

**DEPARTMENT OF HOUSING AND LAND ADMINISTRATION**

**VOTE 12**

<b>To be appropriated by Vote</b>	R381. 762 000
Statutory Amount	R576. 640
Responsible MEC	MEC of Housing and Land Administration
Administrative Department	Department of Housing and Land Administration
Accounting Officer	Deputy Director General: Dept of Housing and Land Administration

**1. OVERVIEW**

**Vision**

Striving to create sustainable housing and land development for a better living environment in Mpumalanga

**Mission**

To progressively respond to the need for better living environments for all in Mpumalanga Province through providing effectual housing and land management systems.

**Core functions**

**Administration**

To provide business management support services in order to satisfy line functionaries need for effectual management practices thereby contributing towards improved housing and land service delivery

**Budget allocation      R28. 833.000**

Implement the suite of policies and laws relating to the transformation of the Public Service through. inter alia. departmental transformation structures.

Implement the Public Service Regulations. giving priority attention to job evaluation. the Code on Remuneration. and the development of a performance management system.

Progress the implementation of affirmative action by. inter alia. establishing representativity targets.

Implement the provisions of the Public Finance Management Act (No 1 of 1999).

Develop comprehensive and integrated human resource strategies. particularly to address training and capacity building issues. and to progress and monitor the departmental transformation process.

**The quality of the services rendered will be measured in terms of the following outcomes**

Compliance with the relevant legislation

Improved financial management control

Improved value adding spending patterns within the Department

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- Improved labour relations
- Reduced lead times with regard to resource procurement
- Decrease in incidents of misconduct
- Decrease in resource related complaints
- Increase in integrated planning of clients
- External recognition of service excellence
- Improved work ethics
- Decrease in staff turnover
- Decrease in client's complaints with regard to processes

### **Housing Provision**

To satisfy the need for effective housing in the Mpumalanga Province through the provision of integrated housing resource management services in support of better living environments for all in the province.

**Budget allocation      R 324.493.000**

- Implement the Housing Code
- Implement the provisions of the Mpumalanga Housing Act (No 42 of 1998)
- Ensure the construction of RDP houses in terms of SABS and NHBRC standards
- Evaluate, implement and continuously enhance policies related to housing delivery
- Approve the funding for housing subsidies
- Plan housing projects on existing locations to prevent communities from being uprooted and moved to other locations
- Prepare and adopt provincial strategy aimed at reducing squatter settlements and the Implementation thereof
- Establish housing advisory centres in large, mainly informal settlements
- Ensure effective implementation of People's Housing Project (PHP)
- Capacitate and empower emerging contractors as well as women contractors and the disabled to successfully complete houses in all respects
- Continually evaluate and enhance municipal capacity in respect of housing issues (policy and implementation)
- Effective maintenance of housing constructions

**The quality of the services rendered will be measured in terms of the following outcomes**

- Decrease in informal settlements
- Improved living conditions in rural areas
- Increase in need/people driven housing delivery opposes to contractor/developer driven Housing delivery
- Increased integrated development

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Decrease in the housing backlog in the province  
Increased availability/access to housing resources  
Increased community awareness of housing options  
Increased client satisfaction with regard to housing resource management products and Services

### **Land Administration**

To satisfy the need for effective land development in Mpumalanga through the provision of quality provincial land management services thereby promoting sustainable communities in the province.

**Budget allocation      R28. 436.000**

Arrange for release of land for RDP houses  
Facilitate the implementation of land reform in Mpumalanga  
Ensure an integrated land management process  
To facilitate the mobilisation of quality physical planning services  
Facilitate land disputes and settlements  
Provide suitable land for housing projects and land development  
Provide formalised sites to be allocated to the landless beneficiaries  
Provide effective and efficient development planning at local municipality level  
Process land development applications through applicable legislation and efficient administration of  
Statutory bodies

**The quality of the services rendered will be measured in terms of the following outcomes**

Decreased evictions  
Increase in title deeds  
Increased land dispute resolutions  
Increased land management capacity in Municipalities  
Increased land availability for development  
Increase in integrated/holistic land development with the LDO process as basis  
Decreased land use appeals  
Increased availability of land transferable to Municipalities  
Increased number of settled beneficiaries  
Decrease in illegal land use

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR**

The department is currently faced with challenges regarding quality of the housing units built and the size of these units. The department could not appoint the required number of inspectors due to inability to attract specialised professionals e.g. engineers. however part of this problem should be addressed in the current financial year.

