

VOTE 8

Housing

Operational budget	R 1 252 133 000
MEC remuneration	Nil
Total amount to be appropriated	R 1 252 133 000

Responsible MEC	Mr M Mabuyakhulu: Minister of Local Government, Housing & Traditional Affairs ¹
Administrating department	Department of Housing
Accounting officer	Head: Housing

1. Overview

Vision

The vision of the Department of Housing is: *Together; helping all people to house themselves, by engaging various institutions and stakeholders in an effort to mobilise capacity and resources to provide a conducive and enabling environment for the people of KwaZulu-Natal to provide appropriate housing solutions for themselves.*

Mission

The mission of the Department of Housing is to effectively and efficiently manage the implementation of National and Provincial Housing Programmes in partnership with the relevant role players, and to provide adequate, affordable and sustainable shelter for qualifying citizens in KwaZulu-Natal.

Strategic goals and objectives

In August 2005, the department engaged in an exercise to review its strategic plan. The revised strategies led to corresponding re-alignment of the following main strategic objectives:

- To eradicate all slums;
- To accelerate development of houses in rural areas;
- To upgrade public sector hostels;
- To create rental housing opportunities;
- To promote home-ownership;
- To provide housing for vulnerable groups including those affected by HIV and AIDS;
- To ensure unblocking of all blocked projects by 2007;
- To facilitate capacity building;
- To strengthen governance and service delivery; and
- To ensure job creation by housing programmes.

¹ The salary of the Minister of Local Government, Housing and Traditional Affairs is budgeted for under Vote 11: Local Government and Traditional Affairs

Core functions

The department is responsible for the following core functions:

- To promote the provision of housing development;
- To promote the provision of affordable housing and essential services;
- To manage, control and maintain the immovable assets of the department;
- To administer and manage housing subsidies to targeted groups;
- To research, establish, monitor and implement policies within the National Housing Policy Framework;
- To formulate a provincial housing development plan for the province;
- To facilitate and create housing institutions;
- To rehabilitate existing houses for victims affected by political unrest and correct the previous dysfunctions as identified in the Resettlement Housing Programme;
- To administer and co-ordinate the Hostel Redevelopment Programme; and
- To administer clearance of slums in the Province of KwaZulu-Natal.

Legislative mandates

The KwaZulu-Natal Department of Housing derives its mandates from various pieces of legislation, some of which is specific to the housing industry, while the remainder either directly or indirectly impacts on the housing industry. The department is governed by the following:

- Constitution of the Republic of South Africa, 1996
- Housing Act (Act No. 107 of 1997), as amended
- Housing Consumers Protection Measures Act (Act No. 95 of 1998) as amended by Act No. 27 of 1999
- Rental Housing Act (Act No. 50 of 1999)
- Sectional Titles Act (Act No. 95 of 1986, as amended by Act Nos. 24 & 29 of 2003)
- Abolition of Certain Title Conditions Act (Act No. 43 of 1999)
- Prevention of Illegal Eviction and Unlawful Occupation of Land Act (Act No. 19 of 1998)
- Home Loan and Mortgage Disclosure Act of 2000
- Disestablishment of South African Trust Limited Act of 2002
- Constitutional Court Judgement of 2000, on the enforceability of social and economic rights.
- KwaZulu-Natal Housing Act (Act No. 12 of 1998 as amended)
- Housing Development Schemes for Retired Persons Act (Act No. 65 of 1988) as amended by Act No. 20 of 1998
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Preferential Procurement Policy Framework Act (Act No. 38 of 2000)
- Public Finance Management Act (Act No. 1 of 1999)
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003)
- National Environment Management Act (Act No. 107 of 1998) as amended by Act No. 8 of 2004
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act (Act No.19 of 1998)
- Communal Land Rights Act (Act No. 11 of 2004)
- Communal Property Associations Act (Act No. 28 of 1996)
- Deeds Registries Act (Act No. 47 of 1937)

- Extension of Security of Tenure Act (Act No. 62 of 1997)
- Land Administration Act (Act No.2 of 1995)
- Reconstruction and Development Programme Fund Act (Act No. 7 of 1994)
- Municipal Finance Management Act (Act No. 56 of 2003)
- Corruption Act (Act No. 94 of 2004) as amended/repealed
- Expropriation Act, 1951 as repealed by Act No.63 of 1975
- National Heritage Resources Act, (Act No.25 of 1999)
- Standards Act (Act No.29 of 1993)
- State Land Disposal Act (Act No. 48 of 1961)

Challenges and developments

Scarcity of land for low-income housing development

A fundamental challenge faced by the Department of Housing is the separate development policies that the post apartheid government inherited. These have, in effect, resulted in millions of citizens in the province living in areas that are far from both social and economic infrastructure. Currently, this practice is being perpetuated by the lack of accessible and affordable land for low-income housing development.

The department has also inherited developed and undeveloped land from the erstwhile Housing Board. Some of the undeveloped land is, however, zoned for other purposes, such as industrial, commercial and other businesses. Also, in most instances, land that is suitable for low-income housing tends to be in either municipal or private ownership. The situation is further aggravated by the fact that privately owned land is too costly for low-income housing development to take place. In addition, not all the land that was made available to the department to administer by the Department of Land Affairs, in terms of the power of attorney, is suitable for housing development. This land requires a substantial amount of funding for its administration, which the department does not currently have available. The department is also required to pay rates and taxes for this land, thereby increasing the holding costs. The payment of these rates is likely to force the department to cancel the power of attorney.

Inadequate or lack of capacity in the municipalities to deliver housing

Another challenge confronting the department is the capacity constraint faced by municipalities to deliver housing. The Housing Act of 1997, as amended, empowers municipalities to become housing developers. Out of the 51 local municipalities, including the Metro, the majority have both internal and external capacity constraints which are hampering the performance and administration of their own core mandates. Furthermore, the remaining ten district municipalities do not have the capacity to provide bulk services. As a pilot project, the Flemish Government donated funds to assist the department in developing housing components in certain municipalities. The department is also running an extensive capacity building programme which caters for municipal officials.

In line with the comprehensive plan for sustainable human settlements, the department must gradually accredit municipalities over a period of time in order to empower them to fully manage the housing funds and housing projects within their areas of jurisdiction. Before the municipalities can be accredited, however, they must prove that they possess the required capacity to manage their housing projects and funds. This process has been frustrated by the evident lack of capacity within municipalities in the province. National and provincial departments are engaged in a process to ensure that municipalities are capacitated to meet the accreditation requirements.

Extent of slums in the province

The eradication of slum areas in the province is another major challenge facing the department. There are approximately 180 slum areas in KwaZulu-Natal. Currently, there are nearly 157 housing projects identified to accommodate the estimated 150,000 people who reside in informal settlements.

The ever increasing demand for housing in the province can be attributed to a number of factors, including:

- Rural-urban migration;
- Lack of affordable housing options for poor and low-income households;
- Lack of suitable and affordable land in close proximity to employment opportunities, thereby reinforcing the “apartheid city model”; and
- Poor attention to the rural housing strategy.

The housing challenges increase in severity in the urban fringes/urban edges, where there is a concentration of slum areas. The slum areas will be eradicated over the medium to long-term, with the year 2010 set as the target for the total elimination of current slums. At the same time, the re-emergence of new slum areas must be managed in co-ordination with the various municipalities in the province.

In as much as the department is making visible attempts to address the slums challenge, the existing policy does not cater for the prevention of the re-emergence of slums, rendering the current management of slums ineffective. This will prove to be a serious challenge for the department, if it is to contain the extent or growth of slums in the urban fringes or urban edge.

Alignment of development programmes to maximise the development impact

The department is responsible for the delivery of housing to all qualifying beneficiaries in KwaZulu-Natal. The funds that are available to the department have to be allocated in such a manner that will maximise both the quantity and the quality of the end product.

In this regard, there is an indication that the alignment of the housing budget to the Municipal Infrastructure Grant (MIG) funds is not as effective as it should be. The department has to establish a platform for engaging the provincial Department of Local Government and Traditional Affairs in so far as prioritisation of housing interventions is concerned. In line with the Breaking of New Ground framework, the department supports the notion of integrated development which is inclusive of other departments and the private sector in the delivery of services.

Housing demand management

Until municipalities are in a position to provide accurate information with regard to Housing needs, it is not possible to present the exact demand for housing. However, a demand for subsidy administration is evident from project planning right up to project close-out. According to Stats SA results 2005, the housing backlog is estimated to be more than 900,000. A Housing Demand data base system has been developed and is currently being rolled out to municipalities, in order to assist them in establishing accurate housing needs.

Breaking New Ground in Housing Delivery

The new national Housing policies, encompassed in Breaking New Ground in Housing Delivery (BNG), pose additional challenges to the department, including the following:

- A shortfall in funding for the Slum Clearance Programmes, given time constraints;
- Identifying suitably located land for certain of the slum clearance projects;
- The rolling out of the Extended Public Works Programme (EPWP);
- The implementation of Additional Rural Guidelines to assist people in rural areas (with specific emphasis on traditional areas) to access housing subsidies;
- The capacitation of institutions responsible for implementing projects for qualifying groups; and
- The sustainability of Social Housing Institutions.

