directorates to communicate policy decisions as they are processed, and supporting the Minister. The Department plans to have fewer but more effective communication campaigns in the electronic and print media. A comprehensive communication strategy has been formulated for key campaigns.

Expenditure trends

The allocation to *Communication* increased very rapidly between 1998/99 and 2001/02, given its high priority. Over the medium term the allocation declines from a high of R14 million in 2001/02.

Key outputs, indicators and targets

Communication

Subprogramme	Output	Output measure/indicator	Target
Housing Communication	Disseminate relevant information to stakeholders and facilitate feedback	Reduction in the number of questions from stakeholders	10% reduction by April 2003
Public Relations	Communication strategy to guide and support housing programmes	Reduction in the number of questions from stakeholders on housing issues	10% reduction by April 2003
	Project a positive image of the Department and the Ministry	Publication of more positive stories	1 positive story per week
Provincial, Media and Local Liaison	Transmit information to target audiences at the local level and send feedback for departmental action or policy intervention	Communication through radio	1 30-minute slot on a public radio station every 2 weeks
		Number of articles in press	52 articles by April 2003
Communication Production	Annual report and general information publications to inform the public.	Timely production of annual reports and other publications	Annual report tabled by due date

Programme 6: Housing Development Funding

Housing Development Funding manages the funding of national housing programmes. It consists of two subprogrammes:

- Addition to the Capital of the South African Housing Fund allocates funds to the nine provincial governments to finance national and provincial housing programmes.
- Interest and Redemption on Private Loans provides for paying interest on and redeeming the private loans of the former National Housing Board.

Expenditure estimates

Table 17.8: Housing Development Funding

Subprogramme	Expenditure outcome				Medium-term expenditure estimate		
	Audited 1998/99	Audited 1999/00	Preliminary outcome 2000/01	Adjusted appropriation 2001/02	2002/03	2003/04	2004/05
R thousand							
Addition to the Capital of the South African Housing Fund	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432
Interest and Redemption on Private Loans	28 735	28 912	28 519	29 597	28 800	28 800	28 800
Total	3 033 242	2 749 521	3 026 199	3 255 555	3 768 474	4 166 698	4 375 232
Change to 2001 Budget Estimate				-	299 203	578 203	
Economic classification							
Current	28 735	28 912	28 519	29 597	28 800	28 800	28 800
Personnel	-	-	-	-	-	-	-
Transfer payments	28 735	28 912	28 519	29 597	28 800	28 800	28 800
Other current	-	-	-	-	-	-	-
Capital	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432
Transfer payments	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432
Acquisition of capital assets	-	-	-	-	-	-	-
Total	3 033 242	2 749 521	3 026 199	3 255 555	3 768 474	4 166 698	4 375 232

R thousand	Expenditure outcome				Medium-term expenditure estimate		
	Audited	Audited	Preliminary	Adjusted	2002/03	2003/04	2004/05
	1998/99	1999/00	outcome	appropriation			
			2000/01	2001/02			
Standard items of expenditure							
Personnel	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Land and buildings	-	-	-	-	-	-	-
Professional and special services	-	-	-	-	-	-	-
Transfer payments	3 033 242	2 749 521	3 026 199	3 255 555	3 768 474	4 166 698	4 375 232
Miscellaneous	-	-	-	-	-	-	-
Total	3 033 242	2 749 521	3 026 199	3 255 555	3 768 474	4 166 698	4 375 232

Policy developments

The July 2001 Cabinet Lekgotla identified the following main policy issues in the sector:

- Improving the quality of low cost housing products and of the communities created
- Finding an appropriate model for the development of traditional housing
- Prioritising urban informal settlements in housing and infrastructure programmes
- Instilling a 'culture of ownership' through own contribution and saving

The new formula for distributing funds between provinces addresses some of these issues, with predominantly urban areas now receiving more funds than rural areas. The implementation of the formula is to be phased in over the next three financial years.

Expenditure trends

Spending on *Housing Development Funding* grew slowly between 1998/99 and 2001/02 but accelerates markedly over the medium term. Transfers to the South African Housing Fund have been reclassified as capital expenditure to bring this in line with the Government Finance Statistics classification standard.

