

**DEPARTMENT OF HOUSING AND LAND ADMINISTRATION
VOTE 12**

To be appropriated by Vote in 2004/05	R405, 939, 000
Statutory amount	R611, 000
Responsible MEC	MEC of Housing and Land Administration
Administrating Department	Department of Housing and Land Administration
Accounting Officer	Deputy Director General: Department 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 environment for all in Mpumalanga Province through providing effectual housing and land administration.

Strategic objectives

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.

Implement the Housing Code and Mpumalanga Housing Act (No 42 of 1998)
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.

Legislative mandates

The Housing Act, 1997 (Act No. 107, 1997)

Rental Housing Act

Development Facilitation Act, 1995 (Act 67 of 1995)

Upgrading of Land Tenure Act, 1991 (Act 112 of 1991)

And other related legislations

Review of the current financial year

The department has embarked on the main policy shift of bigger and better houses. In addition to that the department has moved towards the awarding of tenders to the previously disadvantaged. The biggest challenge here has been the impact that this shift has had on the administrative cost of the department. Whereas the department handled a small number of large projects, the policy shift led to a large number of small projects while the departmental equitable share did not increase to cater for the large cost of administering these

projects. The department has appointed Cuban engineers to assist in the management of these projects.

Lack of funding by the contractors has slowed down the progress on these projects. The department is in the process of establishing Housing Support Centres that should help these contractors who are unable to obtain material from suppliers. The material suppliers together with the department will manage these Housing Support Centres.

The Human Resettlement Redevelopment Programme has been implemented in Sekhukhuneland in line with the address of the regarding the nodal points.

The lack of accurate data on the housing needs still remains a challenge. The department has appointed temporary staff to research and collect data on the housing needs. In addition to that a research unit has been established in the department in order to research various housing and land related issues in the department.

Land reform still remains a challenge for this department due to lack of funding. The Presidential Job Summit has commenced with projects in Middleburg and Witbank. These projects are managed by Housing Associations together with National Housing Finance Company. Funding for these Housing Associations has remained a challenge throughout this year. The department through its commitment to these projects is assisting identifying various sources of funding for these Housing Associations.

3. Outlook for the coming financial year

The department is still committed towards the building of bigger and better houses and this will be achieved through the People's Housing Process as a delivery instrument. The department is still committed to awarding 70% of its budget to the previously disadvantaged communities.

There are National and International United Nations Habitat concerns that encourage member countries to target slum reduction by 50% by 2010. The department needs to identify slum areas to convert them to sustainable human settlements. The census results indicate increased migration to cities. This therefore results in the need to develop medium density housing in urban areas in order to contain the influx of people in search of work.

The department is in the process of liaising with municipalities in establishing material warehouses/depos that would service emerging builders and the People's Housing Process. This concept will be piloted at the following districts: Ehlanzeni District: Mbombela and Nkomazi; Nkangala District:- Middleburg and Emalahleni; Gert Sibande: Albert Luthuli and Govan Mbeki. This move will see the department use emerging builders to build under the guidance of municipalities. The department has to effectively respond to needs of communities that were assisted by the Department of Land Affairs to acquire their land back through restitution. At least 20% of the budget of the housing grant should be earmarked for this. Part of the budget of the housing grant should be earmarked for the operational budget of the department in order to address the lack of administration relating to housing projects.

4. Receipts and financing

4.1 Summary of receipts

R Thousand	Outcome			Main Appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Equitable Share	50 467	50 305	71 258	83 133	96 625	96 625	81 832	87 531	92 711
Conditional grants	191 397	353 961	273 552	286 408	295 394	306 788	303 877	322 740	342 104
Own Revenue		29 951	6 213	12 221	12 221	12 221	20 230	1 512	347
Total Revenue	241 864	434 217	351 023	381 762	404 240	415 634	405 939	411 783	435 162