The challenge now, is to implement housing delivery in terms of this new framework. In this regard, new policies will have to be devised and implemented.

2. Review of the current financial year – 2005/06

Incremental housing

An audit of slums in the province was done by municipalities in conjunction with the department's regional offices. The majority of the slum areas/informal settlements are in areas where there is economic activity. One of the challenges mentioned in previous years was the availability of suitable land for housing development. The Department of Land Affairs has committed itself to assisting with the accessing of land for housing development. The municipalities of eThekweni and Mpofana were selected for the implementation of pilot projects for the provision of socio and economic amenities. The slum clearance programme was, however, faced with various challenges in 2005/06, including:

- The limited availability of sufficient financial resources for projects, especially around the eThekweni municipality;
- The readiness and availability of implementing agents to successfully implement the slum clearance projects without having these projects blocked; and
- Shack lords who turned slums into business ventures.

To date, there are seven slum clearance projects that have been unblocked, four projects with conditional approval and five new projects approved. One project has preparative funding approved.

Rural Housing

The introduction of Additional Rural Guidelines to speed up the approval of rural projects within traditional areas has ensured that the department meets and exceeds the target set for rural projects in terms of the service delivery indicators. Since the beginning of the 2005/06 financial year, approximately ten rural projects have been approved.

Rental Housing Development Programme

The aim and objective of the department is to create sustainable and viable institutions that can deliver decent rental accommodation for middle to low-income earners, as well as shelter for people with special needs. To achieve this objective, the department strived during the 2005/06 financial year to get the buy-in of those municipalities affected, through the holding of workshops, meetings and regular communication.

The department is also involved in the implementation of Job Summit Projects utilising institutional subsidies for rental stock. The institutions involved are listed below:

	Institutions	No. of projects
1.	Umsunduzi Housing Association Rental Projects	2
2.	First Metro Housing Company	3
3.	eThekweni Housing Association Project	1

To complement the above three programmes, the department will continue to place emphasis on training and capacity building. An amount of R1 million was allocated in 2005/06 to train officials of the department, municipalities and other stakeholders that are involved in housing. The department provided capacity development interventions that are critical to housing delivery, including project management, contract and land administration.

These programmes, which will cost approximately R3,4 million over the next three years, will be implemented in conjunction with the Durban Institute of Technology. These interventions will be complemented with workshops and conferences as part of an information sharing and consultation process.

3. Outlook for the coming financial year – 2006/07

The department has a budget of R1,3 billion in the 2006/07 financial year, with an infrastructure budget of approximately R1 billion which is largely for the purpose of delivering houses.

The priorities, as discussed in the Section relating to core functions, seek to invest in community infrastructure, in line with the provincial priorities, while contributing extensively to the EPWP, in so far as they are labour-intensive and focus on training. The time-frames attached to some of the priorities indicate a serious political will to try and alleviate poverty, by providing shelter to the province's poor communities. Over the MTEF period, the department will focus on ensuring the realisation of its strategic objectives in line with its mandates.

Slum clearance

In pursuit of the goal to eradicate slums in KwaZulu-Natal over the next five years, the department has already compiled a consolidated report on all slums in the province. The report will provide guidance in determining priorities for housing delivery in the province. The department will also ensure that there is integrated planning and budgeting between the KwaZulu-Natal Department of Housing, the Department of Local Government and Traditional Affairs and municipalities to ensure that all housing projects are aligned to the Municipal Infrastructure Grant (MIG) programme and that they are prioritised in the Integrated Development Plans (IDPs) of municipalities. This will help to make sure that there is co-ordination in housing delivery, and that no housing project is constructed without the provision of basic services such as water, electricity, roads and sanitation.

Rental Housing Programme

Another area that will receive attention in 2006/07 is the diversification of housing options to meet the various needs of the department's clients. This will be done through the acceleration of the Rental Housing Programme. This programme, which caters for mobile people who are in urban areas for work related reasons, will complement the Slums Clearance Programme. The department will also engage the private sector, especially the banking sector, to partner in the service of housing delivery by providing loans for people in the lower income group to acquire rental units. The inner city regeneration programme will also contribute towards this goal.

Integration of communities

Integration of communities will also be a central focus in 2006/07. The department will ensure that previously disadvantaged communities are provided with housing opportunities in areas of economic activity such as towns and cities. In so doing, the department will focus on correcting the previous spatial development strategy which disintegrated communities on the basis of race. These priorities are a clear indication of a serious change in the approach to housing delivery in the province.

With the introduction of the New National Housing Plan, the department is now even more geared up to speedily eradicate homelessness in the province and break new ground in housing delivery.

The thrust of these priority programmes is that they benefit the poorest of the poor and are therefore a decisive intervention towards bridging the gap between the first and the second economy in society. In pursuing these programmes, the department will place greater emphasis on integrated planning, budgeting and implementation. The department will also ensure that it strikes a balance between quality and quantity.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 8.1 shows the sources of funding used for the department for the period 2002/03 to 2008/09, which include both the provincial allocation and national conditional grant funding.

Table 8.1: Summary of receipts and financing

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Provincial allocation	161,304	157,728	160,195	170,221	170,221	170,221	203,757	210,295	221,202
Conditional grants	745,804	822,390	776,023	799,659	799,659	799,659	1,048,376	1,310,555	1,439,900
Housing Subsidy Grant	720,318	796,390	748,463	799,659	799,659	799,659	1,048,376	1,310,555	1,439,900
Human Settlement Redevelopment Grant	25,486	26,000	27,560	-	-	-	-	-	-
Total	907,108	980,118	936,218	969,880	969,880	969,880	1,252,133	1,520,850	1,661,102
Total payments	913,179	1,081,113	988,078	969,880	953,747	953,747	1,252,133	1,520,850	1,661,102
Surplus/(Deficit) before financing	(6,071)	(100,995)	(51,860)	-	16,133	16,133	-	-	-
Financing									
of which									
Provincial roll-overs	115,900	139,715	39,697	-	-	-	-	-	-
Provincial cash resources	53,475	-	-	-	(16,133)	(16,133)	-	-	-
Surplus/(deficit) after financing	163,304	38,720	(12,163)	-	-	-	-	-	-

There is a substantial increase in the provincial allocation from the 2005/06 adjusted budget to 2006/07. Over the MTEF period, the provincial allocation continues to rise and this increase, together with the 2006/07 allocation, is explained in greater detail under Section 5.2.

The national conditional grants reflected in the table include the Housing Subsidy Grant and the Human Resettlement Grant. The Human Settlement Redevelopment Grant was discontinued from the 2005/06 financial year and integrated into the Housing Subsidy Grant. The aim of the Housing Subsidy Grant is to promote the provision of low cost housing and essential services.

The provincial roll-overs, from the 2002/03 to 2004/05 financial years, relate to unspent conditional grants. The under-expenditure in respect of the Housing Subsidy Grant can be attributed to delays in the submission of business plans by municipalities, as well as the delay in the National Home Builders Registration Council (NHBC) contract that was not formalised in terms of low income housing projects. The under-expenditure in the Human Settlement Redevelopment Grant was due to difficulties in obtaining business plans from municipalities.

In 2004/05, the department incurred a net over-expenditure of R12,2 million. However, during the preparation process for the adjustments estimate (and in accordance with the department's draft annual report) it was identified that the department incurred a net over-expenditure of R17,1 million which was largely due to spending pressures that emanated from Programme 3: Project Management. In 2005/06, the department's original allocation was therefore reduced by the equivalent amount in order to finance the shortfall in the 2004/05 financial year. This suspension was off-set by an additional amount of R1 million to fund the department's revised operating structure, resulting in a net reduction of R16,1 million.

The increase in the department's allocation over the 2006/07 MTEF period is primarily due to an increase in the national conditional grant allocations.

4.2 Departmental receipts collection

Table 8.2 below provides a summary of the receipts collected by the department.

Table 8.2: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
Tax receipts	-	-	-	-	-	-	-	-	-
Non-tax receipts	1,202	620	944	1,193	1,193	1,193	500	550	600
Sale of goods and services other than capital assets	1,202	620	944	1,099	1,099	1,099	406	446	486
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	-	-	-	94	94	94	94	104	114
Transfers received	-	-	-	-	-	-	-	-	-
Sales of capital assets	-	-	-	-	-	-	-	-	-
Financial transactions	-	-	-	-	-	-	-	-	-
Total	1,202	620	944	1,193	1,193	1,193	500	550	600

The revenue generated is mainly from internal sources, since the revenue generated by the Housing Subsidy Grant (such as rentals received from housing stock) is paid directly into the provincial revenue fund.

The revenue collected is expected to decrease considerably over the MTEF period, due to the inherent problems relating to housing rental recoveries in the 2002/03 to 2005/06 financial years, when revenue relating to the Housing Fund was paid into voted fund responsibilities. This resulted in an unrealistic revenue recovery figure reflected for this period.

The only meaningful revenue collected by this department is made up of parking fees, rental on state property, S&T refunds, and other Persal deductions, including commission on insurance. However, it remains a challenge to maximise revenue collection, and the department is currently working hand in hand with the Provincial Treasury to ensure that the maximum revenue is collected.