Key outputs, indicators and targets

Housing Development Funding

Subprogramme	Output	Output measure/indicator	Target
Addition to the Capital of the South African Housing Fund	Capital housing funds allocated to provincial governments	Funds available to finance national and provincial housing programmes	All funds allocated for building
Interest and Redemption on Private Loans	Interest on private loans paid	No interest outstanding for financial years on private loans	December 2008

The aims of the housing subsidy assistance scheme have largely been met. Introduced in 1994 on a project linked basis only, the scheme evolved into a comprehensive instrument providing an array of housing subsidies to a broad spectrum of beneficiaries. It allows several tenure options on an individual or group basis in urban areas.

The scheme's successes include the approval of approximately 1,2 million housing subsidies between April 1994 and December 2000. During the same period, 1,1 million housing units were built. Approximately 65 000 consolidation subsidies were approved for houses on serviced sites from the previous dispensation.

Approximately R14,6 billion has been spent on housing delivery between 1994 and November 2000. A delivery target of 322 000 units a year was reached during 1997/98. The housing funds provided have averaged approximately R3,0 billion per year. At the higher subsidy amount of about R16 000 per household, the allocation allows for about 188 000 subsidies a year. About 33 000 beneficiaries of the former first time homebuyers scheme will be supported until the scheme has been completely phased out.

Public entities reporting to the Minister

Servcon Housing Solutions (Pty) Ltd

Servcon Housing Solutions' mandate is derived from agreements between the Department of Housing (representing Government) and the Banking Council (representing participating banks). Servcon supports home ownership in the medium to long term, offering alternative options to those who cannot afford their own accommodation, and improving the viability of non-performing housing debt.

National Urban Reconstruction and Housing Agency

The National Urban Reconstruction and Housing Agency's (Nurcha) mission is to expedite housing delivery for low income households over the short to medium term. It was established as a Presidential Lead Project in 1995 by agreement between Government and the Open Society Foundation of New York. Its primary function is to help release finance for low cost housing from financial institutions. Nurcha's main activity is to offer guarantees to banks, to encourage them to make bridging finance loans available to developers.

Table 17.9: Summary of revenue, and expenditure for Nurcha ¹

	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary	Adjusted			
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
R thousand							
Revenue							
Current revenue	10 479	8 518	13 599	24 129	22 000	24 000	26 000
Tax revenue	-	-	-	-	-	-	-
Non-tax revenue	10 479	8 518	13 599	24 129	22 000	24 000	26 000
Grants received	-	-	-	3 752	4 200	6 000	7 000
Total Revenue	10 479	8 518	13 599	27 881	26 200	30 000	33 000
Expenditure							
Current expenditure	9 186	12 683	14 243	21 778	24 173	27 300	30 700
Remuneration of employees	6 661	8 650	9 443	14 101	15 729	17 800	20 200
Other goods and services	2 525	4 033	4 800	7 677	8 444	9 500	10 500
Interest	-	-	-	-	-	-	-
Current transfers	-	-	-	-	-	-	-
Capital expenditure	310	554	373	8 009	7 400	7 700	8 200
Acquisition of fixed capital assets	310	554	373	420	400	200	100
Capital transfers	-	-	-	7 589	7 000	7 500	8 100
Total Expenditure	9 496	13 237	14 616	29 787	31 573	35 000	38 900
Surplus/(Deficit)	983	(4 719)	(1 017)	(1 906)	(5 373)	(5 000)	(5 900)

¹ Data provided by Nurcha. The figures in this table are based on the accrual method of reporting and are therefore not strictly comparable to government cash information.

National Housing Finance Corporation

The National Housing Finance Corporation (NHFC) was established through a Cabinet decision in May 1996, as envisaged in the 1994 White Paper on Housing. Its purpose is to find better ways of mobilising finance for housing from sources outside Government, in partnership with the broadest range of organisations. Its mission is:

- To develop and fund institutions providing affordable housing finance to low income groups at the retail level
- To develop and fund institutions offering a variety of tenure options for residential purposes, in the under- and unserved segments of the housing market
- To mobilise savings into the housing process, through appropriate intermediaries

In terms of its business plan, the NHFC aims to create housing opportunities for low and medium income families by:

- Funding intermediaries to promote broader access to housing
- Building adequate and sustainable capacity within the organisations it funds
- Partnering organisations to pioneer new finance and housing delivery

Table 17.10: Summary of revenue and expenditure for the National Housing Finance Corporation ¹

