

## **VOTE 7: DEPARTMENT OF HOUSING**

|                             |                       |
|-----------------------------|-----------------------|
| To be appropriated by Vote: | R1, 174,025,000       |
| Responsible MEC:            | MEC for Housing       |
| Administering department:   | Department of Housing |
| Accounting Officer:         | HOD of Housing        |

### **OVERVIEW**

#### **Vision**

To develop viable and sustainable communities through the promotion and provision of tenure, services and homes.

#### **Mission**

To maximize the impact of public and private resources to accelerate the delivery of tenure, quality services and housing on well-located land, in partnership with all spheres of Government, the private sector and civil society.

#### **Core Mandate**

The core mandate of the Department is to build sustainable communities in the province through the provision of land, tenure, services and housing.

#### **Strategic Objectives**

The Strategic Objectives of the Department are to:

- Accelerate the delivery of incremental, social and special needs housing;
- Plan, implement and manage housing projects in line with municipality's integrated development and housing plans;
- Provide strategic interventions within the housing delivery system to maximize the impact of available resources available;
- Develop policy and promulgate legislation to support a framework for the implementation of housing programmes;
- Undertake the project management of selected urban regeneration projects, so as to enhance the economic and social viability of neighborhoods.
- Promote effective, efficient and sustainable property management of departmental assets; develop appropriate financial interventions to attract private sector finance for affordable low cost housing, particularly rental accommodation; and
- Provide improved customer support services to all beneficiaries.

#### **Legislative Mandate**

Section 26 of the Constitution of the Republic of South Africa (Act No. 108 of 1996) provides that everyone has the right to have access to adequate housing, and it further provides that the State must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of this right. Adequate housing is measured in terms of key factors including legal security of tenure, availability of services, materials, facilities and infrastructure, affordability, accessibility and location

The Gauteng Department of Housing determines its mandate from the following pieces of legislation:

- Constitution of the Republic of South Africa (Act No 108 of 1996);
- Housing White Paper; the Housing Act, 1997 (Act No. 107 of 1997) as amended;
- The Urban and Rural Frameworks;
- Rental Housing Act, 1999 (Act No. 50 of 1999);
- National Housing Code, 2000; and
- Gauteng Housing Act, 1998 (Act No. 6 of 1998) as amended.

## **REVIEW FOR 2002/03**

The Gauteng Department of Housing has experienced various problems during the past year with regard to achieving its delivery targets. The key problem has been that more than 50% of the projects are being implemented by municipalities as developers. Due to interim problems municipalities were experiencing, they were in most cases unable to deliver according to the set schedule.

Private sector developers operating in the credit-linked subsidy market are still experiencing problems in acquiring end-user finance for their clients. A number of developers are also unable to complete projects due to cost increases, which make the completion of projects unviable. The new strategic direction of the Department will utilize the Gauteng Housing Development Agency as developer of choice. The increased subsidy amounts will also assist in removing most of the cost blockages with regard to the implementation of new projects. The completion of existing contractual commitments will be achieved within the next two years.

## Accelerated delivery

| Description   | Actual Delivery for the period<br>1 April to 31 August 2002   | Estimated to 31 March 2003   |
|---|---|--|
| Formal Housing<br>Incremental Housing<br>Social Housing<br>Housing Institutions<br>Hostel Upgrading<br>Houses transferred | 5 327 stands & 6 632 houses<br>6 495 stands & 3 621 houses<br>1 007 housing units<br>5 new institutions<br>1 508 beds<br>10 016   | 19 353 stands & 22 770 houses<br>11 943 stands & 5 859 houses<br>11 107 housing units<br>7 new institutions<br>7 246 beds<br>100 000 |
| Alexandra Urban Renewal   | Grassing from Roosevelt to Hofmeyer in process. Work approximately 75% complete.  | Rehabilitation complete from Roosevelt to Hofmeyer Bridge.   |
| • Rehabilitation of Juskei River Banks  |   |  |
| • Surfacing of gravel roads on the East Bank  | Work has proceeded well and construction is approximately 90% complete.   | Surfacing of gravel roads complete.  |
| • New Houses constructed  | Approximately 1281 units constructed in Braamfisherville. Servicing of stands at Extension 8 in process. Problems experienced with availability of housing finance for Extension 8. | 1500 houses in Braamfisherville, 200 houses at Ext 7, 500 houses at Ext 8.   |
| • Primary and Secondary schools built   | Sites identified for 2 primary schools and 1 secondary school. Service providers being sourced for design work.   | Design work for schools to be completed, proposal calls issued.  |
| • HIV/AIDS Training programmes for home based care workers  | Service providers are currently being identified. Problems experienced with regard to the availability of service providers on the Alexandra Procurement Roster.                    | Training to be provided to home-based care workers   |
| • Upgrading of Social worker facilities   | Social Welfare Facility launched at 8 <sup>th</sup> Avenue. Burglar bars have been installed. Equipment needs assessment completed and sourcing in process.                         | Operations manuals to be completed and service delivery to be monitored.   |
| • Upgrading of Alexandra Stadium  | Consultants appointed for design work.  | Construction tenders to be issued in November 2002.  |
| • Development of heritage precinct  | Watt/Roosevelt Street link currently being designed. Design work in process.  | Feasibility study finalized and detailed design work in process.   |
| • Expansion of Alexandra Police station   | Construction 98% completed. Connection to municipal services 70% completed. Facility to be handed over during November 2002.  | Police station expected to be launched in January 2003.  |

### **Focus on special needs**

The Department's policy requires that a minimum of 5% or approximately 1 135 [i.e. 22 770 mentioned above x 5%] of houses delivered in terms of the Formal Housing is dedicated to meeting the needs of disabled and aged beneficiaries. The new subsidy increase entitles the disabled and the aged to access an approved maximum subsidy amount of R22 800, which will enable this special needs category to access quality housing. Further, the aged and disabled are exempt from the beneficiary contribution of R2479. In terms of the Incremental Housing all qualifying beneficiaries are catered for, irrespective of aged, disability or not.

### **Focus on women and housing**

Contracts with 4 women contractors have been signed. The women are finding the housing delivery approach under the People's Housing Process difficult and one group has requested that their contract be relocated to a different area. One third of the small builders to be trained to provide services to housing support centers will be women.

### **Incremental Housing**

The Department is implementing the Essential Services Programme in support of the water and sanitation initiative. Six Regional professional Teams have been appointed to assist the Department with the provision of professional services linked to housing developments. Feasibility investigations on 36 projects have been commissioned to date. Currently 22 projects are under implementation addressing 59 518 stands as part of the listed water and sanitation backlog.

All top structure construction on new projects will be undertaken through the People's Housing Process. To date 9 housing support centers have been established in Gauteng.

### **Social housing**

There are 21 projects or 23 112 housing units under facilitation. Once ready will be recommended for approval by the HAC. At least 7 of these projects are ready for recommendation to the HAC during the current financial year. Their implementation thereof is anticipated in 2003/2004. A further 17 projects or 10 795 housing are ready for recommendation to the HAC for approval during this financial year. Of these up to 8 projects will see the Department concluding projects on them for part implementation during 2002/2003 and final implementation in 2003/2004.

Project on which the Department is contractually committed to accounting for 11 181 housing units. The implementation of these is at various stages partly due to outstanding loan financing arrangements as well as management capacity in some of the projects. For the 4 months ending 30 June 2002 the Department has delivered 699 housing units through 7 established social housing organisations. However, a further 10 projects or 16 736 housing units still require institutional capacity. Department has established a process through the Registrar of Social Housing Institutions to ensure a sustainable housing management.

### **Urban Regeneration agency**

Stabilization of the Jukskei Banks – Good progress has been made to date. A total of 15 emerging contractors have been appointed to proceed with the necessary work which includes the removal of rubble, the planting of grass and the construction of gabions along the river banks.

Upgrading of roads on East Bank – Contractors are presently on site and approximately 80% of work has been completed.

Construction of Houses – Several delays have been experienced. In particular, concerns with regard to environmental issues have delayed the construction of houses in Braamfisherville. Difficulties have also recently been experienced at the Alexandra Extension 8 Project, where the National Housing Finance Corporation has withheld institutional funding for the project pending the resolution of unrelated disputes. This is likely to delay the implementation of the project.

Construction of Schools – Sites for 2 new schools are currently being identified within the Marlboro Precinct and in the new Frankenwald housing project. Design briefs will be prepared as soon as land assembly has been finalized.

HIV/AIDS training – Training service providers are currently being sourced to provide this training.

Upgrading of Social Welfare Facilities – The new facilities for social workers were officially opened during May 2002 and are fully operational.

Upgrading of Alexandra Stadium – Consultants are presently being appointed to finalize design work for new facilities at the Alexandra Stadium.

Heritage Precinct – Design work has been completed for the facility, but is affected by the proposed Watt Street/Roosevelt Street road alignment. Existing consultant brief has been extended to finalize the new road alignment.

Alexandra Police Station – Difficulties have been experienced with regard to the completion of the police station due to cash flow problems experienced by the contractor. This matter is currently being resolved by the Department of Public Works.

### **Customer Support Services**

The Customer Support Center (CSC) was successfully launched on the 28<sup>th</sup> of April 2002. The initially problem experienced was the issue of personnel. However, this has been resolved and certain staff has been permanently transferred to the CSC. The Department has also engaged in a process of training staff in the CSC to ensure that they provide a good service to the public.

