

VOTE 8

Housing

Operational budget	R 1 520 850 000
MEC remuneration	Nil
Total amount to be appropriated	R 1 520 850 000
Responsible MEC	Mr M Mabuyakhulu, MEC for Local Government, Housing and Traditional Affairs
Administrating department	Housing
Accounting officer	Head: Housing

1. Overview

Vision

The vision of the KwaZulu-Natal Department of Housing is: *Enabling all people to house themselves by engaging various institutions and stakeholders in the provision of a conducive and enabling environment.*

Mission

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

Strategic objectives

The strategic objectives set by the department are to:

- Eradicate slums in KwaZulu-Natal by 2014;
- Strengthen governance and service delivery;
- Ensure job creation through housing delivery;
- Accelerate housing delivery in rural areas;
- Accelerate the Hostels Redevelopment and Upgrade Programme;
- Complete all blocked projects by 2007;
- Create rental/social housing opportunities;
- Build the capacity of housing stakeholders (especially municipalities);
- Promote home-ownership;
- Provide housing for vulnerable groups including those affected by HIV and AIDS;
- Ensure the provision of incremental housing; and
- Implement a Financial Services Market Programme.

Core functions

The following core functions have been identified as key for the attainment of the strategic objectives:

- 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 provide legal advice on land and environmental issues;
- To rehabilitate existing houses for victims affected by political unrest and correct the previous dysfunctions of the Housing Resettlement Programme;
- To administer and co-ordinate the Hostels Redevelopment and Upgrade Programme; and
- To administer the clearance of slums in the Province of KwaZulu-Natal.

Legislative mandates

In 2006, the department performed a review of its 2005 – 2010 Five Year Strategic Plan, referred to hereafter as the Strategic Review. The Strategic Review focused on the analysis of environmental, political, social and economic factors, with the focal point being to identify challenges and lessons learnt, with particular attention paid to the department's current and historical performance. In addition, the review process included an analysis of changes in policy, mandates, priorities and prescripts. Overall, the Strategic Review ensures that the department identifies critical areas of intervention in the 2007/08 MTEF period, and addresses them accordingly and timeously.

The review confirmed all existing mandates and policies of the department. However, the incorporation of the following emerging mandates was recommended by the MEC, HOD, and senior managers:

- ASGISA: The development of infrastructure has to be aligned to the determinants of growth. The new vision of the department enhances socio-economic integration among communities, with a direct objective being to eliminate the impact of past discriminatory policies and to create access for the poor to growth in general, with particular emphasis on infrastructure development.
- The KZN Traditional Leadership and Governance Act (Act No. 5 of 2005). This legislation has the potential to fast-track the release of traditional community land, through the joint efforts of traditional leaders and municipal councils.
- The KwaZulu-Natal Elimination and Prevention of Re-emergence of Slums Bill (currently tabled in the Provincial Legislature).

Other legislative mandates are listed below, as they appear in the original five-year strategic plan:

- 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), amended by Act No. 27 of 1999
- Rental Housing Act (Act No. 50 of 1999)
- 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)
- Constitutional Court judgement of 2000, on the enforceability of social and economic rights.
- KwaZulu-Natal Housing Act (Act No. 12 of 1998 as amended)
- National Building Regulations and Building Standards Act (Act No. 103 of 1977)
- Construction Industry Development Board 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 Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 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)
- Expropriation Act (1951), as repealed by Act No. 63 of 1975
- State Land Disposal Act (Act No. 48 of 1961)

2. Review of the 2006/07 financial year

Section 2 provides a review of 2006/07, outlining the main achievements and progress made by the department during the year, as well as providing a brief discussion on challenges and new developments.

Slums clearance

The department completed its assessment of informal settlements, which are classified as slums, and identified 210,721 households which require houses to be resettled. The challenge remaining is the development and roll-out of an appropriate strategy and credible programme of action, within the available funding. The strategy and programme of action must identify clear roles for all role-players, with delivery targets within the policy framework.