	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
R thousand	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Revenue							
Current revenue	202 597	185 250	188 764	227 252	246 025	252 849	271 676
Total Revenue	202 597	185 250	188 764	227 252	246 025	252 849	271 676
Expenditure							
Current expenditure	64 542	195 029	66 817	55 601	61 899	65 006	68 122
<i>Remuneration of employees</i>	9 585	156 360	21 502	21 551	23 693	25 830	27 993
<i>Other goods and services</i>	21 742	19 516	27 854	17 326	21 206	22 176	23 129
<i>Interest</i>	33 215	19 153	17 461	16 724	17 000	17 000	17 000
<i>Current transfers</i>	-	-	-	-	-	-	-
Capital expenditure	2 748	7 169	2 096	1 442	1 500	1 500	1 500
<i>Acquisition of fixed capital assets</i>	2 748	7 169	2 096	1 442	1 500	1 500	1 500
<i>Capital transfers</i>	-	-	-	-	-	-	-
Total Expenditure	67 290	202 198	68 913	57 043	63 399	66 506	69 622
Surplus/(Deficit)	135 307	(16 948)	119 851	170 209	182 626	186 343	202 054

¹ Data provided by the NHFC. The figures in this table are based on the accrual method of reporting and are therefore not strictly comparable to government cash information.

Social Housing Foundation

The Social Housing Foundation assists in the delivery of housing to low income communities by offering alternative tenure. Its specific focus is assisting in setting up social housing institutions that provide housing to low income working households. It works primarily with emerging institutions by offering capacity-building and technical support.

Table 17.11: Summary of revenue, and expenditure for the Social Housing Foundation¹

R thousand	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Revenue							
Current revenue	2 074	1 220	1 707	1 602	1 687	1 768	1 847
<i>Tax revenue</i>	-	-	-	-	-	-	-
<i>Non-tax revenue</i>	2 074	1 220	1 707	1 602	1 687	1 768	1 847
Capital revenue	-	859	8 370	18 850	56 414	57 536	58 680
Grants received	-	-	-	-	-	-	-
Total Revenue	2 074	2 079	10 077	20 452	58 101	59 304	60 527
Expenditure							
Current expenditure	3 406	4 149	4 623	17 164	54 914	57 036	59 603
<i>Remuneration of employees</i>	1 369	1 264	1 395	3 340	4 229	5 042	5 269
<i>Other goods and services</i>	2 037	2 885	3 228	13 824	50 685	51 994	54 334
<i>Interest</i>	-	-	-	-	-	-	-
<i>Current transfers</i>	-	-	-	-	-	-	-
Capital expenditure	155	253	323	289	1 500	500	600
<i>Acquisition of fixed capital assets</i>	155	253	323	289	1 500	500	600
<i>Capital transfers</i>	-	-	-	-	-	-	-
Total Expenditure	3 561	4 402	4 946	17 453	56 414	57 536	60 203
Surplus/(Deficit)	(1 487)	(2 323)	5 131	2 999	1 687	1 768	324

¹ Data provided by the Social Housing Foundation. The figures in this table are based on the accrual method of reporting and therefore not strictly comparable to government cash information.

South African Housing Trust

Cabinet approved the disestablishment of the South African Housing Trust in 1998 and agreed that the remaining assets and liabilities be transferred to Government. The National Housing Finance Corporation will manage the collection of loan payments on behalf of Government and provision will be made to fund the liabilities of the Trust from the budget of the national Department of Housing.

National Home Builders Registration Council

The National Home Builders Registration Council is a Section 21 company established in terms of the Housing Consumers Protection Measures Act (95 of 1998). Its purpose is to provide housing consumers with warranty protection against defects in new homes and to provide protection against any failure of builders to comply with their obligations in terms of the Act.

Thubelisha Homes

Thubelisha Homes (a Section 21 company) was established in June 1998 as a special purpose financial vehicle to create rightsizing stock. Rightsizing is a process in which occupants of bank-owned properties in possession of mortgage loans in default are assisted in relocating to more affordable homes.