5. Payment summary

This section provides information pertaining to the vote as a whole at an aggregated level, including payments and budgeted estimates in terms of programmes and economic classification. Further details are given in Section 6 below, as well as in the *Annexure to Vote 8 – Housing*.

5.1 Key assumptions

The key assumptions that underpin the MTEF budget of the department are summarised below:

- Salary increases are based on a 5.5 per cent increase in 2006/07, 4.8 per cent in 2007/08 and 4.5 per cent in 2008/09. Provision is also made for the recruitment of additional staff;
- Relevant stakeholders will be capacitated, in order to be able to partner with the department in the delivery of houses; and
- Costs of building materials for the construction of houses increase at least twice a year at an average well above CPIX. This increase will be adequately provided for, to limit the number of projects that become blocked as a result of inadequate funding resulting from price adjustments.

5.2 Additional allocation for the 2006/07 MTEF

Table 8.3 illustrates a summary of the additional allocation issued to the department for the 2006/07 MTEF.

Table 8.3 : Summary of additional allocation for the 2006/07 MTEF

R000	2006/07	2007/08	2008/09
Increase/(decrease) in baseline allocation	136,827	188,806	315,766
<i>of which</i>			
Provincial allocation	22,908	20,404	18,019
<i>Carry-through costs of 2005/06 Adjustments Estimate</i>	4,000	4,200	4,494
<i>Budget shortages/Structure change</i>	10,000	10,500	11,025
<i>Housing Development Plans</i>	2,500	2,500	2,500
<i>No of Housing Consumers trained</i>	6,408	3,204	-
Conditional grant	113,919	168,402	297,747
<i>Housing Subsidy Grant</i>	113,919	168,402	297,747

The department received an increase in the provincial allocation of R22,9 million for the 2006/07 financial year. This increase is made up of additional funding of R4 million for carry-through costs for personnel over the MTEF period, an additional allocation of R10 million for budget shortages owing to the departmental structure change, an amount of R2,5 million for housing development plans, and a further amount of R6,4 million the training of housing consumers.

The increases in the provincial allocation in 2007/08 and 2008/09 are lower than that of 2006/07 due to the fact that, by the end of 2007/08, the department should have trained all housing consumers.

In order to assist the department in the implementation of the New Comprehensive Plan, the Housing Subsidy national conditional grant increased by R113,9 million, R168,4 million and R297,7 million in 2006/07, 2007/08 and 2008/09, respectively.

5.3 Programme summary

Table 8.4 below provides a summary of payments and budgeted estimates by programme.

Table 8.4: Summary of payments and estimates by programme

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2005/06	2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05							
1. Administration	45,979	53,785	59,060	55,978	56,978	56,978	75,035	78,787	84,092	
2. Housing Planning and Development	10,200	10,527	16,774	16,954	15,954	15,954	23,991	21,541	19,446	
3. Project Management	591,228	751,087	655,129	669,322	628,668	628,668	862,455	1,115,321	1,248,015	
4. Urban Renewal & Human Settlement Redevelopment	20,323	17,190	67,129	16,193	-	-	-	-	-	
5. Property Management	245,449	248,524	189,986	211,433	252,147	252,147	290,652	305,201	309,549	
Total	913,179	1,081,113	988,078	969,880	953,747	953,747	1,252,133	1,520,850	1,661,102	

The services rendered by this department are categorised under five programmes, namely Administration, Housing Planning and Development, Project Management, Urban Renewal and Human Settlement Redevelopment and Property Management. The Human Settlement Redevelopment Grant, which fell under Programme 4, was phased out and was replaced by the New Human Settlement Plan, which is incorporated into the Housing Subsidy Grant (which falls under Programme 3). The New Human Settlement Plan adopts a phased *in-situ* upgrading approach to informal settlements, in line with international best practice. The plan encourages the eradication of slums (informal settlements) through on-site upgrading in desired locations, coupled with the relocation of households where development is not possible or desirable.

There is a steady increase in the budget over the MTEF period which can be attributed to an increase in the Housing Subsidy Grant allocation, as well as an increase in *Compensation of employees* and *Goods and services* due to the structure change of the department.

The decrease from the 2005/06 main budget to the adjusted budget is due to the funding of the end of year over-expenditure, as explained in Section 4.1.

5.4 Summary of economic classification

The summary of payments and estimates by economic classification is given in Table 8.5.

Table 8.5: Summary of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2005/06	2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05							
Current payments	153,582	165,001	240,830	176,613	155,097	155,097	196,123	202,251	213,239	
Compensation of employees	95,389	111,361	112,854	127,590	123,542	123,542	139,120	147,093	154,349	
Goods and services	58,193	53,640	127,976	49,023	31,555	31,555	57,003	55,158	58,890	
Other	-	-	-	-	-	-	-	-	-	
Transfers and subsidies to:	755,482	912,491	741,564	785,523	790,906	790,906	1,048,505	1,310,555	1,439,900	
Local government	75	186	113	2,057	517	517	129	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	755,407	912,305	741,451	783,466	790,389	790,389	1,048,376	1,310,555	1,439,900	
Other	-	-	-	-	-	-	-	-	-	
Payments for capital assets	4,115	3,621	5,684	7,744	7,744	7,744	7,505	8,044	7,963	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	4,115	3,621	5,684	7,744	7,744	7,744	7,505	8,044	7,963	
Other	-	-	-	-	-	-	-	-	-	
Total	913,179	1,081,113	988,078	969,880	953,747	953,747	1,252,133	1,520,850	1,661,102	

Table 8.5 reflects a fairly large increase in *Compensation of employees* from 2005/06 to 2008/09, which is mainly due to the restructuring within the department.

The substantial fluctuation from 2003/04 to 2004/05, which is evident in *Goods and services*, is indicative of the Human Settlement Redevelopment initiative of the department. The increase in the *Goods and services* category from the 2005/06 adjusted budget to the 2006/07 financial year is due to the additional allocation for restructuring and the capacitation of Housing consumers.

The funding provided under the category *Transfers and subsidies to: Households* is classified as a capital transfer, as it relates to the subsidisation of housing delivery. The significant increase over the 2002/03 to the 2003/04 financial period is as a result of a roll-over of unspent funds, due to delays in the submission of business plans by municipalities as well as the delay in the National Home Builders Registration Council (NHBC) contract as already discussed. The increase in funding in 2005/06 relates to the Human Settlement Redevelopment programme that was incorporated in the Housing Subsidy Grant. The increase over the MTEF period is due to an increase in the Housing Subsidy Grant allocation.

The increase in *Machinery and equipment* from 2004/05 to 2005/06 is due to the replacement of computer servers. The fluctuating trend against this category over the MTEF relates to the purchasing of new computer equipment to replace outdated equipment on a cyclical basis (every two to three years).

5.5 Summary of expenditure by district municipal area

Table 8.6 presents a summary of expenditure by district municipality for the Vote.

Table 8.6: Summary of expenditure and estimates by district municipal area

District Municipal Area	Estimated Actual	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09
eThekweni	525,411	646,255	753,425	824,851
Ugu	47,624	58,958	75,942	82,776
uMgungundlovu	65,063	90,547	104,310	113,698
Uthukela	42,270	57,933	79,535	86,693
Umzinyathi	37,085	45,911	63,031	68,703
Amajuba	16,232	20,095	27,588	30,070
Zululand	55,547	88,767	111,867	121,935
Umkhanyakude	37,592	46,538	63,890	69,401
uThungulu	54,388	87,332	109,896	119,786
Ilembe	43,566	73,934	90,503	98,648
Sisonke	28,969	35,863	40,863	44,541
Total	953,747	1,252,133	1,520,850	1,661,102

Due to the complexity of housing delivery and the delays in implementing projects that could result in expenditure differing, the table above is only an indication of projects that are envisaged to take place within these district municipal areas.

The department's priority of Human Settlement Redevelopment and rental housing is informed by the national and provincial priorities of promoting rural development and urban renewal and the Integrated Sustainable Rural Development Project. All of these priorities are developmental in character and contribute to the expenditure against all regions mentioned above.

The bulk of spending occurs within the eThekweni district municipal area due to the fact that the administrative support for the department, as well as the coastal region, are based in this district.

5.6 Summary of infrastructure expenditure and estimates

Table 8.7 below presents a summary of infrastructure expenditure and estimates by categories for the Vote. The infrastructure amounts reflected in this table relate only to the Housing Subsidy conditional grant. The *Infrastructure transfer* economic classification includes *New constructions* as well as maintenance of rental stock.