### **Challenges and Constraints**

- The implementation of the R2,479 contribution by beneficiaries will cause delays in deliveries, as contractors will not be able to commence with the installation of services until all beneficiaries in a project pay all the contributions. With regard to informal settlement upgrades, beneficiaries being unable to pay the contribution will delay the upgrade of the informal settlement indefinitely.
- The increase in the quantum of the subsidy will mean that the Department will be able to deliver fewer houses for the capital allocation provided by the National Department of Housing. If the Department is to deliver on its set targets and deliverables in terms of the Strategic plan 2003-2006 the allocation from the National Department of Housing will have to be increased in relation to the increase in the subsidy quantum. The implication thereof is that at current funding levels the corresponding delivery remains insufficient to reduce the housing backlog.
- The housing backlog is increasing on a continuous basis, with the formation of new households and the migration of households into Gauteng. If the Department is to eradicate the housing backlog the rate of delivery of houses will need to exceed the growth of the backlog. Furthermore, the Department will need to reconsider the density, typology and location of future housing settlements given the constraints of suitably located land for housing delivery.
- In certain cases it is difficult to transfer houses in the second directive properties (ex-own affairs) to individual beneficiaries because of a huge backlog in arrears. If the department is to transfer these properties the writing off of arrears will need to be considered. The national programme on the phasing in of market related rentals and the parking of pre-1994 arrear interest might alleviate this programme partly but not wholly.
- The financial non-viability and management capacity problems of some of the Housing Institutions necessitates the Department's intervention in the provision of management support to these institutions and thereby protecting the right of individuals to access this type of accommodation and promoting tenure choices.
- It has proven difficult for the Department to collect its rentals/installments due and in arrears as a result of some inaccuracies in the debtors register and the property register such that in certain instances the Department might be billed for rates and taxes for a property it has already sold or a property that no longer exist in its books. Illegal occupants, as a result of abandonment of properties without notifying the Department, are not required by law to pay rentals/installments because they do not have a legal agreement with the Department. This necessitates that the illegal occupants be legalized to enable the Department to collect rentals/installments due.

## **OUTLOOK FOR 2003/2004**

The Department has a new strategic direction as of 1st April 2002, and as a consequence has undergone major restructuring. The new strategic direction has four primary delivery focus areas, namely incremental housing, social housing, urban regeneration and customer support services. The formal housing programme is to be discontinued. However, the Department will honour its existing contractual commitments on formal housing projects.

An improvement strategy has been embarked upon to assist the Department in its collection of revenue; proper maintenance, cleaning and security as well as the data clean up of its properties.

The four primary focus areas of the new strategic direction are

### **Incremental Housing**

The programme will include the following initiatives:

The programme will include the following initiatives:

- Rapid land Release;
- Water and Sanitation initiative;
- People's Housing process;

The objectives of the programme are:

- To provide essential services and tenure to 33 446 stands and 1 878 houses.
- Upgrading of 8 060 hostels beds into self-sustainable family units. (The previous delivery target of 10 000 beds has been reduced to 8 060 in terms of the implementation of the new hostels policy, i.e. the creation of sustainable family units).
- To deliver 7 065 houses and 5 262 stands through the Special Housing Projects
- Provision of housing of choice through the People's Housing Process to 13 500 families, driven through 20 Housing Support Centres.
- The introduction of Consumer Education and Training Programmes to assist with the building of capacity of communities inclusive of basic life-line training to beneficiaries as homeowners. This will be guided in terms of capacity building principles endorsed by the Housing Sector.

### **Social Housing**

The programme will include the following initiatives:

- Rental Housing stock;
- Rent-to-buy;
- Collective Ownership;
- Special needs housing; and

The objective of the programme is to co-ordinate the creation and optimal use of social housing in Gauteng Province. This will be achieved by:

- Creation and managing of 7 new social housing institutions.
- Production of 3 500 social and special needs housing through Greenfield projects and a further 2 079 through the Inner City Upgrade Program
- Management of the implementation of the Presidential Job Summit Initiative at a rate of 1 000 units per year

### **Urban regeneration**

The programme will include the following initiatives:

- Alexandra Renewal Project;
- Engaging with Kliptown to share lessons between the Kliptown and Alexandra Renewal Project; and
- Bekkersdal Reconstruction. The overall business plan is currently being prepared for this project with a view to launching the project during the 2002/2003 financial year should funding be made available for this purpose.

Some of the objectives of this programme are:

- To gear of seed capital provided for urban renewal/ regeneration projects against private sector investment or donor funding
- To operate as an institution managing selected area-based intervention projects to be implemented by government or private sector agencies

#### **Customer Support Services**

The programme will include the following initiatives:

- Post-delivery service; and
- Civil society participation and general stakeholder consultation.

This centre will build and enhance the image of the Department through regular and meaningful interaction with the public and the media and Address and resolve stakeholders queries and complaints through the Public Information Office.

In terms of developments resulting from the new strategic direction to be followed by the Department, the three Agencies and a support structure will be formed. These are:

- The Housing Development Agency;
- The Urban Regeneration Agency;
- The Gauteng Partnership Agency;
- Strategic Intervention Core Unit; and
- Corporate Services Core Unit.

#### **4. REVENUE AND FINANCING**

**Table 4.1: Departmental revenue: Housing**

| Summary of Revenue          | 2000/01        | 2001/02        | 2002/03             | 2003/04          | 2004/05          | 2005/06          |
|-----------------------------|----------------|----------------|---------------------|------------------|------------------|------------------|
|                             | Audited        | Audited        | Preliminary outcome | Budget           | MTEF             | MTEF             |
|                             | R'000          | R'000          | R'000               | R'000            | R'000            | R'000            |
|                             |                |                |                     |                  |                  |                  |
| <b>Voted by Legislature</b> | 82,230         | 193,387        | 215,791             | 229,133          | 286,204          | 310,456          |
|                             |                |                |                     |                  |                  |                  |
| <b>Conditional grants</b>   |                |                |                     |                  |                  |                  |
|                             |                |                |                     |                  |                  |                  |
| Housing Fund                | 614,166        | 716,300        | 1,215,018           | 923,892          | 1,117,463        | 1,185,357        |
| Human settlement            | 15,539         | 27,202         | 48,548              | 21,000           | 22,260           | 30,592           |
| Capacity Building           | 1,400          | 1,100          | 1,000               | -                | -                | -                |
|                             |                |                |                     |                  |                  |                  |
| <b>Other</b>                |                |                |                     |                  |                  |                  |
|                             |                |                |                     |                  |                  |                  |
| <b>Total revenue</b>        | <b>713,335</b> | <b>937,989</b> | <b>1,480,357</b>    | <b>1,174,025</b> | <b>1,425,927</b> | <b>1,526,405</b> |

**TABLE 4.2 DEPARTMENTAL RECEIPTS**

|                                    | 2000/01                  | 2001/02                  | 2002/03                                  | 2003/04                 | 2004/05               | 2005/06               |
|------------------------------------|--------------------------|--------------------------|--|-------------------------|-----------------------|-----------------------|
| <b>Revenue Sources</b>             | <b>Audited<br/>R'000</b> | <b>Audited<br/>R'000</b> | <b>Preliminary<br/>Outcome<br/>R'000</b> | <b>Budget<br/>R'000</b> | <b>MTEF<br/>R'000</b> | <b>MTEF<br/>R'000</b> |
|                                    |                          |                          |  |                         |                       |                       |
| <b>Tax revenue</b>                 | <b>0</b>                 | <b>0</b>                 | <b>0</b>                                 | <b>0</b>                | <b>0</b>              | <b>0</b>              |
| Casino Taxes                       |                          |                          |  |                         |                       |                       |
| Horseracing                        |                          |                          |  |                         |                       |                       |
| Motor vehicle licenses             |                          |                          |  |                         |                       |                       |
| Other taxes                        |                          |                          |  |                         |                       |                       |
| <b>Non -Tax revenue</b>            | <b>1,774</b>             | <b>8,459</b>             | <b>562</b>                               | <b>591</b>              | <b>620</b>            | <b>690</b>            |
| Interest                           | 37                       | 107                      |  |                         |                       |                       |
| Patient fees                       |                          |                          |  |                         |                       |                       |
| Other revenue                      | 377                      | 8,358                    | 519                                      | 546                     | 574                   | 630                   |
| Rent                               | 1,177                    | (6)                      | 43                                       | 45                      | 46                    | 60                    |
| Sale of stock & livestock          | 183                      |                          |  |                         |                       |                       |
| Fees, fines & forfeiture           |                          |                          |  |                         |                       |                       |
| <b>Total Departmental Receipts</b> | <b>1,774</b>             | <b>8,459</b>             | <b>562</b>                               | <b>591</b>              | <b>620</b>            | <b>690</b>            |
|                                    |                          |                          |  |                         |                       |                       |
| <b>Housing Fund Revenue</b>        | <b>16,591</b>            | <b>10,857</b>            | <b>7,500</b>                             | <b>8,000</b>            | <b>5,500</b>          | <b>5,000</b>          |
| Housing Rent Recoveries            | 4,463                    | 3,574                    | 2,000                                    | 2,500                   | 2,500                 | 2,500                 |
| Sale of land & buildings           | 11,342                   | 6,296                    | 5,000                                    | 5,000                   | 3,000                 | 2,500                 |
| Housing fund interest              | 786                      | 987                      | 500                                      | 500                     | -                     | -                     |
| Other revenue                      |                          |                          |  |                         |                       |                       |
| <b>Total</b>                       | <b>18,365</b>            | <b>19,316</b>            | <b>8,062</b>                             | <b>8,591</b>            | <b>6,120</b>          | <b>5,690</b>          |