Table 17.12: Summary of revenue, and expenditure for Thubelisha Homes¹

R thousand	Revenue/Expenditure outcome				Medium-term estimate		
	Audited	Audited	Preliminary outcome	Adjusted appropriation			
	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
Revenue							
Current revenue	9 282	8 042	22 731	31 551	48 402	56 121	63 331
<i>Tax revenue</i>	–	–	–	–	–	–	–
<i>Non-tax revenue</i>	9 282	8 042	22 731	31 551	48 402	56 121	63 331
Grants received	50 000	–	–	–	–	–	–
Total Revenue	59 282	8 042	22 731	31 551	48 402	56 121	63 331
Expenditure							
Current expenditure	236	3 860	20 380	36 580	62 625	74 322	86 060
<i>Remuneration of employees</i>	–	2 150	4 084	5 841	6 425	7 067	7 773
<i>Other goods and services</i>	236	1 710	16 296	30 739	56 200	67 255	78 287
<i>Interest</i>	–	–	–	–	–	–	–
<i>Current transfers</i>	–	–	–	–	–	–	–
Capital expenditure	–	461	619	130	400	200	250
<i>Acquisition of fixed capital assets</i>	–	461	619	130	400	200	250
<i>Capital transfers</i>	–	–	–	–	–	–	–
Total Expenditure	236	4 321	20 999	36 710	63 025	74 522	86 310
Surplus/(Deficit)	59 046	3 721	1 732	(5 159)	(14 623)	(18 401)	(22 979)

¹ Data provided by Thubelisha Homes. The figures in this table are based on the accrual method of reporting and are therefore not strictly comparable to government cash information.

South African Housing Fund

The South African Housing Fund aims to provide adequate funds for provincial governments to establish and maintain habitable, stable and sustainable residential environments. This includes the provision of:

- Permanent residential structures with secure tenure and privacy, and which provide adequate protection against the elements
- Potable water, adequate sanitation facilities and domestic electricity supply

Housing funds for national housing programmes are budgeted for and appropriated in the South African Housing Fund programme. From 2000/01, the funds are allocated through the conditional grant mechanism to the nine provinces in accordance with the Housing Act. Housing funds are now reflected in the revenue funds and expenditure appropriations of provinces, enhancing provincial accountability. The formula used for allocation to the provinces is based on equity, taking into account each province's housing backlog and income profile.

The conditions attached to the funds are also based on the Housing Act and will be agreed upon between the Department and the provinces. The Department developed guidelines for the process of transferring funds from the South African Housing Fund to provinces and for reporting processes in terms of the Public Finance Management Act, the Division of Revenue Act and the Housing Act.

Table 17.13: Summary of revenue, and expenditure for the South African Housing Fund ¹

R thousand	Revenue/Expenditure outcome			Adjusted appropriation	Medium-term estimate			
	Audited	Audited	Preliminary outcome		2001/02	2002/03	2003/04	2004/05
	1998/99	1999/00	2000/01					
Revenue								
Grants received	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432	
Total Revenue	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432	
Expenditure								
Current expenditure	703	-	-	-	-	-	-	
<i>Remuneration of employees</i>	-	-	-	-	-	-	-	
<i>Other goods and services</i>	703	-	-	-	-	-	-	
<i>Interest</i>	-	-	-	-	-	-	-	
<i>Current transfers</i>	-	-	-	-	-	-	-	
Capital expenditure	2 989 832	2 580 667	3 177 359	3 225 958	3 739 674	4 137 898	4 346 432	
<i>Acquisition of fixed capital assets</i>	-	-	-	-	-	-	-	
<i>Capital transfers</i> ²	2 989 832	2 580 667	3 177 359	3 225 958	3 739 674	4 137 898	4 346 432	
Total Expenditure	2 990 535	2 580 667	3 177 359	3 225 958	3 739 674	4 137 898	4 346 432	
Surplus/(Deficit)	13 972	139 942	(179 679)	-	-	-	-	

¹ Data provided by the South African Housing Fund.

² The transfers from the Fund are treated as a capital transfer in the books of Government and not as a current transfer as indicated in the GFS reports of the SARB.

Annexure

Vote 17: Housing

Table 17.14: Summary of expenditure trends and estimates per programme

Table 17.15: Summary of expenditure trends and estimates per economic classification