Table 8.7: Summary of infrastructure expenditure and estimates

R000	Outcome			Main Budget	Adjusted Budget 2005/06	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
	Capital	755,407	912,305				741,092	783,466	790,065
New constructions	-	-	-	-	-	-	-	-	-
Rehabilitation/upgrading	39,194	55,731	60,000	66,000	66,000	66,000	72,000	75,600	75,600
Other capital projects	150,415	135,389	109,473	153,865	-	-	-	-	-
Infrastructure transfer	565,798	721,185	571,619	563,601	724,065	724,065	976,376	1,234,955	1,364,300
Current	-	-	-	-	-	-	-	-	-
Total	755,407	912,305	741,092	783,466	790,065	790,065	1,048,376	1,310,555	1,439,900

A substantial increase in expenditure is evident over the 2002/03 to 2003/04 financial years, largely due to the roll-over of funds in respect of the Human Settlement Redevelopment Grant as well as the Housing Subsidy Grant. The under-expenditure on the Human Settlement Redevelopment Grant was due to the non-submission of business plans by municipalities, as well as a delay in the approval of projects by the National Department. The roll-over in respect of the Housing Subsidy Grant was primarily due to a delay in the National Home Builders Registration Council (NHBRC) contract being formalised in terms of low cost housing project approval. This was concluded in January 2003, and the funds were spent in 2003/04.

Note that the classification of the Housing Subsidy Grant was changed from *Transfers and subsidies to: Local government* to *Transfers and subsidies to: Households*, owing to the fact that the funds are not transferred to *Local government* as the description suggests. Due to the re-classification, the amount of R153,9 million under *Other capital projects* has been incorporated into *Infrastructure transfer* from 2005/06 onwards.

The estimated expenditure shows a notable increase over the MTEF period in line with the framework for Breaking New Ground in Housing Delivery (BNG), priorities of the provincial government, the Provincial Growth and Development Strategy (PGDS) and departmental priorities. The new housing policies that are encompassed in BNG in Housing Delivery pose a huge challenge to the department.

5.7 Transfers to local government

Table 8.8 illustrates departmental *Transfers and subsidies to: Local government*, relating purely to the Regional Service Council Levy, which is to be discontinued at the end of the first quarter of 2006/07.

Table 8.8: Summary of departmental transfers to local government by category

R000	Outcome			Main Budget	Adjusted Budget 2005/06	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
	Category A	69	171				93	1,893	497
Category B	6	15	20	164	20	20	5	-	-
Category C	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	75	186	113	2,057	517	517	129	-	-

6. Programme description

6.1 Programme 1: Administration

The purpose of this programme is to provide strategic leadership, ensure sound financial management, provide strategic housing support, manage housing and residential property performance and market trends, implement and monitor corporate governance and provide strategic management services.

The department's development goal is to create an environment that enables the people of KwaZulu-Natal to house themselves. To achieve this, the department must have the necessary human resources to drive the implementation of the various interventions. In the light of the recent joint study conducted by the Public Service Commission and the Department of Public Service and Administration, the department has the challenge of revamping the entire business unit and addressing the issue of human resource planning, to enable it to respond to the housing delivery challenges of the province. In addition to addressing the human resource requirements of the department, this programme also provides auxiliary/support and legal services to the various units within the department.

This programme consists of the following sub-programmes, Office of the HOD, Risk Management and Advisory Services, Communications, Corporate Services and Financial Management.

Tables 8.9 and 8.10 illustrate the payments and estimates relating to Programme 1 for the period 2002/03 to 2008/09.

Table 8.9: Summary of payments and estimates - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
	Office of the HOD	5,518	6,454	7,077	6,918	6,918			
Risk Management and Advisory Services	7,817	9,143	10,040	9,531	9,531	9,531	10,376	10,895	11,657
Communications	1,379	1,614	1,772	1,952	1,952	1,952	1,831	1,923	2,057
Corporate Services	18,851	22,052	24,225	22,377	23,377	23,377	31,024	32,526	34,627
Financial Mangement	12,414	14,522	15,946	15,200	15,200	15,200	23,480	24,653	26,275
Total	45,979	53,785	59,060	55,978	56,978	56,978	75,035	78,787	84,092

Table 8.10: Summary of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
	Current payments	44,314	52,842	55,309	53,268	54,262			
Compensation of employees	15,659	25,470	29,340	38,446	38,477	38,477	39,238	43,040	45,119
Goods and services	28,655	27,372	25,969	14,822	15,785	15,785	33,093	32,897	36,123
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	122	72	410	10	16	16	4	-	-
Local government	2	72	84	10	16	16	4	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	120	-	326	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	1,543	871	3,341	2,700	2,700	2,700	2,700	2,850	2,850
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,543	871	3,341	2,700	2,700	2,700	2,700	2,850	2,850
Other	-	-	-	-	-	-	-	-	-
Total	45,979	53,785	59,060	55,978	56,978	56,978	75,035	78,787	84,092

The escalation of the budget over the MTEF period for all sub-programmes within Programme 1 can be ascribed to the increase in the category *Compensation of employees*, due to the revamping of the entire business unit in response to the housing delivery challenges of the province. The substantial increase in *Goods and services* from 2005/06 to 2006/07 is to provide for auxiliary/support services to enable the department to respond to the new comprehensive plan on housing delivery.

6.2 Programme 2: Housing Planning and Development

This programme consists of four sub-programmes, namely Administration Support, Product Development, Planning and Capacity Building.

The purpose of this programme is to undertake research and policy formulation, planning, information management including the Geographic Information System (GIS), capacity building and institutional management for the department.

The Product Development sub-programme is a support component, with a purpose of conducting research and developing policies in order to meet the objectives of providing adequate shelter to qualifying beneficiaries.

The Planning Component, while also being a support component, is responsible for assisting municipalities with the compilation of Housing Sector Plans as part of their IDP process. This component includes the Information Management Systems & Technology (IMST) unit.

The Capacity Building sub-programme is tasked with the development and maintenance of capacity building strategies. The Department of Housing, through the Institutional Management unit has made significant strides in addressing the effects of the HIV and AIDS pandemic and promoting Rental Housing in KZN. The Institutional Management unit ensures that institutions comply with housing prescripts, and that they meet their objectives prescribed in the Memorandum and Articles of Association.

In line with the BNG policy, the department is committed to promoting rental accommodation, managed by housing institutions within the inner city.

Tables 8.11 and 8.12 illustrate a summary of payments and estimates for Programme 2, for the periods 2002/03 through 2008/09.

Table 8.11: Summary of payments and estimates - Programme 2: Housing Planning and Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
Administration Support	4,080	4,203	6,419	8,121	8,133	8,133	5,765	6,677	6,660
Product Development	1,530	1,586	1,633	1,760	1,760	1,760	1,831	1,867	1,967
Planning	2,040	2,101	2,577	2,267	2,255	2,255	2,475	2,585	2,719
Capacity Building	2,550	2,637	6,145	4,806	3,806	3,806	13,920	10,412	8,100
Total	10,200	10,527	16,774	16,954	15,954	15,954	23,991	21,541	19,446

Table 8.12: Summary of payments and estimates by economic classification - Programme 2: Housing Planning and Development

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
Current payments	9,034	8,685	15,110	14,201	13,201	13,201	21,802	19,292	17,478
Compensation of employees	7,628	6,967	10,984	8,779	7,779	7,779	8,881	9,325	9,791
Goods and services	1,406	1,718	4,126	5,422	5,422	5,422	12,921	9,967	7,687
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	15	15	62	194	194	194	48	-	-
Local government	15	15	29	194	194	194	48	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	33	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	1,151	1,827	1,602	2,559	2,559	2,559	2,141	2,249	1,968
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,151	1,827	1,602	2,559	2,559	2,559	2,141	2,249	1,968
Other	-	-	-	-	-	-	-	-	-
Total	10,200	10,527	16,774	16,954	15,954	15,954	23,991	21,541	19,446

The peak in expenditure for the sub-programme: Administration Support in 2005/06 is due to the implementation of the Master Systems Plan, which was a once-off allocation and expenditure.

The substantial increase in the Capacity Building sub-programme from 2003/04 to 2004/05 is due to the fact that the Legal Services and Secretariat components were moved from Programme 1: Administration to the Capacity Building sub-programme, which also accounts for the rise in *Compensation of employees* over the same period. The substantial increase in this sub-programme from 2005/06 to 2006/07 relates to the additional funding in respect of Housing Development Plans and the Training of Housing Consumers. The declining trend in this sub-programme's allocation over the MTEF period is a result of the department anticipating that the backlog in terms of training housing consumers will be addressed. This also accounts for the trends in *Goods and services*.

The decreasing trend against *Machinery and equipment* over the MTEF period is due to the anticipated conclusion of certain IT projects.

Service delivery measures

Table 8.13 below reflects the main service delivery measures pertaining to Programme 2. The service delivery measures are aligned to the new strategic direction of the department.

Table 8.13 Service delivery measures – Programme 2: Housing Planning and Development

Output type	Performance measures	Performance targets	
		2005/06 Est. Actual	2006/07 Estimate
Subsidy Programme			
1. Participation on Municipal Housing Forum	• Number of Housing Development Plans reviewed	10	27
	• Number of Housing Development Plans completed	8	26
	• Number of Integrated Development Plans reviewed (Housing chapter)	61	61
2. Identify Municipal Housing needs	• No of training programmes developed	2	5
	• No. of BEE and SMME's trained in Housing delivery	24	50
	• No of Housing consumers trained	10,000	15,000
	• No of Municipalities with dedicated housing components established and managed	6	50
	• No of Municipalities accredited	1	10

6.3 Programme 3: Project Management

The programme consists of a five sub-programmes, namely Project Management, Housing Subsidy Administration, Social and Economic Amenities, Contract and Land/Legal Administration and Monitoring and Evaluation.