The South African government has set targets with clear timeframes in terms of the Millennium Development Goals (MDGs). Included in these targets, is the eradication of slums and informal settlements by 2014. In aligning itself with the MDGs, the department started to implement a number of slums clearance projects in 2006/07. The development of the following key documents is necessary for the success of this programme:

- *The slums clearance strategy*: This document outlines the approach in the clearance of slums/informal settlements in the province; and
- *The KwaZulu-Natal Elimination and Prevention of the Re-emergence of Slums Bill*: This has been developed and tabled at the Provincial Legislature for approval. The Bill will address a number of problems experienced in the clearance of slums.

Rental Housing Programme

The department is engaged in discussions with the banking sector to partner in housing delivery by providing the finances required by low income groups to acquire rental units. Several projects relating to this programme are being implemented, especially within eThekweni, some of which complement the Slums Clearance Programme.

Integration of communities

In line with the Breaking New Ground Initiative, Sustainable Human Settlements are characterised by integration and a rights-based approach to housing. The department has proved, through a number of projects undertaken in 2006/07 (including the Mount Moria project in Avoca, eThekweni), that communities can be successfully integrated. The integration of communities was a theme of the department's Annual Housing Summit, during which issues relating to inclusionary housing, as well as strategies to extend this approach, were discussed.

Housing delivery capacity within municipalities

The Strategic Review acknowledged progress made in the enhancement of municipal capacity. One of the challenges relating to the lack of housing delivery capacity in a municipal environment tends to be inadequate capacity in financial institutions, among professionals, developers and other stakeholders within a given municipal area. It is expected that the capacity building programmes of National Housing, the Flanders Government, as well as internal departmental programmes, will address this challenge.

Utilisation of opportunities presented by emerging mandates

New mandates of the department, including those of ASGISA and the KZN Traditional Leadership and Governance Act, offer the department and other stakeholders the opportunity to address bottle-necks created by policy distortions. Opportunities for synergistic partnerships between traditional leadership structures and municipal councils (in terms of the abovementioned Act) have the potential to fast track the release of land for rural housing development, and thereby improve the speed at which the department is able to deliver housing.

3. Outlook for the 2007/08 financial year

Section 3 looks at the key focus areas of 2007/08, outlining what the department is hoping to achieve during the year, as well as briefly looking at challenges and proposed new developments.

In September 2006, the department engaged with various housing stakeholders, including municipalities and housing consumers, through the Housing Summit. Previous summits tended to concentrate solely on low income housing. This summit, however, adopted a holistic view to housing. Both the public and private sectors attended, in order for them to share their projected targets in the provision of housing to low to medium income groups. In addition, challenges facing the relevant stakeholders in achieving their respective targets were discussed. The resolutions of the summit and other key issues were incorporated into the MTEF planning of the department, and the compilation of the 2007/08 MTEF budget.

Slums clearance

- 'Informal settlements' are not necessarily 'slums', unless they are characterised by slum conditions, and this accordingly calls for a review of the analysis of housing backlogs in the province;
- The department will develop and roll out a slum prevention strategy, focusing on the seven interventions adopted by the United Nations (UN) and African Ministerial Conference on Housing and Urban Development (AMCHUD);
- Slum prevention initiatives and related housing projects will be prioritised in the Housing Sector Plan for realistic fast-tracked implementation in the period leading to 2010; and
- The department will prioritise the enhancement of slum prevention capacity within municipalities, as part of its capacity building programme.

Rental Housing Programme

This area remains a priority of the department in terms of housing delivery. There is a serious shortage of funds for this programme, considering the small portion of the total cost that the department is permitted to contribute to a rental housing project. The department has committed itself to consolidating rental

housing stock funding requirements, based on information received from Social Housing Institutions (SHIs) and municipalities, as well as lobbying for additional funding through financial institutions and the National Housing Department.

Integration of communities

This programme will remain an area of focus during 2007/08. The department's attention will be on the development of inclusionary housing models based on best practices, and these models will be used to develop a framework in support of national policy, once it is in place. The department, together with various stakeholders, will ensure the promotion of inclusionary housing, through capacity building programmes aimed at municipalities and various housing consumers.

Lack of Land Use Management capacity

The Land Use Management System refers to a municipal tool used to regulate different uses of land within a municipality. Through the use of this tool, in 2005 the scarcity of land for low-cost housing development was identified as an environmental challenge. The 2006 Strategic Review reveals that scarcity of land is symptomatic of the lack of land use management capacity (mainly due to inappropriate zoning), particularly at the local government level responsible for infrastructure investment planning.