The census figures of 1996 remain the information we base our planning on. The IDP's as well as demands from local authorities seems to suggest that the need is much bigger. We have therefore identified the need to establish a transversal waiting list system that will give us a better picture of the need.

Although the department aims to have 70% of the projects handled by previously disadvantaged communities the biggest challenge is the fact that currently there are existing commitments to be serviced by the department and that gradual shift will only happen once the projects are completed.

The identification of Sekhukhuneland as one of the Nodal Points by the State President has enhanced our strategy to move to rural areas. The challenge is to synchronize timely integrated development by Local Government (CMIPS and IDP's) and water availability.

The AIDS pandemic has had a significant impact on housing delivery. We are receiving numerous requests from relatives of AIDS orphans requiring shelter. We do prioritise responses as and when the need arises.

## **3. OUTLOOK FOR THE COMING FINANCIAL YEAR**

The main policy shift is towards bigger and better housing and this will be achieved through the People's Housing Process as a delivery instrument.

The department also envisages another shift in terms of the awarding of tenders for projects in terms of which 70% of the budget will be awarded to the previously disadvantaged communities. This is in line with the Preferential Procurement Policy Framework.

The AIDS pandemic has also had a significant impact on housing and the department is faced with the problem of addressing housing needs for AIDS orphans.

Sekhukhuneland has been identified by the State President as one of the nodal points to be Addressed and the department is in the process of identifying and prioritising the needs of that area.

The department must address the lack of accurate data on the housing needs, backlog and Details relating thereto through the implementation of a transversal system throughout the province.

Rural Housing development is one of the issues that need to be addressed.

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There is a drive from National Department of Land to fast-track land reform especially tenure security and this has led to the tenure upgrading drive in the Province.

MEC's policy drive towards rural development has shifted the focus of the department towards formalization of subsequent areas as the first step to pave the way for rural development. This has put a serious challenge on the capital budget for land.

The department has also produced a Provincial Housing Development Plan (PHDP). The housing grant allocation is not sufficient to address the housing backlog as identified on the PHDP.

In view of the fact most of the land is released in most projects the entire grant will be spent. There other projects that cannot start due to lack of funds for bulk infrastructure. The Presidential Job Summit has brought an exciting challenge due to the potential to contribute to job creation. The increase in the range of options including rental stock will enhance service delivery particularly in urban areas. Regularising the rental stock of the previous dispensation through the phase out programme has brought additional challenges to the department with regard to the assets transferred from Gauteng Province.

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

<b>Table 4.1</b>	<b>Summary of Revenue Vote 12: Housing and Land Administration</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
Equitable Share	50.467	50.305	76.206	83.133	80.832	86.331
Conditional grants	191.397	353.961	258.038	286.408	303.877	322.586
Other: Own Revenue		29.951	6.213	12.221	16.230	
<b>Total</b>	<b>241.864</b>	<b>434.217</b>	<b>340.457</b>	<b>381.762</b>	<b>400.939</b>	<b>408.917</b>

<b>Table 4.2</b>	<b>Summary of Departmental revenue Vote12: Housing and Land Administration</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
<b>Current Revenue</b>						
Tax revenue						
Taxi operating permits						
Other (specify)						
Non-tax revenue						
Interest		760	806	854	906	960
Other revenue (Housing. etc)		230	213	226	240	245
<b>Total</b>		<b>990</b>	<b>1.019</b>	<b>1.080</b>	<b>1.146</b>	<b>1.205</b>

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## 5. EXPENDITURE SUMMARY

Financial year 2003/04: R 381.762 million

Financial year 2004/05: R 400.939 million

Financial year 2005/06: R 408.917 million

### 5.1 Provincial summary

<b>Table 5.1</b>	<b>Summary of expenditure and estimates: Housing and Land Admin</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
1. Administration	17.493	19.476	26.493	28.833	34.437	36.503
2. Planning and subsidy Administration	38.970	152.781	35.502	42.085	37.314	22.349
3. Housing subsidy Programmes	173.165	251.918	263.229	275.408	296.457	314.470
4. Urban Renewal and Human Settl. Red.	0	0	2.920	7.000	7.420	8.116
5. Land Administration	12.236	10.042	23.927	28.436	25.311	27.479
<b>Total</b>	<b>241.864</b>	<b>434.217</b>	<b>352.071</b>	<b>381.762</b>	<b>400.939</b>	<b>408.917</b>