Table 17.16: Summary of expenditure trends and estimates per standard item

Table 17.17: Summary of transfers and subsidies per programme

Table 17.18: Summary of personnel numbers and costs

Table 17.19: Summary of expenditure on training

Table 17.20: Summary of information and communications technology expenditure

Table 17.21: Summary of conditional grants to provinces

Table 17.22: Summary of indirect grants to provinces

Table 17.14: Summary of expenditure trends and estimates per programme

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
1 Administration	22 133	24 896	32 601	51 201	5 978	(4 587)	52 592	43 905	54 093	624	54 717	38 740	45 914
2 Policy Planning	2 968	3 556	3 515	10 588	159	(3 500)	7 247	6 947	14 016	227	14 243	13 898	14 992
3 Programme Management	634 157	413 301	69 727	207 358	75 071	(2 000)	280 429	225 961	112 240	104 034	216 274	125 701	153 517
4 Housing Performance	54 045	298 983	193 302	177 265	–	(2 108)	175 157	172 907	177 617	300	177 917	308 527	297 168
5 Communication	1 021	4 119	4 151	16 366	1 167	(3 500)	14 033	7 533	13 085	90	13 175	10 177	11 768
6 Housing Development Funding	3 033 242	2 749 521	3 026 199	3 255 555	–	–	3 255 555	3 254 022	28 800	3 739 674	3 768 474	4 166 698	4 375 232
Total	3 747 566	3 494 376	3 329 495	3 718 333	82 375	(15 695)	3 785 013	3 711 275	399 851	3 844 949	4 244 800	4 663 741	4 898 591
Change to 2001 Budget Estimate							66 680	(7 058)			301 129	585 339	

Table 17.15: Summary of expenditure trends and estimates per economic classification

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01					2002/03			2003/04	2004/05	
R thousand													
Current	157 108	633 187	293 379	389 184	81 498	(15 695)	454 987	431 250	399 851	-	399 851	415 722	435 415
Personnel	17 324	17 810	22 604	43 432	-	(11 202)	32 230	29 730	45 988	-	45 988	48 483	50 908
Salaries and wages	12 454	12 979	16 442	26 853	-	(11 202)	15 651	13 151	28 435	-	28 435	29 973	31 561
Other	4 870	4 831	6 162	16 579	-	-	16 579	16 579	17 553	-	17 553	18 510	19 347
Transfer payments	118 864	592 576	237 123	259 851	75 000	4 623	339 474	336 174	260 334	-	260 334	311 853	289 102
Subsidies to business enterprises	40 000	116 000	103 000	67 000	-	-	67 000	67 000	77 121	-	77 121	215 000	210 001
Other levels of government													
social security funds	-	-	-	-	-	-	-	-	-	-	-	-	-
universities and technikons	-	-	-	-	-	-	-	-	-	-	-	-	-
extra-budgetary institutions	6 768	190 495	76 800	150 800	75 000	4 600	230 400	230 400	142 100	-	142 100	66 000	46 020
provincial government	7 425	10 000	13 000	-	-	-	-	-	-	-	-	-	-
local government	-	-	-	-	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	64 631	276 061	44 298	42 026	-	-	42 026	38 726	41 065	-	41 065	30 800	33 028
Foreign countries and international credit institutions	40	20	25	25	-	23	48	48	48	-	48	53	53
Other	20 920	22 801	33 652	85 901	6 498	(9 116)	83 283	65 346	93 529	-	93 529	55 386	95 405
Capital	3 590 458	2 861 189	3 036 116	3 329 149	877	-	3 330 026	3 280 025	-	3 844 949	3 844 949	4 248 019	4 463 176
Transfer payments	3 589 049	2 857 609	3 033 530	3 325 960	-	-	3 325 960	3 275 959	-	3 843 676	3 843 676	4 246 900	4 461 973
Other levels of government	3 004 507	2 721 609	3 033 530	3 325 958	-	-	3 325 958	3 275 958	-	3 843 674	3 843 674	4 246 898	4 461 972
Other capital transfers	584 542	136 000	-	2	-	-	2	1	-	2	2	2	1
Movable capital	1 409	3 580	2 586	3 189	877	-	4 066	4 066	-	1 273	1 273	1 119	1 203
Motor vehicles (transport)	-	576	-	-	-	-	-	-	-	-	-	-	-
Equipment - Computers	1 220	2 864	1 459	2 427	406	-	2 833	2 833	-	1 273	1 273	1 119	1 203
Equipment - Other office equipment	-	140	1 127	762	471	-	1 233	1 233	-	-	-	-	-
Other	189	-	-	-	-	-	-	-	-	-	-	-	-
Fixed capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3 747 566	3 494 376	3 329 495	3 718 333	82 375	(15 695)	3 785 013	3 711 275	399 851	3 844 949	4 244 800	4 663 741	4 898 591