The department has a specific responsibility to ensure that beneficiaries of state assisted low-cost housing are not located away from places of potential employment. Unfortunately, the current land use management approaches have resulted in expensive privately owned land being available closer to economic hubs, and affordable state owned land being furthest from economic opportunities.

General turn-around time in the housing delivery process

The housing delivery process is characterised by delays which can be traced back to unacceptably lengthy time lags in achieving critical milestones in the project packaging and approval process. This challenge is captured here in the context of external environmental factors. It therefore highlights the need to review and address processes that are undertaken in the securing of development rights. The existing township establishment procedures are characterised by delays which have the potential to seriously impact on the cost of delivery, thereby making it difficult for private financial institutions to play a role in the housing delivery process.

Changes in the management of municipal finances

In the past, the housing delivery process benefited from bridging finances that were provided by municipalities that could afford to do so. With the introduction of the Municipal Finance Management Act, changes have been made, added to which municipalities have become extremely prudent in the management and deployment of available funds. As a result, the provision of bridging finance is being discouraged, with negative results on the housing delivery process.

Spatial Development and Planning

The Provincial Spatial Economic Development Strategy (PSEDS) presents the department with the challenge of aligning municipal and provincial housing planning to identified nodes and corridors. This involves substantial co-ordination between spheres of government, and among provincial departments. This approach is entrenched in the National priority of 'Breaking New Ground', which requires the department to deliver sustainable human settlements, rather than housing units.

Alignment of municipal development programmes

The alignment of municipal planning between housing development, and bulk infrastructure roll-outs funded by the Municipal Infrastructure Grant (MIG), continue to present a challenge to the department. This challenge is being addressed within municipalities via the introduction of a housing chapter in the municipal IDP, and through continued emphasis at both a provincial and national level.

4. Receipts and financing

4.1 Summary of receipts and financing

Table 8.1 indicates the sources of funding for Vote 8 for the period 2003/04 to 2009/10. The department will receive a budget of R1,5 billion in 2007/08, rising to R2,1 billion in 2009/10. The 2007/08 budget is made up of the provincial allocation of R210,3 million and the Integrated Housing and Human Settlement Development conditional grant of R1,3 billion.

Table 8.1: Summary of receipts and financing

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09
Provincial allocation	157,728	160,195	170,221	203,757	202,807	202,807	210,295	221,202	242,792
Conditional grants	822,390	776,023	799,659	1,048,376	1,048,376	1,048,376	1,310,555	1,575,586	1,853,916
<i>Integrated Housing and Human Settlement Dev. Grant</i>	796,390	748,463	799,659	1,048,376	1,048,376	1,048,376	1,310,555	1,575,586	1,853,916
<i>Human Settlement Redevelopment Grant</i>	26,000	27,560	-	-	-	-	-	-	-
Total Receipts	980,118	936,218	969,880	1,252,133	1,251,183	1,251,183	1,520,850	1,796,788	2,096,708
Total payments	1,081,113	988,078	974,159	1,252,133	1,251,183	1,251,183	1,520,850	1,796,788	2,096,708
Surplus/(Deficit) before financing	(100,995)	(51,860)	(4,279)	-	-	-	-	-	-
Financing									
<i>of which</i>									
Provincial roll-overs	139,715	39,697	-	-	-	-	-	-	-
Provincial cash resources	-	-	(6,539)	-	-	-	-	-	-
Surplus/(deficit) after financing	38,720	(12,163)	(10,818)	-	-	-	-	-	-

The conditional grants reflected in the table include the Integrated Housing and Human Settlement Development grant and the Human Settlement Redevelopment grant. The Human Settlement Redevelopment grant was discontinued in 2004/05, as evidenced in the table above. The aim of the Integrated Housing and Human Settlement Development grant is to promote the provision of low income housing and essential services.

The department ended the 2003/04, 2004/05 and 2005/06 financial years with net deficits before financing. In 2003/04 and 2004/05, funds were rolled-over from 2002/03 and 2003/04, due to under-expenditure on the Integrated Housing and Human Settlement Development grant, caused by delays in the submission of business plans by municipalities, and the delay in formalising the contract with the National Home Builders Registration Council (NHBC). Owing to the roll-over of funds, the department ended the 2003/04 financial year with a net surplus after financing of R38,7 million.