4.2 Departmental receipts collection

R Thousand	Outcome			Main Appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates				
	Audited	Audited	Audited								
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07		
Collections on behalf of the Provincial Revenue Fund											
Tax receipts											
Interest, dividends and rent on land											
Sales of scrap, waste, arms and other used goods											
Motor vehicle Licensing											
Transfers from:											
- Other government units											
-University and technicons											
-Households and non-profit institutions											
-Public corporations and private enterprises											
Sales of capital assets											
-Land and subsoil assets											
-Other capital assets											
Sale of goods and services produced by department											
			Administrative fees	990	1 019	1 080	1 080	1 146	1 205	1 277	
			Other sales								
Fines, penalties and forfeits											
Financial transactions related to policy execution											
Total provincially sourced receipts				-	990	1 019	1 080	1 080	1 146	1 205	1 277

5. Payment summary

5.1 Summary payments and estimates

R Thousand	Outcome			Main Appropriation	Adjusted Revised	estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07

1. Administration	17 493	19 476	26 169	28 833	28 652	28 327	33 190	35 181	37 292
2. Housing	212 135	404 699	299 570	324 493	349 426	364 935	347 438	347 611	367 394
3. Land Administration	12 236	10 042	25 284	28 436	26 162	22 372	25 311	28 991	30 476
Total: Housing and Land Administration	241 864	434 217	351 023	381 762	404 240	415 634	405 939	411 783	435 162

5.2 Payments and estimates by economic classification

R Thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03	Appropriation	appropriation	estimate	2004/05	2005/06	2006/07
				2003/04					
Current payments	237 270	421 101	348 583	380 662	402 340	414 580	404 795	410 570	433 876
Compensation of employees	19 856	23 340	28 056	41 527	39 334	37 279	43 432	46 037	48 800
Salaries and wages	16 329	19 194	23 082	34 356	32 253	31 687	31 705	33 146	35 136
Social contributions	3 527	4 146	4 974	7 171	7 081	5 592	11 727	12 891	13 664
Goods and services	6 826	10 377	12 929	12 423	12 716	13 186	17 061	18 013	19 291
<i>Of which:</i>									
Consultants									
Audit and Legal Fees		801	821	380		380	420	520	600
Bursaries and Class Fees		50	22	100		100	100	120	140
Travel and subsistence		331	1 010	756		756	1 065	1 129	1 197
Rental Housing Tribunal				520		520	582	617	654
Other	6 826	9 195	11 076	10 667	293	10 960	14 894	15 627	16 700
Transfer payment and subsidies to:	210 588	387 384	307 598	326 712	350 290	364 115	344 302	346 520	365 785
Other levels of Government	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts Public corporations and private enterprises	-	-	2 082	2 400	837	837	1 208	2 792	2 705
Foreign governments & international org	32 002	37 910	9 755	12 000	12 000	9 000	16 000	1 894	2 008
Non-profit institutions and households	-	-	-	-	-	-	-	-	-
	178 586	349 474	295 761	312 312	337 453	354 278	327 094	341 834	361 072
Interest and rent on land									
Payments on capital assets	4 594	13 116	2 440	1 100	1 900	1 054	1 144	1 213	1 286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4 594	13 116	2 440	1 100	1 900	1 054	1 144	1 213	1 286
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total payments	241 864	434 217	351 023	381 762	404 240	415 634	405 939	411 783	435 162

6. Programme description

6.1 Programme 1: Administration

6.2 Summary payments and estimates

Outcome	Main	Revised	Estimated	Medium-term estimates

R Thousand	Audited	Audited	Audited	Appropriation	Estimate	Actual	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04					
Office of the MEC Management Services	66		632	577	577	630	611	648	687
Corporate Services	17 427	19 476	25 537	28 256	28 075	27 697	32 579	34 533	36 605
Total: Housing and Land Administration	17 493	19 476	26 169	28 833	28 652	28 327	33 190	35 181	37 292