## 5. BASIC SERVICE DELIVERY TRENDS

| Name of Indicator   | Actual<br>Fin. Year<br>2000/2001 | Actual<br>Fin. Year<br>2001/02 | Expected<br>Fin. Year<br>2002/03 | Average<br>Growth<br>[%] |
|---|----------------------------------|--------------------------------|----------------------------------|--------------------------|
| Houses completed  | 27 169                           | 25 720                         | 35 053                           | 15,48                    |
| Hostels beds upgraded   | 7 733                            | 5 811                          | 7 592                            | 27,75                    |
| Stands serviced   | 32 545                           | 39 723                         | 43 958                           | 16,36                    |
| Property/complexes devolved   | 5 000                            | 6 510                          | -                                | 30,20                    |
| Residential property transferred to private individuals   | 56 334                           | 11 800                         | -                                | 39,53                    |
| Social housing units built  | 1 923                            | 2 337                          | 3 628                            | 38,39                    |
| Rental housing disputes resolved  | 582                              | 394                            | -                                | (16,15)                  |
| Social housing institutions created   | 5                                | 7                              | 10                               | 41,43                    |
| Number of housing subsidy approved- individual  | 1 459                            | 807                            | 389                              | (48,25)                  |
| Number of housing subsidy approved –project linked  | 43 100                           | 48963                          | 58044                            | 16,08                    |
| <u>Current Backlog of 423 000 households have already been registered on the Waiting List Database. It can be allocated per Metro as follows:</u> |                                  |                                |                                  |                          |
| • Metsweding D.C  |                                  |                                | 6 460                            | -                        |
| • Tshwane Metro   |                                  |                                | 50 882                           | -                        |
| • City of Johannesburg  |                                  |                                | 182 796                          | -                        |
| • Ekurhuleni Metro  |                                  |                                | 105 284                          | -                        |
| • West Rand D.C   |                                  |                                | 35 687                           | -                        |
| • Sedibeng D.C  |                                  |                                | 41 891                           | -                        |
| Rental properties stock   | 3,247                            | 3,247                          | 3,247                            | 0                        |
| Properties under installment sale agreements  | 7,100                            | 7,100                          | 7,100                            | 0                        |
| The % of properties empty (waiting for repairs  |                                  |                                |                                  |                          |
| Rent collected as a % rent due  | 0,7                              | 0                              | 0                                | 0                        |
| The % of all tenants owing over 3 months rent   | 19%                              | 22%                            | 25%                              | 16,2                     |
|   | 87%                              | 82%                            | 70%                              | (10,1)                   |

**SUMMARY OF EXPENDITURE AND ESTIMATE:  
HOUSING**

| <b>Description of the<br/>Programme</b> | <b>2000/01<br/>Audited<br/><br/>R'000</b> | <b>2001/02<br/>Audited<br/><br/>R'000</b> | <b>2002/03<br/>Preliminary<br/>Outcome<br/><br/>R'000</b> | <b>2003/04<br/>Budget<br/><br/>R'000</b> | <b>2004/05<br/>MTEF<br/><br/>R'000</b> | <b>2005/06<br/>MTEF<br/><br/>R'000</b> |
|---|---|---|---|--|--|--|
| Management and Administration           | 37,882                                    | 74,979                                    | 108,338   | 67,075                                   | 70,096                                 | 68,737                                 |
| Policy and Planning                     | <b>11,069</b>                             | -   | -   | -  | -                                      | -                                      |
| Strategic Intervention                  | -   | <b>135,176</b>                            | <b>55,757</b>   | <b>13,351</b>                            | <b>14,120</b>                          | <b>13,740</b>                          |
| Housing                                 | <b>632,345</b>                            | <b>619,083</b>                            | <b>1,175,727</b>  |  |  |  |
| Housing Development Agency              |   |   |   | <b>892,909</b>                           | <b>1,088,207</b>                       | <b>1,156,343</b>                       |
| Land & Assets Man.                      | <b>32,039</b>                             | -   | -   | -  | -                                      | -                                      |
| Alexandra Renewal Projects              | -   | <b>87,897</b>                             | <b>140,535</b>  | -  | -                                      | -                                      |
| Urban Regeneration Agency               |   |   |   | <b>122,839</b>                           | <b>174,227</b>                         | <b>207,506</b>                         |
| Gauteng Partnership Agency              |   |   |   | <b>77,851</b>                            | <b>79,277</b>                          | <b>80,079</b>                          |
| Special Functions                       |   |   |   |  |  |  |
| <b>Total for Programme</b>              | <b>713,335</b>                            | <b>917,135</b>                            | <b>1,480,357</b>  | <b>1,174,025</b>                         | <b>1,425,927</b>                       | <b>1,526,405</b>                       |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

| <b>GFS Classification</b>       | <b>2000/01<br/>Audited</b> | <b>2001/02<br/>Audited</b> | <b>2002/03<br/>Preliminary<br/>Outcome</b> | <b>2003/04<br/>Budget</b> | <b>2004/05<br/>MTEF</b> | <b>2005/06<br/>MTEF</b> |
|---------------------------------|----------------------------|----------------------------|--|---------------------------|-------------------------|-------------------------|
|                                 | <b>R'000</b>               | <b>R'000</b>               | <b>R'000</b>                               | <b>R'000</b>              | <b>R'000</b>            | <b>R'000</b>            |
| <b>CURRENT</b>                  |                            |                            |  |                           |                         |                         |
| Compensation of employees       | 46,139                     | 75,665                     | 66,338                                     | 75,548                    | 80,835                  | 85,685                  |
| Use of goods and services       | 25,583                     | 29,458                     | 44,108                                     | 41,389                    | 42,206                  | 36,916                  |
| Recurrent maintenance           |                            |                            |  |                           |                         |                         |
| Property expenses               | 7,145                      | 7,852                      | 7,171                                      | 8,548                     | 9,334                   | 9,792                   |
| Grants                          |                            |                            |  |                           |                         |                         |
| Social benefits                 | -                          | 15                         | -  | 30                        | 30                      | 30                      |
| Other expenses                  | 20                         |                            | 60,000                                     |                           |                         |                         |
| <b>Total Current</b>            | <b>78,887</b>              | <b>112,990</b>             | <b>177,617</b>                             | <b>125,515</b>            | <b>132,405</b>          | <b>132,423</b>          |
| <b>CAPITAL</b>                  |                            |                            |  |                           |                         |                         |
| <b>NEW CAPITAL WORKS</b>        |                            |                            |  |                           |                         |                         |
| Compensation of employees       | -                          |                            | 3,446                                      | 4,724                     | 5,055                   | 5,358                   |
| Use of goods and services       | -                          | 24,797                     | 414  | 475                       | 508                     | 508                     |
| <b>Non financial assets</b>     | -                          | -                          |  | -                         | -                       | -                       |
| Buildings and structures        |                            |                            |  |                           |                         |                         |
| Machinery and equipment         | 4,743                      | 4,217                      | 7,347                                      | 3,618                     | 3,799                   | 3,033                   |
| <b>Other assets</b>             |                            |                            |  |                           |                         |                         |
| Work in progress                | 629,705                    | 775,131                    | 1,291,533                                  | 978,210                   | 1,222,396               | 1,323,025               |
| <b>Non produced assets</b>      |                            |                            |  |                           |                         |                         |
| Other capital transfers         |                            |                            |  |                           |                         |                         |
| <b>Financial assets</b>         |                            |                            |  |                           |                         |                         |
| <b>REHABILITATION/UPGRADING</b> |                            |                            |  |                           |                         |                         |
| Compensation of employees       |                            |                            |  |                           |                         |                         |
| Use of goods and services       |                            |                            |  |                           |                         |                         |
| <b>Non financial assets</b>     |                            |                            |  |                           |                         |                         |
| Buildings and structures        | -                          |                            |  | -                         | -                       | -                       |
| Machinery and equipment         |                            |                            |  |                           |                         |                         |
| <b>Other assets</b>             |                            |                            |  |                           |                         |                         |
| Work in progress                | -                          | -                          |  |                           |                         |                         |
| <b>Non produced assets</b>      |                            |                            |  |                           |                         |                         |
| Other capital transfers         |                            |                            |  |                           |                         |                         |
| <b>Financial assets</b>         |                            |                            |  |                           |                         |                         |
| <b>CAPITAL MAINTENANCE</b>      |                            |                            |  |                           |                         |                         |
| Compensation of employees       |                            |                            |  | 1,843                     | 1,972                   | 2,090                   |
| Use of goods and services       |                            |                            |  |                           |                         |                         |
| <b>Non financial assets</b>     |                            |                            |  |                           |                         |                         |
| Buildings and structures        | -                          | -                          | -  | 59,640                    | 59,792                  | 59,968                  |
| Machinery and equipment         |                            |                            |  |                           |                         |                         |
| <b>Other assets</b>             |                            |                            |  |                           |                         |                         |
| Work in progress                |                            |                            |  |                           |                         |                         |
| <b>Non produced assets</b>      |                            |                            |  |                           |                         |                         |
| Other capital transfers         | -                          | -                          | -  | -                         | -                       | -                       |
| <b>Financial assets</b>         |                            |                            |  |                           |                         |                         |
| <b>Total Capital</b>            | <b>634,448</b>             | <b>804,145</b>             | <b>1,302,740</b>                           | <b>1,048,510</b>          | <b>1,293,522</b>        | <b>1,393,982</b>        |
| <b>Total GFS classification</b> | <b>713,335</b>             | <b>917,135</b>             | <b>1,480,357</b>                           | <b>1,174,025</b>          | <b>1,425,927</b>        | <b>1,526,405</b>        |