The department over-spent its budget in the 2004/05 and 2005/06 financial years by R12,2 million and R10,8 million, respectively. The latter can be attributed to the increased demand for housing in the province, and the resultant pressure on the department to increase the rate of service delivery. The department is showing a balanced budget in 2006/07 and over the 2007/08 MTEF period.

4.2 Departmental receipts collection

Table 8.2 provides a summary of the receipts collected by the department. The revenue generated is mainly from internal sources, including parking fees, rental on state property, and other PERSAL deductions, including commission on insurance.

The revenue reflected against *Financial transactions* in the 2006/07 Estimated Actual relates to revenue collected in respect of departmental debt, unallocated credits, and receipts of previous years' expenditure.

Table 8.2: Details of departmental receipts

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2006/07	2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06							
Tax receipts	-	-	-	-	-	-	-	-	-	
Non-tax receipts	314	286	211	500	500	891	341	201	119	
Sale of goods and services other than capital assets	-	-	211	406	406	244	223	130	84	
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-	
Interest, dividends and rent on land	314	286	-	94	94	647	118	71	35	
Transfers received	-	-	-	-	-	-	-	-	-	
Sales of capital assets	-	-	-	-	-	-	-	-	-	
Financial transactions	306	643	678	-	-	1,261	500	550	605	
Total	620	929	889	500	500	2,152	841	751	724	

4.3 Donor funding and agency receipts

The department entered into a co-operative agreement with the Flanders Government in order to establish housing components at selected municipalities in the province. An initial pilot project was undertaken, where six municipalities in the Midlands Region were assisted. Owing to the success of this pilot project, the Flanders Government entered into a second funding arrangement with the department during 2004, whereby the department would co-fund the provision of assistance to the remaining municipalities within the province. This project was based on the premise that the remaining municipalities would receive two different levels of assistance, based on existing capacity in their respective housing components.

Table 8.3 illustrates donor funding received by the department from the Flanders Government over the period 2003/04 to 2009/10.

Table 8.3: Donor funding and agency receipt

Name of Donor Organisation				Main budget	Adjusted budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2006/07	2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06							
Donor funding	843	1,481	780	5,000	2,340	2,340	1,560	-	-	
Flanders Funding	843	1,481	780	5,000	2,340	2,340	1,560	-	-	
Agency receipt	-	-	-	-	-	-	-	-	-	
Total	843	1,481	780	5,000	2,340	2,340	1,560	-	-	

During the 2006/07 and 2007/08 financial years, the package of assistance forthcoming from the Flanders Government has been pegged at €90,179.

As the overall assistance programme to the Province of KwaZulu-Natal by the Flanders Government has changed to the provision of food security, no further funding will be forthcoming for housing from 2008/09 onwards. It will therefore be the responsibility of the department to fund any shortfalls. Treasury has, however, provided the department with an additional amount of R5 million in the 2009/10 financial year for this programme.

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 the *Annexure to Vote 8 – Housing*.

5.1 Key assumptions

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

- The budget and service delivery indicators are based on a housing subsidy similar to 2006/07, where a minimum of 30m² house is subsidised at an amount of R36,528 (R38,865 in 2007/08);

- The Department of Land Affairs will continue to budget for the procurement of land for housing developments on behalf of the department, in terms of the Service Level Agreement between the two departments;
- Adequate provision was made in order to meet the 2014 clearance of slums target;
- Human resources are the key component to achieving the desired outcomes of the department. As a result, there is a need to budget sufficiently for personnel in terms of the newly approved structure which takes into consideration the added responsibilities of the 'Breaking New Ground' concept in housing; and
- Urgent attention will be paid to the resolutions reached during the 2006 summit by the department and the various stakeholders in housing.

5.2 Additional allocation for the 2005/06 to 2007/08 MTEF

Table 8.4 shows additional funding received by the department over the three MTEF periods: 2005/06, 2006/07 and 2007/08. Note that the table reflects only the provincial additional allocations, and excludes additional allocations in respect of conditional grants.