6.3 Payments and estimates by economic classification

Table 1.6 Summary of payments and estimates: Programme 1: Administration

R Thousand	Outcome			Main	Revised	Estimated	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	Estimate	Actual	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04					
Current payments	12 899	18 541	23 733	28 433	27 452	27 273	32 046	33 968	36 006
Compensation of employees	9 155	11 177	14 117	20 925	19 237	18 001	20 921	22 175	23 506
Salaries and Wages	7 507	9 165	11 576	17 462	15 774	15 301	15 272	15 966	16 924
Social Contribution	1 648	2 012	2 541	3 463	3 463	2 700	5 649	6 209	6 582
Goods and services	3 744	7 364	9 616	7 508	8 215	9 272	11 125	11 793	12 500
Transfer payment and subsidies to:									
Other levels of Government									
Departmental agencies and accounts									
Public corporations and private enterprises									
Foreign governments & international org									
Non-profit institutions and households									
Interest and rent on land									
Payments on capital assets	4 594	935	2 436	400	1 200	1 054	1 144	1 213	1 286
Buildings and other fixed structures									
Machinery and equipment	4 594	935	2 436	400	1 200	1 054	1 144	1 213	1 286
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total payments	17 493	19 476	26 169	28 833	28 652	28 327	33 190	35 181	37 292

6.4 Programme 2: Housing

The programme provides bigger and affordable houses to disadvantaged communities through community-based project.

6.5 Service deliverable measures

Sup-Programmes	Measurable Objectives	Performance Measures or Indicator	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year-1 2004/05 (target)	Year-2 2005/06 (target)	Year-3 2006/07 (target)
Housing Planning and Research	Ensure effective project management	Completed projects within budget and time	14071 housing units	9477 housing units 4838 PHP	9658 housing units	8400 housing units	7945 housing units
Technical Support	Human Res.	Expenditure and milestones	R6120 000	R7000 000	R7420 000	R8116 000	R8850 000
Housing Performance/Subsidy Programmes	Project linked	Number of houses	6589 houses	1389 houses	1200 houses	1000 houses	800 houses
	Individual	Number of houses	1049 houses	2014 houses	2150 houses	2200 houses	2250 houses
	Consolidation	Number of houses	28 houses	2103 houses	2200 houses	2100 houses	2000 houses

Sup-Programmes	Measurable Objectives	Performance Measures or Indicator	Year-1 2002/03 (actual)	Base year 2003/04 (estimate)	Year-1 2004/05 (target)	Year-2 2005/06 (target)	Year-3 2006/07 (target)
	Discount benefit	Number of houses	2459 houses	835 transfers	1000 transfers	1000 transfers	600 transfers
	Rural	Number of houses	290 houses	545 houses	1100 houses	1300 houses	1325 houses
	Credit linked	Number of houses	22 houses	150 houses	150 houses	150 houses	160 houses
	Hostels	Number of units	232 houses	125 units	125 units	150 houses	160 units
	Disaster			104	200 houses	200 houses	250 houses
	Institutional	Number of units	222houses	440	500 units	400 units	400 units

6.6 Summary payments and estimates

Table 1.7 Summary of payments and estimates: Programme 2: Planning and Subsidy Administration

	Outcome			Main Appropriation	Revised Estimated Actual		Medium-term estimates		
	Audited	Audited	Audited		Estimate	Actual	2004/05	2005/06	2006/07
	R Thousand	2000/01	2001/02	2002/03	2003/04				
1. Housing Planning and Research	34 906	152 781	35 927	27 934	31	41	28	12	13
2. Housing Performance/Subsidy Programmes	177 229	251 918	263 293	289 559	554	462	462	966	943
3. Urban Renewal and Human Settlement Redevelopment			350	7 000	182	109	556	525	844
Total: Housing and Land Administration	212 135	404 699	299 570	324 493	349	364	347	347	367
					426	935	438	611	394

6.7 Payments and estimates by economic classification

Table 1.8 Summary of payments and estimates: Programme 2: Planning and Subsidy Administration