## PROGRAMME 1. - Management and Administration

### EXPENDITURE AND ESTIMATES

| Description of the Programme | 2000/01<br>Audited<br>R'000 | 2001/02<br>Audited<br>R'000 | 2002/03<br>Preliminary<br>Outcome<br>R'000 | 2003/04<br>Budget<br>R'000 | 2004/05<br>MTEF<br>R'000 | 2005/06<br>MTEF<br>R'000 |
|------------------------------|-----------------------------|-----------------------------|--|----------------------------|--------------------------|--------------------------|
| Office of the MEC            | 1,832                       | 2,294                       | 3,169                                      | -                          | -                        | -                        |
| Office of the MEC & HOD      |                             |                             |  | 3,111                      | 3,329                    | 3,164                    |
| Head of Department           | 2,352                       | 1,143                       | 2,026                                      | -                          | -                        | -                        |
| Management Support Services  |                             |                             |  | 1,405                      | 1,503                    | 1,474                    |
| Legal Serv. & Contr Man      | 928                         | 4,451                       | 6,486                                      | 7,430                      | 7,965                    | 7,014                    |
| Chief Financial Officer      | -                           | 1,477                       | 2,192                                      | 1,942                      | 2,082                    | 1,942                    |
| Audit Services               | -                           |                             | 242  | 268                        | 286                      | 286                      |
| Financial Management         | 29,601                      | 21,253                      | 21,614                                     | 21,898                     | 22,751                   | 23,258                   |
| Information Technology       |                             | 7,272                       | 12,516                                     | 12,261                     | 12,983                   | 12,013                   |
| Fin. Control & Reporting     | -                           | 27,711                      | 48,164                                     | 2,324                      | 2,487                    | 2,440                    |
| HRM & Aux. Serv.             | 3,169                       | 9,378                       | 11,929                                     | 16,436                     | 16,710                   | 17,146                   |
| <b>Total for Programme</b>   | <b>37,882</b>               | <b>74,979</b>               | <b>108,338</b>                             | <b>67,075</b>              | <b>70,096</b>            | <b>68,737</b>            |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

| <b>GFS Classification</b>       | <b>2000/01<br/>Audited<br/>R'000</b> | <b>2001/02<br/>Audited<br/>R'000</b> | <b>2002/03<br/>Preliminary<br/>Outcome<br/>R'000</b> | <b>2003/04<br/>Budget<br/>R'000</b> | <b>2004/05<br/>MTEF<br/>R'000</b> | <b>2005/06<br/>MTEF<br/>R'000</b> |
|---------------------------------|--------------------------------------|--------------------------------------|--|-------------------------------------|-----------------------------------|-----------------------------------|
| <b>CURRENT</b>                  |                                      |                                      |  |                                     |                                   |                                   |
| Compensation of employees       | 14,912                               | 21,551                               | 24,849   | 28,021                              | 29,982                            | 31,781                            |
| Use of goods and services       | 13,524                               | 16,982                               | 25,884   | 27,566                              | 27,695                            | 24,635                            |
| Recurrent maintenance           |                                      |                                      |  |                                     |                                   |                                   |
| Property expenses               | 5,584                                | 7,852                                | 7,171  | 8,548                               | 9,334                             | 9,792                             |
| Consumption of fixed assets     |                                      |                                      |  |                                     |                                   |                                   |
| Subsidies                       |                                      |                                      |  |                                     |                                   |                                   |
| Grants                          |                                      |                                      |  |                                     |                                   |                                   |
| Social benefits                 |                                      | 15                                   |  | 30                                  | 30                                | 30                                |
| Transfers to local government   |                                      |                                      |  |                                     |                                   |                                   |
| Other expenses                  | 20                                   |                                      | 44,000   |                                     |                                   |                                   |
| <b>Total Current</b>            | <b>34,040</b>                        | <b>46,400</b>                        | <b>101,904</b>                                       | <b>64,165</b>                       | <b>67,041</b>                     | <b>66,238</b>                     |
| <b>CAPITAL</b>                  |                                      |                                      |  |                                     |                                   |                                   |
| <b>NEW CAPITAL WORKS</b>        |                                      |                                      |  |                                     |                                   |                                   |
| Compensation of employees       |                                      |                                      |  |                                     |                                   |                                   |
| Use of goods and services       |                                      |                                      |  |                                     |                                   |                                   |
| <b>Non financial assets</b>     |                                      |                                      |  |                                     |                                   |                                   |
| Buildings and structures        |                                      |                                      |  |                                     |                                   |                                   |
| Machinery and equipment         | 3,842                                | 3,439                                | 6,434  | 2,910                               | 3,055                             | 2,499                             |
| <b>Other assets</b>             |                                      |                                      |  |                                     |                                   |                                   |
| Work in progress                |                                      | 25,140                               |  |                                     |                                   |                                   |
| <b>Non produced assets</b>      |                                      |                                      |  |                                     |                                   |                                   |
| Other capital transfers         |                                      |                                      |  |                                     |                                   |                                   |
| <b>Financial assets</b>         |                                      |                                      |  |                                     |                                   |                                   |
| <b>REHABILITATION/UPGRADING</b> |                                      |                                      |  |                                     |                                   |                                   |
| Compensation of employees       |                                      |                                      |  |                                     |                                   |                                   |
| Use of goods and services       |                                      |                                      |  |                                     |                                   |                                   |
| <b>Non financial assets</b>     |                                      |                                      |  |                                     |                                   |                                   |
| Buildings and structures        |                                      |                                      |  |                                     |                                   |                                   |
| Other capital transfers         |                                      |                                      |  |                                     |                                   |                                   |
| <b>Financial assets</b>         |                                      |                                      |  |                                     |                                   |                                   |
| <b>CAPITAL MAINTENANCE</b>      |                                      |                                      |  |                                     |                                   |                                   |
| Compensation of employees       |                                      |                                      |  |                                     |                                   |                                   |
| Use of goods and services       |                                      |                                      |  |                                     |                                   |                                   |
| <b>Non financial assets</b>     |                                      |                                      |  |                                     |                                   |                                   |
| Buildings and structures        |                                      |                                      |  |                                     |                                   |                                   |
| Machinery and equipment         |                                      |                                      |  |                                     |                                   |                                   |
| <b>Other assets</b>             |                                      |                                      |  |                                     |                                   |                                   |
| Work in progress                |                                      |                                      |  |                                     |                                   |                                   |
| <b>Non produced assets</b>      |                                      |                                      |  |                                     |                                   |                                   |
| Other capital transfers         |                                      |                                      |  |                                     |                                   |                                   |
| <b>Financial assets</b>         |                                      |                                      |  |                                     |                                   |                                   |
| <b>Total Capital</b>            | <b>3,842</b>                         | <b>28,579</b>                        | <b>6,434</b>   | <b>2,910</b>                        | <b>3,055</b>                      | <b>2,499</b>                      |
| <b>Total GFS classification</b> | <b>37,882</b>                        | <b>74,979</b>                        | <b>108,338</b>                                       | <b>67,075</b>                       | <b>70,096</b>                     | <b>68,737</b>                     |

## **PROGRAMME DESCRIPTIONS AND INPUT**

### **PROGRAMME 1: MANAGEMENT AND ADMINISTRATION**

#### **Key Governmental Objectives**

- To ensure effective and efficient systems of financial management through the implementation of information systems to ensure effective monitoring of:
  - Budgets vs. expenditure;
  - Procurement according to relevant legislation;
  - Administration of accounts payable;
  - Moveable assets control; and
  - Transport and procurement services.
- To promote the culture of effective and efficient systems of internal controls, risk management, observance of policies and procedures, as well as the spirit of timely reporting.
- To drive the Departmental Fraud Prevention Strategy.
- To implement an Inspectorate function to facilitate and manage forensic investigations as well as to provide an internal audit function on an ad-hoc basis for the Department of Housing
- To manage the Human Resource management requirements of the Department
- To manage the internal administrative processes that relate to the Department (including administrative and secretariat functions to the Rental Housing Tribunal)
- To manage the secretariat function of the Department
- To provide an effective and efficient contract management service to the Department
- To provide consistent, expedient and well researched legal advice to the Department
- To manage and reduce incidents of litigation.
- To provide a vehicle for the dissemination of information to the public.
- To manage the occupancy audit.
- To perform a management and administrative function to the Department in respect of IT.
- To develop IT systems and co-ordinate and manage IT projects.
- To render a technical support function to the Network and Server Environments.
- To create an effective communication system that engages and informs all staff and manages internal resources.
- To build and enhance the image of the Department through regular and meaningful interaction with the public and the media and Address and resolve stakeholders queries and complaints through the Public Information Office.
- To create awareness of the Department's core and services to the public.