### 5.2 Summary of Economic Classification

<b>Table 5.2</b>	<b>Summary of expenditure and estimates: Housing and Land Admin</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
<b><u>CURRENT</u></b>						
Personnel	19.856	23.280	30.596	41.527	43.432	46.037
Transfers	32.002	37.910	13.524	14.400	19.225	3.174
Other Current	6.826	10.477	12.868	12.423	16.994	18.013
<b>Total Current</b>	<b>58.684</b>	<b>71.667</b>	<b>56.988</b>	<b>68.350</b>	<b>79.651</b>	<b>67.224</b>
<b><u>CAPITAL</u></b>						
Acquisition of capital Assets	4.594	13.116	2.414	1.100	1.144	1.213
Transfer Payment	178.586	349.434	292.669	312.312	320.144	340.480
<b>Total Capital</b>	<b>183.180</b>	<b>362.550</b>	<b>295.083</b>	<b>313.412</b>	<b>321.288</b>	<b>341.693</b>
<b>Total GFS classification</b>	<b>241.864</b>	<b>434.217</b>	<b>352.071</b>	<b>381.762</b>	<b>400.939</b>	<b>408.917</b>

## 6. PROGRAMME DESCRIPTION

### 6.1 PROGRAMME 1: ADMINISTRATION

#### Summary of expenditure and estimates

Table 6.1	Summary of expenditure and estimates: Programme1: Administration					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
Office of the MEC	66		599	577	611	648
Corporate Services	17.427	19.476	25.894	28.256	33.826	35.855
<b>Total</b>	<b>17.493</b>	<b>19.476</b>	<b>26.493</b>	<b>28.833</b>	<b>34.437</b>	<b>36.503</b>

Table 6.2	Summary of expenditure and estimates: Programme1: Administration					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
<b><u>CURRENT</u></b>						
Personnel	9.155	11.117	15.825	20.925	21.577	22.871
Transfers						
Other Current	3.744	7.424	8.258	7.508	11.716	12.419
<b>Total: Current</b>	<b>12.899</b>	<b>18.541</b>	<b>24.083</b>	<b>28.433</b>	<b>33.293</b>	<b>35.290</b>
<b><u>CAPITAL</u></b>						
Acquisition of capital Assets	4.594	935	2.410	400	1.144	1.213
Transfer Payment						
<b>Total: Capital</b>	<b>4.594</b>	<b>935</b>	<b>2.410</b>	<b>400</b>	<b>1.144</b>	<b>1.213</b>
<b>Total GFS classification</b>	<b>17.493</b>	<b>19.476</b>	<b>26.493</b>	<b>28.833</b>	<b>34.437</b>	<b>36.503</b>

### 6.2 PROGRAMMES 2, 3 and 4: PLANNING AND SUBSIDY ADMINISTRATION, HOUSING SUBSIDY PROGRAMMES, URBAN RENEWAL AND HUMAN SETTLEMENT REDEVELOPMENT PROGRAMME

#### Objective

- \* To provide 12 703 housing units to the low income groups in terms of the NHBRC and SABS standards between 2003 and 2004.

#### Outputs

- \* Approve and effect the funding for 12 703 housing subsidies and build 12 703 housing units across the province.
- \* Evaluate, monitor and ensure that all housing units are built in terms of the housing code, NHBRC and SABS standard.

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- \* Install basic internal water and sewer infrastructure for 12 611 houses and implement 15 bulk sanitation projects.