	Outcome			Main Appropriation	Revised Estimated Actual		Medium-term estimates		
	Audited	Audited	Audited		Estimate	Actual	2004/05	2005/06	2006/07
	R Thousand	2000/01	2001/02	2002/03	2003/04				
Current payments	212 135	518	299	324 493	349 426	364 935	347 438	347 611	367 394
Compensation of employees	4 753	5 535	7 615	12 050	12 044	11 737	13 489	14 299	15 157
Salaries and Wages	3 945	4 594	6 320	9 882	9 876	9 976	9 847	10 295	10 913
Social Contribution	808	941	1 295	2 168	2 168	1 761	3 642	4 004	4 244
Goods and services	2 215	2 233	2 190	3 415	2 976	2 408	4 565	4 767	5 251
Transfer payment and subsidies to:	205 167	750	761	309 028	334 406	350 790	329 384	328 545	346 986
Other levels of Government									
Departmental agencies and accounts									
Public corporations and private enterprises	32 002	37 910	9 755	12 000	12 000	9 000	16 000	1 894	2 008
Foreign governments & international org									
Non-profit institutions and households	173 165	346	280	297 028	322 406	341 790	313 384	326 651	344 978
Interest and rent on land									
Payments on capital assets	-	12 181	4	-	-	-	-	-	-
Buildings and other fixed structures									
Machinery and equipment		12 181	4						
Cultivated assets									
Software and other intangible assets									

Land and subsoil assets									
Total payments	212 135	404 699	299 570	324 493	349 426	364 935	347 438	347 611	367 394

6.8 Transfers to Public entities

Table 1.9 Transfers to Public Entities

R Thousand	Outcome			Main Appropriation	Revised Estimate	Estimated Actual	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2003/04	2004/05	2005/06
	Mpumalanga Housing Finance Coop		37 910	9 754	12 000		12 000	16 000	1 894
Total transfers to Public Entities	-	37 910	9 754	12 000	-	12 000	16 000	1 894	2 008

6.9 Programme 3: Land Administration

To implement project (not houses) to correct certain dysfunctional ties that exist between the towns and the townships 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

6.10 Service delivery measures

Sub-Programme	Measurable Objectives	Performance measure or Indicator	Year 1 2002/03 (actual)	Base Year 2003/04 target	Year1 2004/05 target	Year2 2005/06 target	Year3 2006/07 target
Administration	Effective management of land directorate	Overall performance of directorate (reach targets)	Target as set were achieved	To achieve all targets as stated in strategic objectives	To achieve all targets as stated in strategic objectives	To achieve all targets as stated in strategic objectives	To achieve all targets as stated in strategic objectives
Planning and Surveying services	Provide full ownership to beneficiaries of R293 towns, having Deeds of Grants or PTO's	Handing out of title deeds to beneficiaries.	884 Beneficiaries did receive Title Deeds to their sites.	10 000 Beneficiaries will receive Title Deeds to their sites. (Receive Title Deeds at end of two year process which commenced 2002/03	0 Beneficiaries will receive Title Deeds to their sites. (Two year process, implementation phase only)	11 664 Beneficiaries will receive Title Deeds to their sites. (Receive Title Deeds at end of two year process which commenced 2004/05	0 Beneficiaries will receive Title Deeds to their sites (Two year process, implementation phase only)
	Running town establishment projects	<i>Land less families or individuals that will receive a formalised site</i>	Planning & implementation phase for town establishment (2 year projects)	<i>3000 land less families or individuals will receive a formalised site</i>	Planning & implementation phase for town establishment (2 year projects)	3 240 land less families or individuals will receive a formalized site	Planning & implementation phase for town establishment (2 year projects)
	Surveying projects for erven	<i>Land less families or individuals that will receive a</i>	All funds were allocated to Tenure Upgrading	<i>1 300 land less families or individuals will receive a</i>	1 404 land less families will receive a	1 516 land less families will receive a	1 637 land less families will receive a