#### **Programme Policy Developments**

Policy developments within Programme 1 include the Fraud Prevention and Risk Management Plan.

## PROGRAMME 2: STRATEGIC INTERVENTION

### Key Government Objectives

- To provide an effective and efficient service for strategic immediate and medium to long term planning in the Department that contributes towards: the development of sustainable communities, the strategic planning process of the Department, and the development of a housing strategy for Gauteng for the coming ten to twenty years called 'The Gauteng Partnership 2010'.
- To foster co-operative governance via co-coordinating mechanisms that will realize aligned service delivery in housing projects.
- To ensure that all procurement of land for housing and proposed and current Departmental projects/ applications are in line with governing legislative and policy frameworks (developmental and environmental).
- To develop, monitor and review the Departmental Strategic Plan.
- To manage the preparation and submission of the monthly, quarterly and annual reports for the Department, and to manage the external submission of any official reports excluding media releases.
- To develop a GIS strategy and appropriate capacity to address the Department's GIS needs in a holistic manner.
- To develop and advise on all aspects of housing policy and legislation
- To initiate and manage the research requirements of the Department in an efficient and effective manner.
- To manage the Capacity Building Programmes in a manner that maximizes the development of skills and knowledge in the housing sector.
- To evaluate programmes and their impacts in order to ensure that the state objectives of the Departments and of the Programmes themselves are realized.
- To evaluate the efficiency & effectiveness of the programmes

### Programme Policy Developments

The following policies are being developed in Programme 2:

- HIV/Aids Policy;
- Indigent Policy;
- Rural Housing Policy;
- People Housing Policy.

## PROGRAMME 2. - Strategic Intervention

### EXPENDITURE AND ESTIMATES

| Description of the Programme        | 2000/01<br>Audited<br>R'000 | 2001/02<br>Audited<br>R'000 | 2002/03<br>Preliminary<br>Outcome<br>R'000 | 2003/04<br>Budget<br>R'000 | 2004/05<br>MTEF<br>R'000 | 2005/06<br>MTEF<br>R'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|----------------------------|--------------------------|--------------------------|
| Executive Manager-Strategic Interv. | 561                         | 99,210                      | 1,307                                      | 1,204                      | 1,288                    | 1,340                    |
| Admin. & Fin. Support               |                             |                             | 1,048                                      | 525                        | 562                      | 584                      |
| Social Housing                      |                             | 4,531                       | -  | -                          | -                        | -                        |
| Strategic Planning                  | 2,242                       | 8,524                       | 3,155                                      | 4,055                      | 4,286                    | 4,133                    |
| Communications                      | 4                           | 2,256                       | 3,709                                      | 3,955                      | 4,232                    | 4,081                    |
| Investment Management               |                             | 15,808                      | 27,275                                     | -                          | -                        | -                        |
| Policy & Prog Evaluation            | 8,262                       | 4,847                       | 19,263                                     | 3,612                      | 3,752                    | 3,602                    |
| <b>Total for Programme</b>          | <b>11,069</b>               | <b>135,176</b>              | <b>55,757</b>                              | <b>13,351</b>              | <b>14,120</b>            | <b>13,740</b>            |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

|                                 | 2000/01       | 2001/02        | 2002/03                  | 2003/04       | 2004/05       | 2005/06       |
|---------------------------------|---------------|----------------|--------------------------|---------------|---------------|---------------|
|                                 | Audited       | Audited        | Preliminary              | Budget        | MTEF          | MTEF          |
| <b>GFS Classification</b>       | <b>R'000</b>  | <b>R'000</b>   | <b>Outcome<br/>R'000</b> | <b>R'000</b>  | <b>R'000</b>  | <b>R'000</b>  |
| <b>CURRENT</b>                  |               |                |                          |               |               |               |
| Compensation of employees       | 4,447         | 29,133         | 18,093                   | 7,740         | 8,282         | 8,779         |
| Use of goods and services       | 6,215         | 8,293          | 9,522                    | 5,444         | 5,671         | 4,820         |
| Recurrent maintenance           |               |                |                          |               |               |               |
| Property expenses               |               |                |                          |               |               |               |
| Consumption of fixed assets     |               |                |                          |               |               |               |
| Subsidies                       |               |                |                          |               |               |               |
| Grants                          |               |                |                          |               |               |               |
| Social benefits                 |               |                |                          |               |               |               |
| Transfers to local government   | -             |                | -                        | -             | -             | -             |
| Other expenses                  |               |                | 16,000                   |               |               |               |
| <b>Total Current</b>            | <b>10,662</b> | <b>37,426</b>  | <b>43,615</b>            | <b>13,184</b> | <b>13,953</b> | <b>13,599</b> |
| <b>CAPITAL</b>                  |               |                |                          |               |               |               |
| <b>NEW CAPITAL WORKS</b>        |               |                |                          |               |               |               |
| Compensation of employees       |               |                |                          |               |               |               |
| Use of goods and services       |               |                |                          |               |               |               |
| <b>Non financial assets</b>     |               |                |                          |               |               |               |
| Buildings and structures        |               |                |                          |               |               |               |
| Machinery and equipment         | 407           | 183            | 442                      | 167           | 167           | 141           |
| <b>Other assets</b>             |               |                |                          |               |               |               |
| Work in progress                |               | 97,567         | 11,700                   |               |               |               |
| <b>Non produced assets</b>      |               |                |                          |               |               |               |
| Other capital transfers         |               |                |                          |               |               |               |
| <b>Financial assets</b>         |               |                |                          |               |               |               |
| <b>REHABILITATION/UPGRADING</b> |               |                |                          |               |               |               |
| Compensation of employees       |               |                |                          |               |               |               |
| Use of goods and services       |               |                |                          |               |               |               |
| <b>Non financial assets</b>     |               |                |                          |               |               |               |
| Buildings and structures        |               |                |                          |               |               |               |
| Machinery and equipment         |               |                |                          |               |               |               |
| <b>Other assets</b>             |               |                |                          |               |               |               |
| Work in progress                |               |                |                          |               |               |               |
| <b>Non produced assets</b>      |               |                |                          |               |               |               |
| Other capital transfers         |               |                |                          |               |               |               |
| <b>Financial assets</b>         |               |                |                          |               |               |               |
| <b>Non produced assets</b>      |               |                |                          |               |               |               |
| Other capital transfers         |               |                |                          |               |               |               |
| <b>Financial assets</b>         |               |                |                          |               |               |               |
| <b>Total Capital</b>            | <b>407</b>    | <b>97,750</b>  | <b>12,142</b>            | <b>167</b>    | <b>167</b>    | <b>141</b>    |
| <b>Total GFS classification</b> | <b>11,069</b> | <b>135,176</b> | <b>55,757</b>            | <b>13,351</b> | <b>14,120</b> | <b>13,740</b> |



### **PROGRAMME 3: HOUSING DEVELOPMENT AGENCY**

#### **Key Governmental Objectives**

- To stabilise the invasion of vacant land in the Province and ensure that the township registers of approved settlements are opened.
- To install essential services in all completed Mayibuye Projects.
- To establish 20 new Housing Support Centres in addition to the 20 existing ones in Gauteng.
- To implement the Rural Housing Programme and the Water and Sanitation Programme in Gauteng.
- To complete all formal housing projects for the delivery of 5262 stands and 7 065 houses.
- To implement beneficiary consumer education and training programmes.
- To develop a mechanism for fair allocation of subsidies.
- To approval of beneficiary applications in respect of all housing programmes funded from the Gauteng Housing Fund.
- To execute cost control in respect of the Gauteng Housing Fund.
- To administer the relocation assistance initiatives / programmes.
- To establish a mechanism for the orderly collection and administration of beneficiary financial contributions.
- To deliver 90 000 rental housing units during the financial year.
- Establishment of 4 or improvement of existing] sustainable and viable housing associations.
- To facilitate and manage the implementation of social housing projects to support the Presidential Job Summit Initiative.

#### **Programme Policy Developments**

Subsidy quantum policy in terms of which subsidy bands have been increased by Housing MINMEC to compensate for inflation for the past years. The future annual increase of the subsidy amounts to compensate for inflation was also agreed upon.