## 6.2 PROGRAMME 2 – PLANNING AND SUBSIDY ADMINISTRATION

### Summary of expenditure and estimates:

Table 6.1	Summary of expenditure and estimates: Programme 2: Planning and Subsidy Admin					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
1. Subsidy Administration	34.906	145.258	26.351	27.934	27.215	11.644
2. Technical Support	4.064	7.523	9.151	14.151	10.099	10.705
<b>Total</b>	<b>38.970</b>	<b>152.781</b>	<b>35.502</b>	<b>42.085</b>	<b>37.314</b>	<b>22.349</b>

Table 6.2	Summary of expenditure and estimates: Programme 2: Planning and Subsidy Admin					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
<b><u>CURRENT</u></b>						
Personnel	4.753	5.535	8.059	12.050	12.833	13.603
Transfers	32.002	37.910	12.505	12.000	18.017	1.894
Other Current	2.215	2.233	3.338	3.415	3.907	4.141
<b>Total: Current</b>	<b>38.970</b>	<b>45.678</b>	<b>23.902</b>	<b>27.465</b>	<b>34.757</b>	<b>19.638</b>
<b><u>CAPITAL</u></b>						
Acquisition of capital Assets		12.181	4			
Transfer Payment		94.922	11.596	14.620	2.557	2.711
<b>Total: Capital</b>		<b>107.103</b>	<b>11.600</b>	<b>14.620</b>	<b>2.557</b>	<b>2.711</b>
<b>Total GFS classification</b>	<b>38.970</b>	<b>152.781</b>	<b>35.502</b>	<b>42.085</b>	<b>37.314</b>	<b>22.349</b>

### 1.4. Transfers to Public Entities

Table 1.4:	Transfers to Public Entities					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Estimated Actual	2003/04 MTEF Budget	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000 Name of the Entity</b>						
Mpumalanga Housing Finance Coop		37.910	9.500	12.000	17.980	1.894
<b>Total</b>		<b>37.910</b>	<b>9.500</b>	<b>12.000</b>	<b>17.980</b>	<b>1.894</b>



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**6.3 PROGRAMME 3 – HOUSING SUBSIDY PROGRAMMES**

<b>Table 6.1</b>	<b>Summary of expenditure and estimates: Programme 3: Housing Subsidy Programmes</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
1. Project Linked	143.012	213.411	162.227	43.302	29.597	32.324
2. Individual	20.119	20.323	32.554	55.694	44.363	47.024
3. PHP	1.247	4.843	24.010	57.961	118.300	125.398
4. Discount Benefit	1.119	897	2.009	2.782	2.957	3.135
5. Consolidation	7.146	4.172	4.744	2.588	2.957	3.135
6. Institutional	522	6.830	13.336	27.847	23.665	25.080
7. Hostels		1.442	5.083	13.923	11.830	12.539
8. Credit-Linked			2.009	10.058	14.788	15.675
9. Disaster/Emergency Programme			7.648	5.569	6.000	6.271
10. Relocation				4.645	3.000	3.134
11 Rural Housing			9.609	51.039	39.000	40.755
<b>Total</b>	<b>173.165</b>	<b>251.918</b>	<b>263.229</b>	<b>275.408</b>	<b>296.457</b>	<b>314.470</b>

<b>Table 6.2</b>	<b>Summary of expenditure and estimates Programme 3: Housing Subsidy Programmes</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
<b>CURRENT</b>						
Personnel						
Transfers						
Other Current						
<b>Total: Current</b>						
<b>CAPITAL</b>						
Acquisition of capital Assets						
Transfer Payment	173.165	251.918	263.229	275.408	296.457	314.470
<b>Total: Capital</b>	<b>173.165</b>	<b>251.918</b>	<b>263.229</b>	<b>275.408</b>	<b>296.457</b>	<b>314.470</b>
<b>Total GFS classification</b>	<b>173.165</b>	<b>251.918</b>	<b>263.229</b>	<b>275.408</b>	<b>296.457</b>	<b>314.470</b>

**4 PROGRAMME 4 – URBAN RENEWAL AND HUMAN SETTLEMENT REDEVELOPMENT**

<b>Table 6.1</b>	<b>Summary of expenditure and estimates Programme4: Urban Renewal and Human Settlement Redevelopment</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
1. Urban Renewal						
2. Human Settlement			2920	7000	7420	8116
<b>Total</b>			<b>2.920</b>	<b>7.000</b>	<b>7.420</b>	<b>8.116</b>