Sub-Programme	Measurable Objectives	Performance measure or Indicator	Year 1 2002/03 (actual)	Base Year 2003/04 target	Year1 2004/05 target	Year2 2005/06 target	Year3 2006/07 target
		<i>Survey sites</i>		<i>survey sites</i>	surveyed site.	surveyed site.	surveyed site.
	Compile strategic land master plan to implement the identifying and availing suitable land for development	Strategic Land Master Plan (Suitable land for housing development within each local municipality)	4 536 Ha of State Land were released and transferred to Municipalities	1 500 Ha of State Land to be released and transferred to Municipalities	1 500 Ha of State Land to be released and transferred to Municipalities	1 620 Ha of State Land to be released and transferred to Municipalities	1 750 Ha of State Land to be released and transferred to Municipalities
Land Administration	Processing of land use applications through applicable legislation and efficient administration of Statutory Bodies.	Number of Applications Processed	384 applications were processed	150 Applications will be processed	50 Applications will be processed	00 Applications will be processed Note: Applications will decrease as capacity on local level increase	50 Applications will be processed Note: Decrease as capacity on local level increase
	Provide effective and efficient land use management planning at local municipality level.	Implementation manuals for tenure as well as Land Use Management Bill	This key objective did not exist within this financial year	1 Workshop per District Municipality (Provide implementation manuals for tenure)	1 Workshop per District Municipality (Provide implementation manuals for Bill)	Provide training on Tenure and Land Use Management to local municipalities	Provide training on Tenure and Land Use Management to local municipalities
Land Reform	Technical reports to create erven for settlement, distributed throughout District Municipalities	Settlement on surveyed erven.	This key objective did not exist within this financial year	Settlement on 2 000 surveyed erven.	Settlement on 2 160 surveyed erven.	Settlement on 2 332 surveyed erven.	Settlement on 2 520 surveyed erven.
	Provide suitable land for housing projects and land development by facilitating Community Resolutions.	Number of Community Resolutions taken	27 Community Resolutions were taken	16 Community Resolutions	17 Community Resolutions	19 Community Resolutions	20 Community Resolutions
	Pilot the creation of Agri- villages for settlement.	Agri- villages that would be created for settlement	This key objective did not exist within this financial year	Two Agri- villages would be created for settlement	Planning & implementation phase for Agri- villages (2 year projects)	Two Agri- villages would be created for settlement	Planning & implementation phase for Agri- villages (2 year projects)

6.11 Summary payments and estimates

R Thousand	Outcome			Main	Revised	Estimated	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	Estimate	Actual	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03	2003/04					
Administration	459	601	646	792	488	582	515	731	775
Planning and Surveying services	7 856	5 125	18 618	19 027	19 630	15 878	18 054	20 186	21 397
Land Administration	1 602	1 867	1 408	3 359	2 312	2 125	2 529	3 000	3 180
Land Reform	2 319	2 449	4 612	5 258	3 732	3 787	4 213	5 074	5 124
Total: Housing and Land Administration	12 236	10 042	25 284	28 436	26 162	22 372	25 311	28 991	30 476

6.12 Payments and estimates by economic classification

	Outcome			Main	Revised	Estimated	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	Estimate	Actual			
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
R Thousand									
Current payments	12 236	10 042	25 284	27 736	25 462	22 372	25 311	28 991	30 476
Compensation of employees	5 948	6 628	6 324	8 552	8 053	7 541	9 022	9 563	10 137
Salaries and Wages	4 877	5 435	5 186	7 012	6 603	6 410	6 586	6 885	7 299
Social Contribution	1 071	1 193	1 138	1 540	1 450	1 131	2 436	2 678	2 838
Goods and services	867	780	1 123	1 500	1 525	1 506	1 371	1 453	1 540
Transfer payment and subsidies to:	5 421	2 634	17 837	17 684	15 884	13 325	14 918	17 975	18 799
Other levels of Government									
Departmental agencies and accounts Public corporations and private enterprises			2 082	2 400	837	837	1 208	2 792	2 705
Foreign governments & international org									
Non-profit institutions and households	5 421	2 634	15 755	15 284	15 047	12 488	13 710	15 183	16 094
Interest and rent on land									
Payments on capital assets	-	-	-	700	700	-	-	-	-
Buildings and other fixed structures									
Machinery and equipment				700	700				
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total payments	12 236	10 042	25 284	28 436	26 162	22 372	25 311	28 991	30 476