Programme 3: Project Management provides for various housing subsidies. The housing subsidy instruments implemented by the department are:

- Individual;
- Project linked (rural housing, Greenfields projects and farm worker projects);
- Social and Economic Amenities;
- Institutional;
- Relocation;
- Disaster Management; and
- Savings Linked.

The main objective of Programme 3 is to promote an effective and efficient housing delivery programme. The bulk of the programme allocation is made up of the Housing Subsidy Grant, which is reflected under the economic category *Transfers and subsidies to: Households*.

Tables 8.14 and 8.15 below illustrate a summary of payments and estimates for this programme, for the period 2002/03 through 2008/09.

Table 8.14: Summary of payments and estimates - Programme 3: Project Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
Project Management	2,675	2,696	5,431	5,147	4,747	4,747	5,817	6,108	6,413
Housing Subsidy Administration	587,173	746,780	648,633	654,794	614,540	614,540	846,897	1,098,985	1,231,176
Social and Economic Amenities	-	-	-	5,865	5,865	5,865	6,197	6,507	6,507
Contract and Land/Legal Administration	1,380	1,611	1,065	3,516	3,516	3,516	3,544	3,721	3,919
Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
Total	591,228	751,087	655,129	669,322	628,668	628,668	862,455	1,115,321	1,248,015

Table 8.15: Summary of payments and estimates by economic classification - Prog. 3: Project Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2005/06	2006/07	2007/08
Current payments	24,695	29,180	51,639	37,487	36,714	36,714	44,337	46,424	49,617
Compensation of employees	18,476	24,738	24,095	30,247	28,504	28,504	36,564	38,273	40,148
Goods and services	6,219	4,442	27,544	7,240	8,210	8,210	7,773	8,151	9,469
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	565,856	721,305	602,888	630,290	590,409	590,409	816,059	1,066,587	1,195,932
Local government	25	44	-	689	133	133	33	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	565,831	721,261	602,888	629,601	590,276	590,276	816,026	1,066,587	1,195,932
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	677	602	602	1,545	1,545	1,545	2,059	2,310	2,466
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	677	602	602	1,545	1,545	1,545	2,059	2,310	2,466
Other	-	-	-	-	-	-	-	-	-
Total	591,228	751,087	655,129	669,322	628,668	628,668	862,455	1,115,321	1,248,015

The substantial increase against Programme 3 over the MTEF period can be attributed to an increase in the allocation received for the Housing Subsidy conditional grant, as mentioned under Section 5.2. There is a considerable increase in the expenditure for the sub-programme: Housing Subsidy Administration and the category *Transfers and subsidies to: Households* from 2002/03 to 2003/04, primarily due to a roll-over of unspent funds from 2002/03. Over the MTEF period, expenditure for this sub-programme rises substantially owing to the increase in conditional grants.

A large decrease in expenditure is evident in the sub-programme: Contract and Land/Legal Administration from 2003/04 to the 2004/05 financial year, which relates to the departmental structure change in 2003/04, causing personnel for this sub-programme to be linked to the Project Management sub-programme.

The category *Compensation of employees* illustrates an increasing trend over the MTEF period as a result of the appointment of additional support staff to implement the housing programmes.

The sharp increase in the category *Goods and services* from 2003/04 to 2004/05 is due to once-off expenditure for Disaster Management. The notable increase in *Machinery and equipment* from the 2004/05 financial year to 2005/06 is due to the purchase of additional computer equipment, as well as replacing of obsolete computers.

Service delivery measures

Table 8.16 below illustrates the main service delivery measures pertaining to Programme 3.

Table 8.16 Service delivery measures – Programme 3: Project Management

Output type	Performance measures	Performance targets	
		2005/06	2006/07
		Est. Actual	Estimate
1. Housing Delivery	• Total no of projects approved in terms of Provincial Housing Development Plan	45	50
	• Informal Settlement upgrade/Slum clearance projects approved	8	20
	• No of rural projects approved	32	12
	• No of Greenfields projects approved	2	7
	• No of farm worker projects approved	0	3
	• No of Rental Housing projects approved	0	4
	• No of AIDS housing projects approved	3	4
	• No of subsidies approved:	25,000	33,000
	- R0 - R3 500	-	28,000
	- R3 501 - R7 000	-	5,000
	• No of houses built in terms of project development programme	21,000	30,000
	• No of services completed	20,000	35,000
	• % of compliance with the norms and standards	100%	100%
2. Project initiation and facilitation of new projects	No of subsidies	20,000	22,000
3. Human Settlement Redevelopment Programme	No of projects completed	48	-
4. Provision of Social & Economic Amenities	No of projects implemented	2	4

6.4 Programme 4: Urban Renewal and Human Settlement Redevelopment

Human Settlement Redevelopment was funded as a national conditional grant. The adjusted budget in 2004/05 is substantially higher than the outer years, as it includes a roll-over of unspent funds from the 2003/04 financial year. This programme has been incorporated in the Housing Subsidy Grant under Programme 3: Project Management.

Tables 8.17 and 8.18 below illustrate a summary of payments and estimates for this programme.

Table 8.17: Summary of payments and estimates - Programme 4: Urban Renewal and Human Settlement Redevelopment

R000	Outcome			Main Budget	Adjusted Budget 2005/06	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
	Flood relief	712	1,487				-	-	-
Human Settlement Redevelopment	19,611	15,703	67,129	16,193	-	-	-	-	
Total	20,323	17,190	67,129	16,193	-	-	-	-	

Table 8.18: Summary of payments and estimates by economic classification - Prog. 4: Urban Renewal & Human Settlement Redev.

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2005/06	2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05							
Current payments	20,323	17,190	67,129	16,193	-	-	-	-	-	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	20,323	17,190	67,129	16,193	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-	
Local government	-	-	-	-	-	-	-	-	-	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Payments for capital assets	-	-	-	-	-	-	-	-	-	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Total	20,323	17,190	67,129	16,193	-	-	-	-	-	

6.5 Programme 5: Property Management

The mandate of Programme 5 is to manage all the ex-Natal Provincial Administration and Own Affairs stock, as well as to implement the Hostels Redevelopment Programme. Property Management includes residential properties, vacant land, commercial and a variety of other non-residential properties. In terms of its mandate, all properties will, on a progressive basis, either be transferred to individual private persons in terms of the Discount Benefit Scheme, or will be disposed of on the open market in terms of the Capital Subsidy Scheme. The devolution of properties to municipalities is another method of disposing of these properties. In instances where it is not possible to transfer ownership, such properties will remain as rental stock, and provision is made for the maintenance thereof.

This programme is also responsible for providing administrative and technical support to the KwaZulu-Natal Rental Housing Tribunal.

The current sub-programmes have been redefined in response to the new national strategy document of BNG. Programme 5 consists of four sub-programmes, namely Asset Management, Rental Tribunal, Social and Communal Housing and Extended Discount Benefit Scheme. The main aims of the sub-programmes are as follows:

- To provide administrative service in respect of assets;
- To provide for the maintenance of housing assets;
- To provide for the transfer of housing assets to municipalities;
- To manage the sale of assets;
- To promote ownership of state financed housing;
- To manage the upgrading of public sector hostels;
- To promote the creation of rental accommodation for middle to lower income earners; and
- To provide administrative and technical assistance to the Rental Housing Tribunal.

Tables 8.19 and 8.20 below, provide a summary of payments and estimates pertaining to Programme 5, from 2002/03 to 2008/09.

Table 8.19: Summary of payments and estimates - Programme 5: Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2005/06	2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05							
Assets Management	204,390	190,681	173,707	172,646	149,291	149,291	176,491	185,316	189,184	
Rental Tribunal	-	-	4,198	5,898	5,898	5,898	6,193	6,503	6,893	
Social and Communal Housing	40,707	57,298	11,701	-	67,069	67,069	73,217	76,894	76,984	
Extended Discount Benefit	352	545	380	32,889	29,889	29,889	34,751	36,488	36,488	
Total	245,449	248,524	189,986	211,433	252,147	252,147	290,652	305,201	309,549	

Table 8.20: Summary of payments and estimates by economic classification - Programme 5: Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Current payments	55,216	57,104	51,643	55,464	50,920	50,920	57,653	60,598	64,902
Compensation of employees	53,626	54,186	48,435	50,118	48,782	48,782	54,437	56,455	59,291
Goods and services	1,590	2,918	3,208	5,346	2,138	2,138	3,216	4,143	5,611
Other	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	189,489	191,099	138,204	155,029	200,287	200,287	232,394	243,968	243,968
Local government	33	55	-	1,164	174	174	44	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	189,456	191,044	138,204	153,865	200,113	200,113	232,350	243,968	243,968
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	744	321	139	940	940	940	605	635	679
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	744	321	139	940	940	940	605	635	679
Other	-	-	-	-	-	-	-	-	-
Total	245,449	248,524	189,986	211,433	252,147	252,147	290,652	305,201	309,549

The allocation against the sub-programme: Assets Management decreased in 2004/05, as a result of the inclusion of a roll-over in the 2003/04 financial year. The decrease in the 2005/06 adjusted budget relates to the reprioritisation of funds from this programme to Programme 3: Project Management.