### PROGRAMME 3. – Housing Development Agency

#### EXPENDITURE AND ESTIMATES

| Description of the Programme        | 2000/01<br>Audited<br>R'000 | 2001/02<br>Audited<br>R'000 | 2002/03<br>Preliminary<br>Outcome<br>R'000 | 2003/04<br>Budget<br>R'000 | 2004/05<br>MTEF<br>R'000 | 2005/06<br>MTEF<br>R'000 |
|-------------------------------------|-----------------------------|-----------------------------|--|----------------------------|--------------------------|--------------------------|
| Executive Mngr- Housing Development | 622,483                     | 590,571                     | 1,147,929                                  | 864,185                    | 1,057,473                | 1,123,685                |
| Legal & Township Approval           | -                           | -                           | -  | 332                        | 355                      | 376                      |
| Chief Operations Officer - Housing  | -                           | -                           | -  | 549                        | 587                      | 622                      |
| Dir Hostels Programme               | -                           | -                           | -  | 470                        | 503                      | 533                      |
| INFO Management & Cost Ctrl         | -                           | -                           | -  | 995                        | 1,065                    | 1,129                    |
| Housing Administration              | 2,305                       | 6,086                       | 5,345                                      | 6,200                      | 6,634                    | 7,662                    |
| Social Housing                      | -                           | -                           | 7,979                                      | 3,723                      | 3,984                    | 4,100                    |
| Incremental Housing                 | -                           | 12,857                      | 4,941                                      | -                          | -                        | -                        |
| -Peoples Housing Process            | -                           | -                           | -  | 7,304                      | 7,815                    | 8,104                    |
| Formal Housing                      | 3,922                       | 5,708                       | 4,649                                      | -                          | -                        | -                        |
| -Essential Service - South          | -                           | -                           | -  | 4,719                      | 5,049                    | 5,232                    |
| Special Projects                    | 3,635                       | 3,861                       | 4,884                                      | -                          | -                        | -                        |
| -Essential Service - North          | -                           | -                           | -  | 4,432                      | 4,742                    | 4,900                    |
| <b>Total for Programme</b>          | <b>632,345</b>              | <b>619,083</b>              | <b>1,175,727</b>                           | <b>892,909</b>             | <b>1,088,207</b>         | <b>1,156,343</b>         |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

|                                 | 2000/01        | 2001/02        | 2002/03          | 2003/04        | 2004/05          | 2005/06          |
|---------------------------------|----------------|----------------|------------------|----------------|------------------|------------------|
|                                 | Audited        | Audited        | Preliminary      | Budget         | MTEF             | MTEF             |
| <b>GFS Classification</b>       | <b>R'000</b>   | <b>R'000</b>   | <b>Outcome</b>   | <b>R'000</b>   | <b>R'000</b>     | <b>R'000</b>     |
| <b>CURRENT</b>                  |                |                |                  |                |                  |                  |
| Compensation of employees       | 12,402         | 23,430         | 22,775           | 24,578         | 26,298           | 27,876           |
| Use of goods and services       | 3,974          | 4,106          | 8,282            | 5,730          | 6,005            | 5,068            |
| Recurrent maintenance           |                |                |                  |                |                  |                  |
| Property expenses               | 1,561          |                |                  |                |                  |                  |
| Consumption of fixed assets     |                |                |                  |                |                  |                  |
| Other expenses                  |                |                |                  |                |                  |                  |
| <b>Total Current</b>            | <b>17,937</b>  | <b>27,536</b>  | <b>31,057</b>    | <b>30,308</b>  | <b>32,303</b>    | <b>32,944</b>    |
| <b>CAPITAL</b>                  |                |                |                  |                |                  |                  |
| <b>NEW CAPITAL WORKS</b>        |                |                |                  |                |                  |                  |
| Compensation of employees       |                |                | 2,444            | 2,529          | 2,706            | 2,868            |
| Use of goods and services       |                |                | 414              | 475            | 508              | 508              |
| <b>Non financial assets</b>     |                |                |                  |                |                  |                  |
| Buildings and structures        |                |                |                  |                |                  |                  |
| Machinery and equipment         | 242            | 386            | 352              | 192            | 205              | 100              |
| <b>Other assets</b>             |                |                |                  |                |                  |                  |
| Work in progress                | 614,166        | 591,161        | 1,141,460        | 859,405        | 1,052,485        | 1,119,923        |
| <b>Non produced assets</b>      |                |                |                  |                |                  |                  |
| Other capital transfers         |                |                |                  |                |                  |                  |
| <b>Financial assets</b>         |                |                |                  |                |                  |                  |
| <b>REHABILITATION/UPGRADING</b> |                |                |                  |                |                  |                  |
| Compensation of employees       |                |                |                  |                |                  |                  |
| Use of goods and services       |                |                |                  |                |                  |                  |
| <b>Non financial assets</b>     |                |                |                  |                |                  |                  |
| Buildings and structures        |                |                |                  |                |                  |                  |
| Machinery and equipment         |                |                |                  |                |                  |                  |
| <b>CAPITAL MAINTENANCE</b>      |                |                |                  |                |                  |                  |
| Compensation of employees       |                |                |                  |                |                  |                  |
| Use of goods and services       |                |                |                  |                |                  |                  |
| <b>Non financial assets</b>     |                |                |                  |                |                  |                  |
| Buildings and structures        |                |                |                  |                |                  |                  |
| Machinery and equipment         |                |                |                  |                |                  |                  |
| <b>Other assets</b>             |                |                |                  |                |                  |                  |
| Work in progress                |                |                |                  |                |                  |                  |
| <b>Non produced assets</b>      |                |                |                  |                |                  |                  |
| Other capital transfers         |                |                |                  |                |                  |                  |
| <b>Financial assets</b>         |                |                |                  |                |                  |                  |
| <b>Total Capital</b>            | <b>614,408</b> | <b>591,547</b> | <b>1,144,670</b> | <b>862,601</b> | <b>1,055,904</b> | <b>1,123,399</b> |
| <b>Total GFS classification</b> | <b>632,345</b> | <b>619,083</b> | <b>1,175,727</b> | <b>892,909</b> | <b>1,088,207</b> | <b>1,156,343</b> |

**Programme 4 : URBAN REGENERATION AGENCY****Key Government Objectives:**

- To ensure the effective implementation of urban renewal/ regeneration projects to achieve clearly defined outcomes
- To ensure institutionally and financially sustainable investment in urban renewal/ regeneration projects
- To gear of seed capital provided for urban renewal/ regeneration projects against private sector investment or donor funding
- To operate as an institution managing selected area-based intervention projects to be implemented by government or private sector agencies

**Programme Policy Developments:**

The following new policies have been implemented:

- Relocation Policy
- HIV/AIDS Policy
- Youth Policy
- Social Stress Policy
- Precinct Development Policy

**PROGRAMME 4. - Alexandra Renewal Project****EXPENDITURE AND ESTIMATES**

| Description of the Programme     | 2000/01<br>Audited<br>R'000 | 2001/02<br>Audited<br>R'000 | 2002/03<br>Preliminary<br>Outcome<br>R'000 | 2003/04<br>Budget<br>R'000 | 2004/05<br>MTEF<br>R'000 | 2005/06<br>MTEF<br>R'000 |
|----------------------------------|-----------------------------|-----------------------------|--|----------------------------|--------------------------|--------------------------|
| Executive Mngr-Urban Regen. Unit | 29                          | 1,838                       | 1,160                                      | 1,289                      | 1,379                    | 1,409                    |
| Housing Tenure                   | 2,607                       | -                           | -  | -                          | -                        | -                        |
| Assets Management                | 29,403                      | -                           | -  | -                          | -                        | -                        |
| Chief Operations Officer U/R     |                             |                             |  | 534                        | 571                      | 584                      |
| Dir. Finance & Admin.            |                             |                             |  | 1,122                      | 1,201                    | 1,229                    |
| Dir. U/R Communication           |                             |                             |  | 1,089                      | 1,165                    | 1,182                    |
| Human Settlement Red.Pr.         | -                           |                             | 48,548                                     | 21,000                     | 22,260                   | 30,592                   |
| Alexandra Renewal Project        | -                           | 61,262                      | 90,827                                     | 97,805                     | 147,651                  | 172,510                  |
| Special Function                 |                             | 24,797                      |  |                            |                          |                          |
| <b>Total for Programme</b>       | <b>32,039</b>               | <b>87,897</b>               | <b>140,535</b>                             | <b>122,839</b>             | <b>174,227</b>           | <b>207,506</b>           |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