Table 17.16: Summary of expenditure trends and estimates per standard item

	Expenditure outcome			Main appropriation	Adjustments appropriation			Revised estimate	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome		Rollovers from 2000/01	Other adjustments	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02			2002/03			2003/04	2004/05		
R thousand													
Personnel	17 324	17 810	22 604	43 432	-	(11 202)	32 230	29 730	45 988	-	45 988	48 483	50 908
Administrative	4 332	5 029	7 229	14 722	-	(1 327)	13 395	9 595	17 464	-	17 464	16 218	18 402
Inventories	710	3 316	2 349	3 637	-	-	3 637	2 137	4 367	-	4 367	2 267	2 385
Equipment	1 409	4 504	3 364	5 082	877	-	5 959	5 959	1 645	1 273	2 918	2 455	2 560
Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Professional and special services	15 498	13 174	23 146	65 649	6 498	(7 789)	64 358	51 721	70 053	-	70 053	35 565	73 261
Transfer payments	3 707 913	3 450 185	3 270 653	3 585 811	75 000	4 623	3 665 434	3 612 133	260 334	3 843 676	4 104 010	4 558 753	4 751 075
Miscellaneous	380	358	150	-	-	-	-	-	-	-	-	-	-
Total	3 747 566	3 494 376	3 329 495	3 718 333	82 375	(15 695)	3 785 013	3 711 275	399 851	3 844 949	4 244 800	4 663 741	4 898 591

Table 17.17: Summary of transfers and subsidies per programme

	Expenditure outcome				Adjusted appropriation	Medium-term expenditure estimate				
	Audited	Audited	Preliminary outcome	Adjusted appropriation		Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02	2002/03			2003/04	2004/05	
R thousand										
1 Administration	-	-	28	430	-	1	1	1	1	
Government Motor Transport	-	-	-	-	-	1	1	1	1	
Sector Education and Training Authority	-	-	28	430	-	-	-	-	-	
2 Policy Planning	40	526	25	48	48	-	48	53	53	
Contributions										
Habitat Foundation		40	20	25	48	48	-	48	53	53
Urban 21 - African Regional Preparatory Conference		-	506	-	-	-	-	-	-	-

	Expenditure outcome				Medium-term expenditure estimate				
	Audited	Audited	Preliminary	Adjusted	Current	Capital	Total		
	1998/99	1999/00	2000/01	2001/02		2002/03		2003/04	2004/05
R thousand									
3 Programme Management	629 863	409 560	64 601	262 000	87 265	104 000	191 265	111 000	121 788
Housing Subsidy Scheme									
Hostels	-	14 917	-	-	-	-	-	-	-
Resettlement of Doornkop Community	-	-	3 000	-	-	-	-	-	-
Capacity Building									
People's Housing Partnership Trust	2 000	1 000	-	-	-	-	-	-	-
Provincial and Local Government Capacity Building	7 425	10 000	10 000	-	-	-	-	-	-
Special Programmes Support									
Presidential Job Summit: Rental Housing	-	-	-	150 000	75 000	-	75 000	-	-
Human Settlement Redevelopment Programme	-	1 000	35 850	100 000	-	104 000	104 000	109 000	115 540
Special Integrated Presidential Projects	579 863	356 635	-	-	-	-	-	-	-
Phasing Out of Subsidy Programmes									
First-Time Home Buyer Interest Subsidy Scheme	37 986	26 008	15 751	12 000	12 265	-	12 265	2 000	4 228
State Assisted Home Owner Saving Scheme	3	-	-	-	-	-	-	-	-
Housing Support Initiatives	2 586	-	-	-	-	-	-	-	2 020
4 Housing Performance	44 768	290 578	179 800	147 401	144 221	1	144 222	281 001	254 001
Contributions									
National Housing Finance Corporation	-	-	-	1	-	1	1	1	-
Servcon	4 768	163 778	68 800	71 800	67 000	-	67 000	61 000	44 000
South African Housing Trust	40 000	116 000	103 000	67 000	77 121	-	77 121	215 000	210 001
Social Housing Foundation	-	-	8 000	8 600	-	-	-	5 000	-
National Home Builders Registration Council	-	10 800	-	-	100	-	100	-	-
6 Housing Development Funding	3 033 242	2 749 521	3 026 199	3 255 555	28 800	3 739 674	3 768 474	4 166 698	4 375 232
Addition to the Capital of the South African Housing Fund	3 004 507	2 720 609	2 997 680	3 225 958	-	3 739 674	3 739 674	4 137 898	4 346 432
Interest and Redemption on Private Loans	28 735	28 912	28 519	29 597	28 800	-	28 800	28 800	28 800
Total	3 707 913	3 450 185	3 270 653	3 665 434	260 334	3 843 676	4 104 010	4 558 753	4 751 075