A large decrease in the sub-programme: Social and Communal Housing from the 2003/04 to 2004/05 financial years, is due to funds being re-allocated to Programme 3: Project Management for disaster management. There is no allocation against the 2005/06 main budget, due to the fact that this sub-programme was newly created during the Adjustments Estimate. Prior to the approval of the new programme structure, the budget was included in the Assets Management sub-programme. The funding for this sub-programme increases over the MTEF period, as a result of the additional funding allocation in respect of the capacitation of housing stakeholders, as mentioned in Section 5.2.

The allocation for the sub-programme: Extended Discount Benefit increases substantially from 2005/06 onwards, due to the fact that, expenditure from this sub-programme was previously included in the Assets Management sub-programme, prior to the programme structure change in 2005/06. Note therefore that, although expenditure is reflected in this sub-programme from 2002/03 to 2004/05, this is corrected from 2005/06 onward.

The allocation reflected against the category *Compensation of employees* shows a decrease from the 2003/04 to the 2004/05 financial year because of the movement of the Municipal Housing Support sub-programme to Programme 3: Project Management.

Goods and services decreased in the 2005/06 adjusted budget due to reprioritisation of funds towards disaster management. The decline in expenditure for the 2003/04 to the 2004/05 financial year in the category *Transfers and subsidies to: Households* is due to no roll-overs received in 2004/05. The increase over the MTEF is due to an increase in allocation received for the Housing Subsidy Grant, as explained in Section 6.3.

The increase in *Machinery and equipment* from 2004/05 to 2005/06 relates to the purchase of additional computer equipment and the replacement of obsolete equipment.

Service delivery measures

Table 8.21 below illustrates the main service delivery measures pertaining to Programme 5.

The key measures to overcome the constraints and challenges outlined under the sub-programmes are discussed under the programme summary.

Table 8.21 Service delivery measures – Programme 5: Property Management

Output type	Performance measures	Performance targets	
		2005\06	2006\07
		Est. Act	Estimate
1. To provide maintenance of lease of units	No of housing units maintained	6,000	6,000
2. To upgrade public sector hostels	• No of business plans approved	3	5
	• No of ad-hoc complaints for maintenance reflected as a percentage	90	75
	• Complete database of residents	-	3
3. Management of lease and sale of units	• No of subsidies in terms of the discount benefit scheme	7000	10000
	• No of sites disposed (as a percentage of total)	5	20
	• No of units non residential units disposed (as a percentage of total)	0	20
4. Transfer of assets to local authorities	No of units transferred	-	1000
5. Rental Tribunal Administration	• No of functional offices created	2	5
	• No of dispute cases resolved	1200	1200

7. Other programme information

7.1 Personnel numbers and costs

Table 8.22 below reflects personnel information per programme.

Table 8.22: Personnel numbers and costs per programme

Personnel numbers	As at	As at	As at	As at	As at	As at	As at
	31 March 2002	31 March 2003	31 March 2004	31 March 2005	31 March 2006	31 March 2007	31 March 2008
1. Administration	306	307	306	323	323	323	323
2. Housing Planning and Development	51	52	51	45	45	45	45
3. Project Management	192	193	214	218	219	219	219
4. Urban Renewal & Human Settlement Redevelopment	-	1	-	1	-	-	-
5. Property Management	910	911	887	1,024	1,024	1,024	1,024
Total	1,459	1,464	1,458	1,611	1,611	1,611	1,611
Total personnel cost (R000)	99,605	95,389	111,361	112,854	123,542	139,120	147,093
Unit cost (R000)	68	65	76	70	77	86	91

Table 8.23 below reflects the personnel numbers and costs for the department. The consistent increase in the *Compensation of employees* expenditure from 2002/03 through 2008/09 is mainly due to annual adjustments in conditions of service.

Table 8.23: Details of personnel numbers and costs

	Audited 2002/03	Audited 2003/04	Audited 2004/05	Main	Adjusted	Estimated	Medium-		
				2005/06	2005/06	2005/06	2006/07	2007/08	2008/09
Total for department									
Personnel numbers (head count)	1,464	1,458	1,611	1,618	1,611	1,611	1,611	1,611	1,611
Personnel cost (R'000)	95,389	111,361	112,854	127,590	123,542	123,542	139,120	147,093	154,349
Human resources component									
Personnel numbers (head count)	38	52	54	54	54	54	54	54	54
Personnel cost (R'000)	1,879	4,330	5,281	6,536	7,311	7,311	7,455	8,178	8,573
Head count as % of total for department	2.60	3.57	3.35	3.34	3.35	3.35	3.35	3.35	3.35
Personnel cost as % of total for department	1.97	3.89	4.68	5.12	5.92	5.92	5.36	5.56	5.55
Finance component									
Personnel numbers (head count)	56	57	62	62	63	63	68	68	68
Personnel cost (R'000)	2,819	4,839	5,868	7,305	7,695	7,695	8,240	9,038	9,475
Head count as % of total for department	3.83	3.91	3.85	3.83	3.91	3.91	4.22	4.22	4.22
Personnel cost as % of total for department	2.96	4.35	5.20	5.73	6.23	6.23	5.92	6.14	6.14
Full time workers									
Personnel numbers (head count)	1,457	1,449	1,604	1,611	1,604	1,604	1,604	1,604	1,604
Personnel cost (R'000)	94,231	110,047	111,572	126,219	122,171	122,171	137,680	145,581	152,761
Head count as % of total for department	99.52	99.38	99.57	99.57	99.57	99.57	99.57	99.57	99.57
Personnel cost as % of total for department	98.79	98.82	98.86	98.93	98.89	98.89	98.96	98.97	98.97
Part-time workers									
Personnel numbers (head count)	-	-	-	-	-	-	-	-	-
Personnel cost (R'000)	-	-	-	-	-	-	-	-	-
Head count as % of total for department	-	-	-	-	-	-	-	-	-
Personnel cost as % of total for department	-	-	-	-	-	-	-	-	-
Contract workers									
Personnel numbers (head count)	7	9	7	7	7	7	7	7	7
Personnel cost (R'000)	1,158	1,314	1,282	1,371	1,371	1,371	1,440	1,512	1,588
Head count as % of total for department	0.48	0.62	0.43	0.43	0.43	0.43	0.43	0.43	0.43
Personnel cost as % of total for department	1.21	1.18	1.14	1.07	1.11	1.11	1.04	1.03	1.03

7.2 Training

Table 8.24 provides for actual and estimated expenditure on training for the period 2002/03 to 2005/06 and budgeted expenditure for the period 2006/07 to 2008/09.

The allocation for general training for the department has been centralised under Programme 1: Administration. Specialised training programmes for Programme 2: Housing, Planning and Development and Programme 3: Project Management were budgeted for under the respective programmes.

Table 8.24: Expenditure on training

R000	Outcome			Main	Adjusted	Estimated	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05	Budget	Budget	actual	2006/07	2007/08	2008/09
1. Administration	235	298	681	2,000	1,420	1,420	2,200	2,000	2,150
2. Housing Planning and Development	-	298	1,998	1,200	-	1,200	1,547	1,101	1,807
3. Project Management	-	-	28	278	-	-	319	319	319
4. Urban Renewal & Human Settlement Redevelopment	-	-	-	-	-	-	-	-	-
5. Property Management	-	-	-	-	-	-	-	-	-
Total	235	596	2,707	3,478	1,420	2,620	4,066	3,420	4,276

7.3 Changes to programme structures

The programme structure of the department has been amended to fall in line with the strategic objectives of the department, as illustrated in table 8.25 below.

Table 8.25: Reconciliation of structural changes to Vote 8: Housing

2005/06 Structure		2006/07 Structure	
Programme	Sub-programme	Programme	Sub-programme
Administration	1.1 Office of the MEC 1.2 Corporate Services	Administration	1.1 Office of the HOD 1.2 Risk management and Advisory Services 1.3 Communication 1.4 Corporate Services 1.5 Financial Management
Housing Planning & Research	2.1 Administration 2.2 Policy 2.3 Planning 2.4 Research 2.5 Municipal Support	Housing Planning & Development	2.1 Administrative Support 2.2 Product Development 2.3 Planning 2.4 Capacity Building
Housing Sector Performance/ Subsidy Programmes	3.1 Subsidy Administration 3.2 Individual 3.3 Project linked 3.4 PHP 3.5 Consolidation 3.6 Institutional 3.7 Hostels 3.8 Relocation 3.9 Disaster Management/ Emergency 3.10 Rural Housing Stock 3.11 Savings Linked	Project Management	3.1 Project Management 3.2 Housing Subsidy Administration 3.3 Social and Economic Amenities 3.4 Contract and Land/ Legal Admin 3.5 Monitoring and Evaluation
Urban Renewal and Human Settlement Redevelopment	4.1 Administration 4.2 Urban renewal 4.3 Human Settlement	Urban Renewal and Human Settlement	4.1 Human Settlement Redevelopment
Housing Asset Management	5.1 Administration 5.2 Maintenance 5.3 Transfer of Rental Stock 5.4 Sale of Rental Stock 5.5 Management of Rental Stock 5.6 Devolution of Rental Stock 5.7 Rental Tribunal 5.8 Management of Assets 5.9 Land Administration	Property Management	5.1 Assets Management 5.2 Rental Tribunal Support 5.3 Social and Communal Housing 5.4 Extended Discount Benefit