|                                 | 2000/01       | 2001/02       | 2002/03                  | 2003/04        | 2004/05        | 2005/06        |
|---------------------------------|---------------|---------------|--------------------------|----------------|----------------|----------------|
|                                 | Audited       | Audited       | Preliminary              | Budget         | MTEF           | MTEF           |
| <b>GFS Classification</b>       | <b>R'000</b>  | <b>R'000</b>  | <b>Outcome<br/>R'000</b> | <b>R'000</b>   | <b>R'000</b>   | <b>R'000</b>   |
| <b>CURRENT</b>                  |               |               |                          |                |                |                |
| Compensation of employees       | 14,379        | 1,551         | 621                      | 1,191          | 1,274          | 1,350          |
| Use of goods and services       | 1,868         | 77            | 420                      | 539            | 577            | 487            |
| Grants                          |               |               |                          |                |                |                |
| Social benefits                 |               |               |                          |                |                |                |
| Transfers to local government   | -             |               |                          |                |                |                |
| Other expenses                  |               |               |                          |                |                |                |
| <b>Total Current</b>            | <b>16,247</b> | <b>1,628</b>  | <b>1,041</b>             | <b>1,730</b>   | <b>1,851</b>   | <b>1,837</b>   |
| <b>CAPITAL</b>                  |               |               |                          |                |                |                |
| <b>NEW CAPITAL WORKS</b>        |               |               |                          |                |                |                |
| Compensation of employees       |               |               | 1,002                    | 2,195          | 2,349          | 2,490          |
| Use of goods and services       |               | 24,797        |                          |                |                |                |
| <b>Non financial assets</b>     |               |               |                          |                |                |                |
| Buildings and structures        |               |               |                          |                |                |                |
| Machinery and equipment         | 253           | 209           | 119                      | 109            | 116            | 77             |
| <b>Other assets</b>             |               |               |                          |                |                |                |
| Work in progress                | 15,539        | 61,263        | 138,373                  | 118,805        | 169,911        | 203,102        |
| <b>Non produced assets</b>      |               |               |                          |                |                |                |
| Other capital transfers         |               |               |                          |                |                |                |
| <b>Financial assets</b>         |               |               |                          |                |                |                |
| <b>REHABILITATION/UPGRADING</b> |               |               |                          |                |                |                |
| Compensation of employees       |               |               |                          |                |                |                |
| Use of goods and services       |               |               |                          |                |                |                |
| Work in progress                |               |               |                          |                |                |                |
| <b>Non produced assets</b>      |               |               |                          |                |                |                |
| Other capital transfers         |               |               |                          |                |                |                |
| <b>Financial assets</b>         |               |               |                          |                |                |                |
| <b>CAPITAL MAINTENANCE</b>      |               |               |                          |                |                |                |
| Compensation of employees       |               |               |                          |                |                |                |
| Use of goods and services       |               |               |                          |                |                |                |
| <b>Non financial assets</b>     |               |               |                          |                |                |                |
| Buildings and structures        |               |               |                          |                |                |                |
| Machinery and equipment         |               |               |                          |                |                |                |
| <b>Financial assets</b>         |               |               |                          |                |                |                |
| <b>Total Capital</b>            | <b>15,792</b> | <b>86,269</b> | <b>139,494</b>           | <b>121,109</b> | <b>172,376</b> | <b>205,669</b> |
| <b>Total GFS classification</b> | <b>32,039</b> | <b>87,897</b> | <b>140,535</b>           | <b>122,839</b> | <b>174,227</b> | <b>207,506</b> |

## PROGRAMME 5 : GAUTENG PARTNERSHIP AGENCY

### Key Government Objectives:

- To develop and manage the Gauteng Partnership Fund as a mechanism to promote private sector involvement and provides affordable housing finance.
- To develop a provincially driven savings scheme with Nurcha.
- To promote homeownership through the transfer of municipal and provincial owned housing stock by means of various housing assistance measures.
- To professionally manage immovable assets through the delivery of cost effective maintenance, cleaning and security services; ensuring a viable income stream into the property portfolio and securitize debt to facilitate creation of a secondary market.
- To establish healthy relations with all tenants in a demarcated cluster and monitor the management and services in property managed by the Department.

## PROGRAMME 5. Gauteng Partnership Agency

### EXPENDITURE AND ESTIMATES

| Description of the Programme  | 2000/01<br>Audited<br>R'000 | 2001/02<br>Audited<br>R'000 | 2002/03<br>Preliminary<br>Outcome<br>R'000 | 2003/04<br>Budget<br>R'000 | 2004/05<br>MTEF<br>R'000 | 2005/06<br>MTEF<br>R'000 |
|-------------------------------|-----------------------------|-----------------------------|--|----------------------------|--------------------------|--------------------------|
| Executive Mngr - GPF          | -                           | -                           | -  | 575                        | 615                      | 652                      |
| Dir: Gauteng Partnership Fund | -                           | -                           | -  | 1,717                      | 1,837                    | 1,947                    |
| Dir: Property Management      | -                           | -                           | -  | 61,142                     | 61,399                   | 61,375                   |
| Micro Operations Manager      | -                           | -                           | -  | 1,284                      | 1,374                    | 1,439                    |
| Operations Support Services   | -                           | -                           | -  | 3,859                      | 4,129                    | 4,314                    |
| Management Support Services   | -                           | -                           | -  | 6,170                      | 6,602                    | 6,878                    |
| Financial Support Services    | -                           | -                           | -  | 3,104                      | 3,321                    | 3,474                    |
| <b>Total for Programme</b>    | <b>-</b>                    | <b>-</b>                    | <b>-</b>                                   | <b>77,851</b>              | <b>79,277</b>            | <b>80,079</b>            |

**GFS CLASSIFICATION OF EXPENDITURE AND ESTIMATES**

|                                 | 2000/01 | 2001/02 | 2002/03          | 2003/04       | 2004/05       | 2005/06       |
|---------------------------------|---------|---------|------------------|---------------|---------------|---------------|
|                                 | Audited | Audited | Preliminary      | Budget        | MTEF          | MTEF          |
| GFS Classification              | R'000   | R'000   | Outcome<br>R'000 | R'000         | R'000         | R'000         |
| <b>CURRENT</b>                  |         |         |                  |               |               |               |
| Compensation of employees       |         |         |                  | 14,018        | 14,999        | 15,899        |
| Use of goods and services       |         |         |                  | 2,110         | 2,258         | 1,906         |
| Recurrent maintenance           |         |         |                  |               |               |               |
| Property expenses               |         |         |                  |               |               |               |
| Consumption of fixed assets     |         |         |                  |               |               |               |
| Subsidies                       |         |         |                  |               |               |               |
| Grants                          |         |         |                  |               |               |               |
| Social benefits                 |         |         |                  |               |               |               |
| Transfers to local government   |         |         |                  |               |               |               |
| Other expenses                  |         |         |                  |               |               |               |
| <b>Total Current</b>            | -       | -       | -                | <b>16,128</b> | <b>17,257</b> | <b>17,805</b> |
| <b>CAPITAL</b>                  |         |         |                  |               |               |               |
| <b>NEW CAPITAL WORKS</b>        |         |         |                  |               |               |               |
| Compensation of employees       |         |         |                  |               |               |               |
| Use of goods and services       |         |         |                  |               |               |               |
| <b>Non financial assets</b>     |         |         |                  |               |               |               |
| Buildings and structures        |         |         |                  |               |               |               |
| Machinery and equipment         | -       | -       | -                | 240           | 256           | 216           |
| <b>Other assets</b>             |         |         |                  |               |               |               |
| Work in progress                |         |         |                  |               |               |               |
| <b>Non produced assets</b>      |         |         |                  |               |               |               |
| Other capital transfers         |         |         |                  |               |               |               |
| <b>Financial assets</b>         |         |         |                  |               |               |               |
| <b>REHABILITATION/UPGRADING</b> |         |         |                  |               |               |               |
| Compensation of employees       |         |         |                  |               |               |               |
| Use of goods and services       |         |         |                  |               |               |               |
| <b>Non financial assets</b>     |         |         |                  |               |               |               |
| Buildings and structures        |         |         |                  |               |               |               |
| Machinery and equipment         |         |         |                  |               |               |               |
| <b>CAPITAL MAINTENANCE</b>      |         |         |                  |               |               |               |
| Compensation of employees       |         |         |                  | 1,843         | 1,972         | 2,090         |
| Use of goods and services       |         |         |                  |               |               |               |
| <b>Non financial assets</b>     |         |         |                  |               |               |               |
| Buildings and structures        |         |         |                  | 59,640        | 59,792        | 59,968        |
| Machinery and equipment         |         |         |                  |               |               |               |
| <b>Other assets</b>             |         |         |                  |               |               |               |
| Work in progress                |         |         |                  |               |               |               |
| <b>Financial assets</b>         |         |         |                  |               |               |               |
| <b>Total Capital</b>            | -       | -       | -                | <b>61,723</b> | <b>60,020</b> | <b>62,274</b> |
| <b>Total GFS classification</b> | -       | -       | -                | <b>77,851</b> | <b>79,277</b> | <b>80,079</b> |

## KEY OUTPUTS OF THE VOTE

### PROGRAMME 2: STRATEGIC INTERVENTION

| Outcome   | Description of output               | Unit of measure | Output Targets   |                                      |                                      | Standard of measure                   | Source of data  |
|---|-------------------------------------|-----------------|--|--------------------------------------|--------------------------------------|---------------------------------------|---|
|   |                                     |                 | 2003/04  | 2004/05                              | 2005/06                              |                                       |   |
| The main aim of the Strategic Intervention programme is to enhance and sustain the strategic direction of the Department by providing effective and efficient support for strategic planning needs, and to articulate a strategic guide map to ensure that programmes that are implemented are in line with the Strategic Plan of the Department. | Provincial Housing Development Plan | Number          | 1 PHDP submitted to National Housing   | 1 PHDP submitted to National Housing | 1 PHDP submitted to National Housing | National Standards                    | Strategic Plan Annual Report  |
|   | Municipal Housing Development Plans | Number          | 6 MHDPs for the 3 metropolitan and 3 district councils   | An annual revision of the 6 MHDPs    | An annual revision of the 6 MHDPs    | Municipal and Provincial Standards    | Strategic Plan and Integrated Development Plans and other information |
|   | Policy Documents and Legislation    | Number          | Backyard rental accommodation policy<br>Single persons in social housing rental policy<br>Relocations policy | As required                          | As required                          | Departmental and Provincial Standards | Research, Departmental Documents and other information                |
|   |                                     |                 |  |                                      |                                      |                                       |   |