Table 17.18: Summary of personnel numbers and costs¹

Personnel numbers	1998/99	1999/00	2000/01	2001/02	2002/03
1 Administration	118	118	120	120	120
2 Policy Planning	16	16	31	31	31
3 Programme Management	30	30	33	33	33
4 Housing Performance	35	35	45	51	51
5 Communication	14	14	16	16	16
Total	213	213	245	251	251
Total personnel cost (R thousand)	17 324	17 810	22 604	32 230	45 988
Unit cost (R thousand)	81.3	83.6	92.3	128.4	183.2

¹ Full-time equivalent

Table 17.19: Summary of expenditure on training

	Expenditure outcome		Adjusted appropriation	Medium-term expenditure estimate		
	Audited	Preliminary outcome		2002/03	2003/04	2004/05
	1999/00	2000/01	2001/02			
R thousand						
1 Administration	237	172	1 074	1 157	1 014	1 561
2 Policy Planning	33	75	90	92	96	295
3 Programme Management	18	41	104	118	111	357
4 Housing Performance	136	90	192	200	209	302
5 Communication	–	139	–	225	236	247
Total	424	517	1 460	1 792	1 666	2 762

Table 17.20: Summary of information and communications technology expenditure

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
1 Administration	16 847	17 541	7 123	10 813
Technology	1 482	1 132	908	693
Hardware	807	623	500	381
Software and licences	328	283	226	173
Audio-visual equipment	–	–	–	–
Systems	347	226	182	139
IT services	15 365	16 409	6 215	10 120
Consulting	15 365	16 409	6 215	10 120
Outsourcing	–	–	–	–
2 Policy Planning	342	319	245	267
Technology	342	319	245	267
Hardware	275	227	174	190
Software and licences	33	45	34	37
Audio-visual equipment	–	–	–	–
Systems	34	47	37	40
IT services	–	–	–	–
Consulting	–	–	–	–
Outsourcing	–	–	–	–
3 Programme Management	100	183	130	344
Technology	100	183	130	344
Hardware	70	128	91	241
Software and licences	30	55	39	103
Audio-visual equipment	–	–	–	–
Systems	–	–	–	–
IT services	–	–	–	–
Consulting	–	–	–	–
Outsourcing	–	–	–	–

R thousand	Adjusted	Medium-term expenditure estimate		
	appropriation	2001/02	2002/03	2003/04
4 Housing Performance	23 132	20 936	14 164	25 136
Technology	1 006	599	513	567
Hardware	573	299	256	283
Software and licences	433	300	257	284
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	22 126	20 337	13 651	24 569
Consulting	22 126	20 337	13 651	24 569
Outsourcing	-	-	-	-
5 Communication	604	160	165	176
Technology	604	160	165	176
Hardware	338	90	93	99
Software and licences	266	70	72	77
Audio-visual equipment	-	-	-	-
Systems	-	-	-	-
IT services	-	-	-	-
Consulting	-	-	-	-
Outsourcing	-	-	-	-
Total	41 025	39 139	21 827	36 736

Table 17.21: Summary of conditional grants to provinces¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01		2001/02	2002/03	2003/04
3 Programme Management							
Resettlement of Doornkop	-	-	3 000	-	-	-	-
Provincial and Local Government Capacity Building	7 425	10 000	10 000	-	-	-	-
Human Settlement Redevelopment Programme	-	1 000	35 850	100 000	104 000	109 000	115 540
6 Housing Development Funding							
Addition to the Capital of the South African Housing Fund	3 004 507	2 720 609	2 997 680	3 225 958	3 739 674	4 137 898	4 346 432
Total	3 011 932	2 731 609	3 046 530	3 325 958	3 843 674	4 246 898	4 461 972

¹ Detail provided in the Division of Revenue Act, 2002.

Table 17.22: Summary of indirect grants to provinces¹

R thousand	Expenditure outcome			Adjusted appropriation	Medium-term expenditure estimate		
	1998/99	1999/00	2000/01		2001/02	2002/03	2003/04
3 Programme Management							
Hostels	-	14 917	-	-	-	-	-
Special Integrated Presidential Projects	568 240	136 000	-	-	-	-	-
Total	568 240	150 917	-	-	-	-	-

¹ Detail provided in the Division of Revenue Act, 2002.