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Table 6.2	Summary of expenditure and estimates Programme 4: Urban Renewal and Human Settlement Redevelopment					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
<b>CURRENT</b>						
Personnel						
Transfers						
Other Current						
<b>Total: Current</b>						
<b>CAPITAL</b>						
Acquisition of capital Assets						
Transfer Payment			2.920	7.000	7.420	8.116
<b>Total: Capital</b>			<b>2.920</b>	<b>7.000</b>	<b>7.420</b>	<b>8.116</b>
<b>Total GFS classification</b>			<b>2.920</b>	<b>7.000</b>	<b>7.420</b>	<b>8.116</b>

## 6.5 PROGRAMME 5: LAND ADMINISTRATION

### Objective

- \* Provide land to 6 080 beneficiaries between 2003 and 2004.
- \* Formalisation of existing R188 rural settlements
- \* Process 400 land use applications

### Outputs

- \* Transfer of land to 6 455 beneficiaries
- \* 1 955 landless people will receive formalised sites
- \* Formulate community 24 community resolutions for the release of state land for housing.
- \* 400 land use applications processed

Table 6.1	Summary of expenditure and estimates Programme 5: Land Administration					
	2000/01 Actual Expenditure	2001/02 Actual Expenditure	2002/03 Est. Actual	2003/04 Voted	2004/05 MTEF Budget	2005/06 MTEF Budget
<b>R'000</b>						
Administration	459	587	572	792	690	731
Planning and Surveying services	7.856	5.138	18.349	19.027	20.494	21.186
Land Administration	1.602	1.600	2.311	3.359	2.154	3.471
Land Reform	2.319	2.717	2.695	5.258	1.973	2.091
Devolution of rental stock						
<b>Total</b>	<b>12.236</b>	<b>10.042</b>	<b>23.927</b>	<b>28.436</b>	<b>25.311</b>	<b>27.479</b>

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<b>Table 6.2</b>	<b>Summary of expenditure and estimates Programme 5: Land Administration</b>					
	<b>2000/01 Actual Expenditure</b>	<b>2001/02 Actual Expenditure</b>	<b>2002/03 Est. Actual</b>	<b>2003/04 Voted</b>	<b>2004/05 MTEF Budget</b>	<b>2005/06 MTEF Budget</b>
<b>R'000</b>						
<b><u>CURRENT</u></b>						
Personnel	5.948	6.628	6.712	8.552	9.022	9.563
Transfers			1.019	2.400	1.208	1.280
Other Current	867	820	1.272	1.500	1.371	1.453
<b>Total: Current</b>	<b>6.815</b>	<b>7.448</b>	<b>9.003</b>	<b>12.452</b>	<b>11.601</b>	<b>12.296</b>
<b><u>CAPITAL</u></b>						
Acquisition of capital Assets				700		
Transfer Payment	5.421	2.594	14.924	15.284	13.710	15.183
<b>Total: Capital</b>	<b>5.421</b>	<b>2.594</b>	<b>14.924</b>	<b>15.984</b>	<b>13.710</b>	<b>15.183</b>
<b>Total GFS classification</b>	<b>12.236</b>	<b>10.042</b>	<b>23.927</b>	<b>28.436</b>	<b>25.311</b>	<b>27.479</b>

**Other Departmental information**

<b>Personnel estimates – Department of Housing and Land Administration</b>			
<b>Programme</b>	<b>31 March 2002</b>	<b>31 March 2003</b>	<b>31 March 2004</b>
Administration	108	153	159
Plan & Sub Admin	50	68	78
Land Administration	59	67	73
<b>Total</b>	<b>217</b>	<b>288</b>	<b>310</b>

**Reconciliation of structural changes: Department of Housing and Land Administration**

<b>Current programme</b>	<b>2000/01 Actual</b>	<b>2001/02 Est. Actual</b>	<b>2002/03 Voted</b>	<b>2003/04 MTEF</b>	<b>2004/05 MTEF</b>	<b>New programme</b>
2. Housing provision & Technical Serv	212. 135	281. 927	290. 250	42. 085	37.314	Programme 2
2. Housing provision & Technical Serv				275.408	296.457	Programme 3
2. Housing provision & Technical Serv				7. 000	7. 420	Programme 4
2. Housing provision & Technical Serv				-	-	Programme 5
2. Housing provision & Technical Serv	12. 236	12. 832	23. 749	28. 436	25. 311	Programme 6
3. Land Administration						