ANNEXURE TO VOTE 8 – HOUSING

Table 8.A: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
				2005/06					
Tax receipts	-	-	-	-	-	-	-	-	
Casino taxes									
Motor vehicle licenses									
Horsing									
Other taxes									
Non-tax receipts	1,202	620	944	1,193	1,193	1,193	500	550	600
Sale of goods and services other than capital asset	1,202	620	944	1,099	1,099	1,099	406	446	486
Sales of goods and services produced by dept.	1,202	620	944	1,099	1,099	1,099	406	446	486
Sales by market establishments									
Administrative fees									
Other sales	1,202	620	944	1,099	1,099	1,099	406	446	486
Of which									
Commission Insurance	1,202	620	944	200	200	200	200	220	240
House Debtors admin fee	-	-	-	160	160	160	160	170	180
Rental Parking open, Boarding Serv Staff	-	-	-	739	739	739	46	56	66
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	-	-	-	94	94	94	94	104	114
Interest	-	-	-	94	94	94	94	104	114
Dividends									
Rent on land									
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
Sales of capital assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets									
Other capital assets									
Financial transactions									
Total	1,202	620	944	1,193	1,193	1,193	500	550	600

Table 8.B: Details of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05				2005/06		
Current payments	153,582	165,001	240,830	176,613	155,097	155,097	196,123	202,251	213,239
Compensation of employees	95,389	111,361	112,854	127,590	123,542	123,542	139,120	147,093	154,349
Salaries and wages	87,076	100,940	96,579	103,681	106,021	106,021	117,174	124,466	128,217
Social contributions	8,313	10,421	16,275	23,909	17,521	17,521	21,946	22,627	26,132
Goods and services	58,193	53,640	127,976	49,023	31,555	31,555	57,003	55,158	58,890
<i>of which</i>									
Consultant fees	-	-	3,026	4,000	3,050	3,050	3,300	3,715	3,737
Audit and contractor fees	-	-	2,101	3,000	3,000	3,000	3,800	3,000	3,000
IT expenditure	-	-	1,104	2,410	3,369	3,369	1,346	2,039	2,035
Maintenance	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	755,482	912,491	741,564	785,523	790,906	790,906	1,048,505	1,310,555	1,439,900
Local government	75	186	113	2,057	517	517	129	-	-
Municipalities	75	186	113	2,057	517	517	129	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>	-	-	-	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	755,407	912,305	741,451	783,466	790,389	790,389	1,048,376	1,310,555	1,439,900
Social benefits	120	-	359	-	324	324	-	-	-
Other transfers to households	755,287	912,305	741,092	783,466	790,065	790,065	1,048,376	1,310,555	1,439,900
Payments for capital assets	4,115	3,621	5,684	7,744	7,744	7,744	7,505	8,044	7,963
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	4,115	3,621	5,684	7,744	7,744	7,744	7,505	8,044	7,963
Transport equipment	462	-	-	1,000	1,000	1,000	1,000	1,500	1,500
Other machinery and equipment	3,653	3,621	5,684	6,744	6,744	6,744	6,505	6,544	6,463
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	913,179	1,081,113	988,078	969,880	953,747	953,747	1,252,133	1,520,850	1,661,102

Table 8.C: Details of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	44,314	52,842	55,309	53,268	54,262	54,262	72,331	75,937	81,242
Compensation of employees	15,659	25,470	29,340	38,446	38,477	38,477	39,238	43,040	45,119
Salaries and wages	13,154	21,520	24,718	30,743	31,477	31,477	32,713	36,234	38,313
Social contributions	2,505	3,950	4,622	7,703	7,000	7,000	6,525	6,806	6,806
Goods and services	28,655	27,372	25,969	14,822	15,785	15,785	33,093	32,897	36,123
<i>of which</i>									
Consultant fees	-	-	2,930	3,000	2,800	2,800	3,000	3,400	3,400
Audit and contractor fees	-	-	2,101	3,000	3,000	3,000	3,800	3,000	3,000
IT expenditure	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	122	72	410	10	16	16	4	-	-
Local government	2	72	84	10	16	16	4	-	-
Municipalities	2	72	84	10	16	16	4	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	120	-	326	-	-	-	-	-	-
Social benefits	120	-	326	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	1,543	871	3,341	2,700	2,700	2,700	2,700	2,850	2,850
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1,543	871	3,341	2,700	2,700	2,700	2,700	2,850	2,850
Transport equipment	462	-	-	1,000	1,000	1,000	1,000	1,500	1,500
Other machinery and equipment	1,081	871	3,341	1,700	1,700	1,700	1,700	1,350	1,350
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	45,979	53,785	59,060	55,978	56,978	56,978	75,035	78,787	84,092

Table 8.D: Details of payments and estimates by economic classification - Programme 2: Housing Planning and Research

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	9,034	8,685	15,110	14,201	13,201	13,201	21,802	19,292	17,478
Compensation of employees	7,628	6,967	10,984	8,779	7,779	7,779	8,881	9,325	9,791
Salaries and wages	6,780	6,107	10,239	7,350	6,391	6,391	7,217	7,578	7,957
Social contributions	848	860	745	1,429	1,388	1,388	1,664	1,747	1,834
Goods and services	1,406	1,718	4,126	5,422	5,422	5,422	12,921	9,967	7,687
<i>of which</i>									
Consultant fees	-	-	96	1,000	250	250	300	315	337
Audit and contractor fees									
IT expenditure	-	-	1,104	2,410	3,369	3,369	1,346	2,039	2,035
Maintenance									
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	15	15	62	194	194	194	48	-	-
Local government	15	15	29	194	194	194	48	-	-
Municipalities	15	15	29	194	194	194	48	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>									
<i>Other transfers</i>									
Private enterprises	-	-	-	-	-	-	-	-	-
<i>Subsidies on production</i>									
<i>Other transfers</i>									
Foreign governments and international organisations									
Non-profit institutions									
Households	-	-	33	-	-	-	-	-	-
Social benefits	-	-	33	-	-	-	-	-	-
Other transfers to households									
Payments for capital assets	1,151	1,827	1,602	2,559	2,559	2,559	2,141	2,249	1,968
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1,151	1,827	1,602	2,559	2,559	2,559	2,141	2,249	1,968
Transport equipment									
Other machinery and equipment	1,151	1,827	1,602	2,559	2,559	2,559	2,141	2,249	1,968
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	10,200	10,527	16,774	16,954	15,954	15,954	23,991	21,541	19,446

Table 8.E: Details of payments and estimates by economic classification - Programme 3: Project Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
	24,695	29,180	51,639	37,487	36,714	36,714	44,337	46,424	49,617
Current payments	18,476	24,738	24,095	30,247	28,504	28,504	36,564	38,273	40,148
Compensation of employees									
Salaries and wages	15,595	21,280	20,995	24,827	26,395	26,395	30,874	32,298	31,160
Social contributions	2,881	3,458	3,100	5,420	2,109	2,109	5,690	5,975	8,988
Goods and services	6,219	4,442	27,544	7,240	8,210	8,210	7,773	8,151	9,469
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	565,856	721,305	602,888	630,290	590,409	590,409	816,059	1,066,587	1,195,932
Local government	25	44	-	689	133	133	33	-	-
Municipalities	25	44	-	689	133	133	33	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	565,831	721,261	602,888	629,601	590,276	590,276	816,026	1,066,587	1,195,932
Social benefits	-	-	-	-	76	76	-	-	-
Other transfers to households	565,831	721,261	602,888	629,601	590,200	590,200	816,026	1,066,587	1,195,932
Payments for capital assets	677	602	602	1,545	1,545	1,545	2,059	2,310	2,466
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	677	602	602	1,545	1,545	1,545	2,059	2,310	2,466
Transport equipment									
Other machinery and equipment	677	602	602	1,545	1,545	1,545	2,059	2,310	2,466
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	591,228	751,087	655,129	669,322	628,668	628,668	862,455	1,115,321	1,248,015

Table 8.F: Details of payments and estimates by economic classification - Prog. 4: Urban Renewal & Human Settlement Redev.