### PROGRAMME 3: HOUSING DEVELOPMENT AGENCY

| Outcome                            | Description of Output                | Unit of measure        | Output Targets |         |         | Standard   | Source of Data   |
|------------------------------------|--------------------------------------|------------------------|----------------|---------|---------|--|--|
|                                    |                                      |                        | 2003/04        | 2004/05 | 2005/06 |  |  |
| Viable and Sustainable communities | Serviced stands and completed houses | No. of stands & houses | 29 022         | 26 503  | 20 852  | Integrated Development Plan of Local Government and Minimum Provincial Norms & Standards | Departmental Strategic Plan and Approved MTEF Capital Budget |
|                                    | Housing Support Centres              | No. of Support Centres | 20             | 20      | -       |  |  |
|                                    | Hostel Accommodation                 | No. of Houses          | 13 500         | 13 700  | 3 995   |  |  |
|                                    |                                      | No. of beds            | 8 060          | 10 784  | 12 780  |  |  |
|                                    | Social housing units delivered       | No. of units           | 6 579          | 5 610   | 10 900  |  |  |
|                                    |                                      |                        |                | -       |         |  |  |



#### PROGRAMME 4: URBAN REGENERATION AGENCY

| Outcome                                       | Description of output  | Unit of measure   | 2003/2004  | 2004/2005   | 2005/2006   | Standard of Measure                                 | Source of Data          |
|---|--|---|--|---|---|---|-------------------------|
| Viable and sustainable Alexandra communities. | Upgraded parks and cemeteries.   | <ul style="list-style-type: none"> <li>o No of parks</li> <li>o No of Cemeteries upgraded</li> </ul>                | Upgrade 4 parks (40%) and complete upgrading of 2 cemeteries   | Upgrade 1 park (10%)  | Upgrade 1 Park (10%)  | Provincial and Local Government norms and standards | Approved Business Plans |
|   | Transfer of public housing stock into private ownership and upgraded backyard housing stock                      | <ul style="list-style-type: none"> <li>No of housing stock transferred</li> <li>No of upgraded backyards</li> </ul> | Transfer 1000 properties & upgrade 200 backyard properties   | Transfer 1500 properties & upgrade 300 backyard properties  | Upgrade 500 backyard properties   | Provincial and Local Government norms and standards | Approved Business Plans |
|   | Development of 12000 rental housing units at Riverpark, RCA, Westlake, Frankenwald Mia's Land and Marlboro South | No of Rental housing units Developed.   | 1400 rental housing units (Extension 8 - 700 units, Frankenwald - 500 units, Marlboro - 200 units) Instal services at Westlake and complete township establishment for Mia's Land. | 2000 rental housing units (Westlake - 500 units, Frankenwald - 1000 units, Marlboro 500 units). Instal services on Mias Land. | 4000 rental housing units (Westlake - 1000 units, Frankenwald - 2000 units, Mia's Land - 500 units, Marlboro - 500 units) | Provincial and Local Government norms and standards | Approved Business Plans |

**PROGRAMME 4: URBAN REGENERATION AGENCY (contd)**

| Outcome | Description of output   | Unit of measure  | 2003/2004   | 2004/2005   | 2005/2006   | Standard of Measure                                 | Source of Data          |
|---------|---|--|---|---|---|---|-------------------------|
|         | Upgraded and stabilized Kew and Wynberg through the establishment of City Improvement Districts                       | No of city districts established,                                | Complete establishment of CID for Wynberg                                     | Commence establishment of CID for Kew                       | Complete establishment of CID for KEW                               | Provincial and Local Government norms and standards | Approved Business Plans |
|         | Redeveloped Pan Africa Square and facilitate the establishment of a Black Economic Empowerment Vehicle for Pan Africa | % of Completed development framework and strategy for Pan Africa | Complete design work and commence construction work and establish BEE vehicle | Continue construction work and maintain BEE vehicle         | Complete construction work  | Provincial and Local Government norms and standards | Approved Business Plans |
|         | Upgrading of Alexandra Stadium and Altrek Facility  | % work in progress /completed                                    | Stadium - Commence construct expanded playing surface and pavilion            | Altrek - Construct spectator seating and caretaker's office | Stadium - Construct additional change rooms and ablution facilities | Provincial and Local Government norms and standards | Approved Business Plans |

**PROGRAMME 4: URBAN REGENERATION AGENCY (contd)**

| Outcome | Description of output   | Unit of measure               | 2003/2004   | 2004/2005   | 2005/2006   | Standard of Measure                                 | Source of Data          |
|---------|---|-------------------------------|---|---|---|---|-------------------------|
|         | Construct new primary and secondary schools and Nokothula Center for the disabled to be constructed.  | o No of new schools developed | Construction - Commence construction of 1 school in Alexandra and 1 school outside Alexandra, continue construction of Nokothula school                         | Construction - Commence construction of 1 schools in Alexandra and 1 schools outside Alexandra. Complete construction of Nokothula school                       | Complete 4 schools.   | Provincial and Local Government norms and standards | Approved Business Plans |
|         | Co-ordination of health-care workers for provision of counselling and support for people living with HIV/AIDs<br>Training for ECD workers, religious leaders, community workers | No. of people trained         | Train 195 educators as facilitators, 356 persons in homecare programme, 100 ECD workers, 50 religious leaders, 20 community care workers and 50 foster parents. | Train 195 educators as facilitators, 356 persons in homecare programme, 100 ECD workers, 50 religious leaders, 20 community care workers and 50 foster parents. | Train 195 educators as facilitators, 356 persons in homecare programme, 100 ECD workers, 50 religious leaders, 20 community care workers and 50 foster parents. | Provincial and Local Government norms and standards | Approved Business Plans |

**PROGRAMME 5:GAUTENG PARTNERSHIP AGENCY**

| Outcome  | Description of output  | Unit of measure   | Output Targets                      |                                     |                                     | Standard of measure                                | Source of data               |
|--|--|---|-------------------------------------|-------------------------------------|-------------------------------------|--|------------------------------|
|  |  |   | 2003/2004                           | 2004/2005                           | 2005/2006                           |  |                              |
| Increased number of housing finance interventions that stabilizes the low income housing market through savings and access to finance. | Development and approval of policies on: Investment type, debt risk management, liquidity. | No of policies developed                                  | 4 policy documents finalised.       | Update 4 policy documents           | Update 4 policy documents           | Financial Services Board standards                 | Monthly reports              |
|  | Management and maintenance of all resources of GPF –                                       | Amount of Returns on investment.                          | Investment returns exceed benchmark | Investment returns exceed benchmark | Investment returns exceed benchmark | Financial Services Board standards                 | Audited financial statements |
|  | Increased number of houses accessed through savings mechanism                              | Cost per unit   | 6 500                               | 6 500                               | 14 740                              | Departmental strategic plan                        | MTEF                         |
| Improved living conditions of tenants in state owned / held housing properties.  | Monthly meetings with tenants  | No of meetings  | 12                                  | 12                                  | 12                                  | Improved relationship with tenants. Industry norms | Monthly reports              |
|  | Increased revenue  | Amount collected  | R2,000                              | R1,500                              | R1,200                              | Management reports                                 | Audited financial statements |
|  | Upgraded, secure and clean Properties  | Number of well maintained, cleaned and secured properties | 3247                                | 3247                                | 3247                                | Industry norms                                     | Monthly reports              |

**PERSONNEL ESTIMATES**

| <b>Programme</b>                 | <b>2003/04</b> |                            | <b>2004/05</b> |                            | <b>2005/06</b> |                            |
|----------------------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|
|                                  | <b>R'000</b>   | <b>Full Time Employees</b> | <b>R'000</b>   | <b>Full Time Employees</b> | <b>R'000</b>   | <b>Full Time Employees</b> |
| 1. Management and Administration | 28,021         | 271                        | 29,982         | 271                        | 31,781         | 271                        |
| 2. Strategic Intervention        | 7,740          | 49                         | 8,282          | 49                         | 8,779          | 49                         |
| 3. Housing development Agency    | 27,107         | 180                        | 29,004         | 180                        | 30,774         | 180                        |
| 4. Urban Regeneration Agency     | 3,386          | 16                         | 3,623          | 16                         | 3,840          | 16                         |
| 5. Gauteng Partnership Agency    | 15,861         | 18                         | 16,971         | 18                         | 17,989         | 18                         |
| <b>TOTAL*</b>                    | <b>82,115</b>  | <b>704</b>                 | <b>87,862</b>  | <b>704</b>                 | <b>93,133</b>  | <b>704</b>                 |

**\*Breakdown of Personnel Estimates**

| <b>Programme</b> | <b>2003/04</b> |                            | <b>2004/05</b> |                            | <b>2005/06</b> |                            |
|------------------|----------------|----------------------------|----------------|----------------------------|----------------|----------------------------|
|                  | <b>R'000</b>   | <b>Full Time Employees</b> | <b>R'000</b>   | <b>Full Time Employees</b> | <b>R'000</b>   | <b>Full Time Employees</b> |
| Current          | 75,548         |                            | 80,835         |                            | 85,685         |                            |
| Capital          | 6,567          |                            | 7,027          |                            | 7,448          |                            |
| <b>Total</b>     | <b>82,115</b>  | <b>704</b>                 | <b>87,862</b>  | <b>704</b>                 | <b>93,133</b>  | <b>704</b>                 |