The purpose of introducing such a table is two-fold. Firstly, it shows the quantum of additional funding allocated to the department in the past and current MTEF periods. Secondly, it indicates the policies and purposes for which the additional funding was allocated. The table serves as a reminder of the number of new priorities that are funded on an annual basis – often without the success thereof being monitored from a policy implementation perspective.

The carry-through allocations for the 2005/06 MTEF period (i.e. for the financial years 2008/09 and 2009/10) are based on the incremental percentage used in the 2006/07 MTEF and 2007/08 MTEF. A similar approach was used for the carry-through allocations for the 2006/07 MTEF period.

It is important to explain how this table should be read and interpreted. The total additional funding in any given year shows how much a department received in addition to the increases which already existed in its 2004/05 MTEF baseline. The sum of the total additional provincial allocations across the five financial years shows cumulative amounts received over and above the cumulative baseline budget for that period.

Table 8.4: Summary of additional provincial allocations for 2005/06 to 2009/10

R000	2005/06	2006/07	2007/08	2008/09	2009/10
2005/06 MTEF period	1,000	-	-	-	-
2005/06 Adj. estimates - Costs associated with revised operating structure	1,000	-	-	-	-
2006/07 MTEF period	-	22,908	20,404	18,019	19,371
Carry-through costs of 2005/06 Adjustments Estimate		4,000	4,200	4,494	4,831
Budget shortages/Structure change		10,000	10,500	11,025	11,852
Housing Development Plans		2,500	2,500	2,500	2,688
Training of Housing Stakeholders		6,408	3,204	-	-
2007/08 MTEF period	-	-	-	-	5,000
Capacity building in municipal Housing component					5,000
Total	1,000	22,908	20,404	18,019	24,371

The department revised its operating structure in the 2005/06 financial year. In this regard, the department was allocated an additional R1 million for costs associated with this structure change.

In 2006/07, the department received additional provincial allocations of R22,9 million, R20,4 million, R18 million and R19,4 million for the financial years 2006/07, 2007/08, 2008/09 and 2009/10, respectively. The bulk of this funding was allocated towards budget shortages/structure changes.

In line with the Provincial Priority of Developing Human Capability and the provincial aim to improve the governance and capacity of municipalities, the department secured funding from the Flanders

Government to establish and build capacity in Municipal Housing Components. This funding was, however, not sufficient, and an additional provincial allocation of R5 million was allocated in 2009/10 to act as top-up funding required to ensure the ongoing success of this programme.

5.3 Summary by programme and economic classification

The budget structure of Vote 8 largely conforms to the generic format prescribed for the Housing sector. The services rendered by this department have been re-categorised under four programmes, in line with the standardised programme structure for the Housing sector, and reflected in Table 8.5 below. In addition, historical figures have been restated for comparative purposes across all four programmes.

Tables 8.5 and 8.6 below provide a summary of the vote's expenditure and budgeted estimates over the MTEF period by programme and economic classification, respectively.

Table 8.5: Summary of payments and estimates by programme

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09
1. Administration	53,785	59,060	62,375	75,035	74,085	73,470	79,245	84,550	90,891
2. Housing Planning and Research	10,527	12,274	12,213	23,991	27,991	28,016	21,541	19,446	25,904
3. Housing Development Implementation	825,575	738,459	729,391	935,672	985,672	985,672	1,192,142	1,460,612	1,756,446
4. Housing Property Management	191,226	178,285	170,180	217,435	163,435	164,025	227,922	232,180	223,467
Total	1,081,113	988,078	974,159	1,252,133	1,251,183	1,251,183	1,520,850	1,796,788	2,096,708

Table 8.6: Summary of payments and estimates by economic classification

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09
Current payments	235,702	236,854	241,574	256,123	250,273	282,787	322,619	333,607	352,626
Compensation of employees	111,361	112,854	111,650	139,120	133,470	122,907	139,893	147,149	159,903
Goods and services	124,341	110,202	129,871	117,003	116,803	159,880	182,726	186,458	192,723
Other	-	13,798	53	-	-	-	-	-	-
Transfers and subsidies to:	841,790	745,540	729,232	988,505	989,405	956,891	1,190,187	1,455,218	1,735,523
Local government	113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	728,045	631,595	618,724	866,376	817,276	814,577	1,059,587	1,274,618	1,542,769
Other	-	-	-	-	-	14	-	-	-
Payments for capital assets	3,621	5,684	3,353	7,505	11,505	11,505	8,044	7,963	8,559
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,621	5,673	3,353	7,505	11,505	11,505	8,044	7,963	8,559
Other	-	11	-	-	-	-	-	-	-
Total	1,081,113	988,078	974,159	1,252,133	1,251,183	1,251,183	1,520,850	1,796,788	2,096,708