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	20,323	17,190	67,129	16,193	-	-	-	-	-
Compensation of employees	-	-	-	-	-	-	-	-	-
Salaries and wages									
Social contributions	-	-	-	-	-	-	-	-	-
Goods and services	20,323	17,190	67,129	16,193	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	-	-	-	-	-	-	-	-	-
Local government	-	-	-	-	-	-	-	-	-
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisation									
Non-profit institutions									
Households	-	-	-	-	-	-	-	-	-
Social benefits									
Other transfers to households									
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment									
Other machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	20,323	17,190	67,129	16,193	-	-	-	-	-

Table 8.G: Details of payments and estimates by economic classification - Programme 5: Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Current payments	55,216	57,104	51,643	55,464	50,920	50,920	57,653	60,598	64,902
Compensation of employees	53,626	54,186	48,435	50,118	48,782	48,782	54,437	56,455	59,291
Salaries and wages	51,547	52,033	40,627	40,761	41,758	41,758	46,370	48,356	50,787
Social contributions	2,079	2,153	7,808	9,357	7,024	7,024	8,067	8,099	8,504
Goods and services	1,590	2,918	3,208	5,346	2,138	2,138	3,216	4,143	5,611
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies to:	189,489	191,099	138,204	155,029	200,287	200,287	232,394	243,968	243,968
Local government	33	55	-	1,164	174	174	44	-	-
Municipalities	33	55	-	1,164	174	174	44	-	-
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entities receiving funds									
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production									
Other transfers									
Foreign governments and international organisations									
Non-profit institutions									
Households	189,456	191,044	138,204	153,865	200,113	200,113	232,350	243,968	243,968
Social benefits	-	-	-	-	248	248	-	-	-
Other transfers to households	189,456	191,044	138,204	153,865	199,865	199,865	232,350	243,968	243,968
Payments for capital assets	744	321	139	940	940	940	605	635	679
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	744	321	139	940	940	940	605	635	679
Transport equipment									
Other machinery and equipment	744	321	139	940	940	940	605	635	679
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	245,449	248,524	189,986	211,433	252,147	252,147	290,652	305,201	309,549

Table 8.H: Details of expense on infrastructure

Type of Infrastructure	Programme	Number of projects	Total costs	Medium-term estimates		
				2006/07	2007/08	2008/09
Capital		2,347	790,065	1,048,376	1,310,555	1,439,900
New constructions		2,347	724,065	976,376	1,234,955	1,364,300
Low cost housing	3	2,347	724,065	976,376	1,234,955	1,364,300
Rehabilitation		-	66,000	72,000	75,600	75,600
Hostels	5		66,000	72,000	75,600	75,600
Other capital projects		-	-	-	-	-
Infrastructure transfers		-	-	-	-	-
Current						
Maintenance						
Total		2,347	790,065	1,048,376	1,310,555	1,439,900

Table 8.I: Summary of transfers to municipalities

R000	Outcome			Main Budget	Adjusted Budget 2005/06	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
A eThekweni	69	171	93	1,893	497	497	124	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZ211 Vulamehlo	-	-	-	-	-	-	-	-	-
B KZ212 Umdoni	-	-	-	-	-	-	-	-	-
B KZ213 Umzumbe	-	-	-	-	-	-	-	-	-
B KZ214 uMuziwabantu	-	-	-	-	-	-	-	-	-
B KZ215 Ezingolweni	-	-	-	-	-	-	-	-	-
B KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZ221 uMshwathi	-	-	-	-	-	-	-	-	-
B KZ222 uMngeni	-	-	-	-	-	-	-	-	-
B KZ223 Mpozana	-	-	-	-	-	-	-	-	-
B KZ224 Impendle	-	-	-	-	-	-	-	-	-
B KZ225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZ226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZ227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality	-	-	-	-	-	-	-	-	-
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B KZ233 Indaka	-	-	-	-	-	-	-	-	-
B KZ234 Umtshezi	-	-	-	-	-	-	-	-	-
B KZ235 Okhahlamba	-	-	-	-	-	-	-	-	-
B KZ236 Imbabazane	-	-	-	-	-	-	-	-	-
C DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZ241 Endumeni	-	-	-	-	-	-	-	-	-
B KZ242 Nquthu	-	-	-	-	-	-	-	-	-
B KZ244 Usinga	-	-	-	-	-	-	-	-	-
B KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZ252 Newcastle	-	-	-	-	-	-	-	-	-
B KZ253 Utrecht	-	-	-	-	-	-	-	-	-
B KZ254 Dannhauser	-	-	-	-	-	-	-	-	-
C DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities	6	15	20	164	20	20	5	-	-
B KZ261 eDumbe	-	-	-	-	-	-	-	-	-
B KZ262 uPhongolo	-	-	-	-	-	-	-	-	-
B KZ263 Abaqulusi	-	-	-	-	-	-	-	-	-
B KZ265 Nongoma	6	15	20	164	20	20	5	-	-
B KZ266 Ulundi	-	-	-	-	-	-	-	-	-
C DC26 Zululand District Municipality	-	-	-	-	-	-	-	-	-
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZ271 Umhlabyalingana	-	-	-	-	-	-	-	-	-
B KZ272 Jozini	-	-	-	-	-	-	-	-	-
B KZ273 The Big 5 False Bay	-	-	-	-	-	-	-	-	-
B KZ274 Hlabisa	-	-	-	-	-	-	-	-	-
B KZ275 Mtubatuba	-	-	-	-	-	-	-	-	-
C DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZ281 Mbonambi	-	-	-	-	-	-	-	-	-
B KZ282 uMhlatuze	-	-	-	-	-	-	-	-	-
B KZ283 Ntambana	-	-	-	-	-	-	-	-	-
B KZ284 Umlalazi	-	-	-	-	-	-	-	-	-
B KZ285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B KZ286 Nkandla	-	-	-	-	-	-	-	-	-
C DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZ291 eNdongakusuka	-	-	-	-	-	-	-	-	-
B KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B KZ293 Ndwedwe	-	-	-	-	-	-	-	-	-
B KZ294 Maphumulo	-	-	-	-	-	-	-	-	-
C DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZ5a1 Ingwe	-	-	-	-	-	-	-	-	-
B KZ5a2 Kwa Sani	-	-	-	-	-	-	-	-	-
B KZ5a3 Matatiele	-	-	-	-	-	-	-	-	-
B KZ5a4 Kokstad	-	-	-	-	-	-	-	-	-
B KZ5a5 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
C DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated/unclassified	-	-	-	-	-	-	-	-	-
Total	75	186	113	2,057	517	517	129	-	-

Table 8.J: Transfers to municipalities - Regional Service Council Levy

R000	Outcome			Main Budget	Adjusted Budget 2005/06	Estimated actual	Medium-term estimates		
	Audited 2002/03	Audited 2003/04	Audited 2004/05				2006/07	2007/08	2008/09
A eThekweni	69	171	93	1,893	497	497	124	-	-
Total: Ugu Municipalities	-	-	-	-	-	-	-	-	-
B KZ211 Vulamehlo									
B KZ212 Umdoni									
B KZ213 Umzumbe									
B KZ214 uMuziwabantu									
B KZ215 Ezingolweni									
B KZ216 Hibiscus Coast									
C DC21 Ugu District Municipality									
Total: uMgungundlovu Municipalities	-	-	-	-	-	-	-	-	-
B KZ221 uMshwathi									
B KZ222 uMngeni									
B KZ223 Mpošana									
B KZ224 Impendle									
B KZ225 Msunduzi									
B KZ226 Mkhambathini									
B KZ227 Richmond									
C DC22 uMgungundlovu District Municipality									
Total: Uthukela Municipalities	-	-	-	-	-	-	-	-	-
B KZ232 Emnambithi/Ladysmith									
B KZ233 Indaka									
B KZ234 Umtshezi									
B KZ235 Okhahlamba									
B KZ236 Imbabazane									
C DC23 Uthukela District Municipality									
Total: Umzinyathi Municipalities	-	-	-	-	-	-	-	-	-
B KZ241 Endumeni									
B KZ242 Nquthu									
B KZ244 Usinga									
B KZ245 Umvoti									
C DC24 Umzinyathi District Municipality									
Total: Amajuba Municipalities	-	-	-	-	-	-	-	-	-
B KZ252 Newcastle									
B KZ253 Utrecht									
B KZ254 Dannhauser									
C DC25 Amajuba District Municipality									
Total: Zululand Municipalities	6	15	20	164	20	20	5	-	-
B KZ261 eDumbe									
B KZ262 uPhongolo									
B KZ263 Abaqulusi									
B KZ265 Nongoma	6	15	20	164	20	20	5	-	-
B KZ266 Ulundi									
C DC26 Zululand District Municipality									
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZ271 Umhlabuyalingana									
B KZ272 Jozini									
B KZ273 The Big 5 False Bay									
B KZ274 Hlabisa									
B KZ275 Mtubatuba									
C DC27 Umkhanyakude District Municipality									
Total: uThungulu Municipalities	-	-	-	-	-	-	-	-	-
B KZ281 Mbonambi									
B KZ282 uMhlathuze									
B KZ283 Ntambanana									
B KZ284 Umlalazi									
B KZ285 Mthonjaneni									
B KZ286 Nkandla									
C DC28 uThungulu District Municipality									
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZ291 eNdongakusuka									
B KZ292 KwaDukuza									
B KZ293 Ndwedwe									
B KZ294 Maphumulo									
C DC29 Ilembe District Municipality									
Total: Sisonke Municipalities	-	-	-	-	-	-	-	-	-
B KZ5a1 Ingwe									
B KZ5a2 Kwa Sani									
B KZ5a3 Matatiele									
B KZ5a4 Kokstad									
B KZ5a5 Ubuhlebezwe									
C DC43 Sisonke District Municipality									
Unclassified	-	-	-	-	-	-	-	-	-
Total	75	186	113	2,057	517	517	129	-	-