Overall, there is a steady increase in the budget over the 2007/08 MTEF period, which can be attributed to an increase in the Integrated Housing and Human Settlement Development grant allocation, resulting from the high demand for housing within the province. The low 2004/05 Audited amount relates to the roll-over of funds in the 2002/03 and 2003/04 financial years in respect of under-expenditure on the Integrated Housing and Human Settlement Development grant. The under-spending was largely due to delays in the submission of business plans from municipalities, as well as a delay in the formalisation of the NHBRC contract.

The increase against Programme 2: Housing, Planning and Research from 2005/06 to 2006/07 is largely in respect of additional funding for the training of Housing Stakeholders, which will be conducted over the 2006/07 and 2007/08 financial years. The further increase in the 2006/07 Adjusted Budget is due to a virement of R4 million for the once-off costs of implementing the Master Systems Plan, which also contributes to the decrease in 2007/08. The increase against this programme in 2009/10 is in respect of additional funding for capacity building in the Municipal Housing component.

The decline against Programme 4: Housing Property Management from 2008/09 to 2009/10 is due to the anticipated transfer of properties to municipalities and individuals, thereby reducing the expenditure in respect of maintenance and municipal rates.

The increase in *Compensation of employees* from the 2006/07 Adjusted Budget to 2007/08 and onwards is mainly attributable to the improvements in conditions of service, as well as restructuring within the department, which required provision to be made for additional posts. The decrease in the Estimated Actual in 2006/07 relates to the non-filling of vacant posts.

The decrease against *Transfers and subsidies to: Households* from the 2006/07 Main Budget to the Adjusted Budget is due to the reclassification of rates to *Transfers and subsidies to: Local government*.

The increase in the 2006/07 Adjusted Budget in *Machinery and equipment* relates to the implementation of the IT Master Systems Plan.

5.4 Summary of expenditure by district municipal area

Table 8.7 presents a summary of the department's spending within district municipal areas, excluding operational costs. It must be noted that the table below is an indication of projects that are envisaged to take place in these district municipal areas. The increases from 2007/08 onwards relate to the additional allocation received for the Integrated Housing and Human Settlement Development grant.

The delivery of housing by the department is concentrated in the eThekweni municipal area, with 46.6 per cent of the department's 2006/07 budget being allocated in this area. This can be attributed to the large influx of people migrating to the eThekweni area, in the hope of finding employment. This concentration is in line with the PSEDS, which identifies eThekweni as a Priority 1 Development Node.

Table 8.7: Summary of expenditure and estimates by district municipal area

District Municipal Area	Outcome Audited 2005/06	Estimated Actual 2006/07	Medium-term estimates		
			2007/08	2008/09	2009/10
R000					
eThekweni	408,975	488,296	588,081	741,893	868,373
Ugu	34,262	58,958	75,942	87,537	103,480
uMgungundlovu	75,784	64,139	80,526	93,179	110,152
Uthukela	42,744	57,933	79,535	91,679	108,377
Umzinyathi	21,985	45,911	63,031	72,654	85,887
Amajuba	29,242	20,095	27,588	31,799	37,591
Zululand	24,960	69,377	90,700	105,354	124,543
Umkhanyakude	36,584	46,538	63,890	73,392	86,760
uThungulu	7,385	87,332	109,896	126,675	149,748
Ilembe	4,312	73,934	90,503	104,321	123,323
Sisonke	123,030	35,863	40,863	47,103	55,682
Total	809,263	1,048,376	1,310,555	1,575,586	1,853,916

5.5 Summary of infrastructure expenditure and estimates

Table 8.8 presents a summary of infrastructure spending by category for the vote. The infrastructure budget reflected relates only to the Integrated Housing and Human Settlement Development grant. A decrease in total expenditure is evident from 2003/04 to 2004/05, due to a large roll-over of funds from the 2002/03 financial year, which exaggerated expenditure in 2003/04.

Table 8.8: Summary of infrastructure expenditure and estimates

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
Capital	912,305	741,092	809,212	1,048,376	938,026	935,315	1,135,187	1,400,218	1,691,523
New constructions	-	-	-	-	-	-	-	-	-
Rehabilitation/upgrading	55,731	60,000	66,214	72,000	-	-	-	-	-
Other capital projects	135,389	109,473	-	-	-	-	-	-	-
Infrastructure transfer	721,185	571,619	742,998	976,376	938,026	935,315	1,135,187	1,400,218	1,691,523
Current	-	-	-	-	60,350	63,061	120,368	120,368	122,393
Total	912,305	741,092	809,212	1,048,376	998,376	998,376	1,255,555	1,520,586	1,813,916

The payment of housing subsidies is classified as a *Transfers and subsidies to: Households* in terms of the New Economic Reporting Format (NERF). With regard to the provision of houses to qualifying beneficiaries, in terms of the Tripartite agreement, the department, in conjunction with the local municipality as the developer, decide on the appointment of the implementing agent (i.e. construction company). The contract between the developer and the implementing agent requires that the house be transferred and registered in the name of the qualifying beneficiary before final payment can be made. Thus, the ultimate beneficiary of the house is the qualifying beneficiary and payments are therefore classified as *Transfers and subsidies to: Households*, rather than to *Local government*.

The *Infrastructure transfer* category also includes the maintenance of rental stock and the redevelopment of hostels. From 2006/07, this classification excludes payments relating to rates for housing properties. The increase in this category from 2006/07 onwards is due to the department's emphasis on the construction of low-cost housing, hostel rehabilitation and social and economic facilities.

Expenditure on *Current* infrastructure over the MTEF period relates to maintenance and the Extended Enhanced Discount Benefit Scheme (EEDBS).

5.6 Transfers to local government

Tables 8.9 and 8.10 illustrate departmental *Transfers and subsidies to: Local government* by category and by grant type, respectively. These transfers relate to Regional Service Council Levy (RSCL), municipal rates, the Flanders Programme and the Hostels Redevelopment and Upgrade Programme.

The RSCL payments were discontinued during 2006/07. Accordingly, the department has only provided for Municipal Rates and Taxes for the eThekweni, Msunduzi, Richmond, Umtshezi, Ulundi and uMhlathuze Municipalities, as well as transfers in respect of the Flanders Programme (in 2009/10). The amount reflected as unallocated relates to the Hostels Redevelopment and Upgrade Programme. Details of these transfers are presented in the *Annexure to Vote 8 – Housing*.

Table 8.9: Summary of departmental transfers to local government by category

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Category A	102,219	92,968	84,262	104,119	132,116	102,287	101,490	150,490	155,000
Category B	11,511	20,957	26,225	18,005	18,005	18,005	19,510	19,510	19,000
Category C	15	20	21	5	8	8	-	-	-
Unallocated/unclassified	-	-	-	-	22,000	22,000	9,600	10,600	18,754
Total	113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754

Table 8.10: Summary of departmental transfers to local government by grant name

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Regional Service Council Levy	186	113	321	129	129	129	-	-	-
Hostel Redevelopment and Upgrading	55,731	60,000	66,214	72,000	122,000	122,000	75,600	125,600	148,754
Municipal Rates and Taxes	57,828	53,832	43,973	50,000	50,000	20,171	55,000	55,000	40,000
Capacity Building - Flanders Programme	-	-	-	-	-	-	-	-	4,000
Total	113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754

6. Programme description

The services rendered by this department are categorised under 4 programmes, which largely conform to the generic structure for the Housing Sector. The expenditure and budgeted estimates for each of these programmes are summarised below, details of which are presented in the *Annexure to Vote 8 – Housing*.

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 ensure that it has the necessary human resources that will drive the implementation of the various interventions. In 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 its human resources planning. The Human Resource Plan has to respond to the housing delivery challenges of the province as well as to respond to the challenges of the New Comprehensive Plan on Housing Delivery – Breaking New Ground in Housing Delivery. In addition to addressing the human resource requirements of the department, the programme will also provide for the support services as well as legal services to the various units within the department.

Tables 8.11 and 8.12 reflect information for the period 2003/04 to 2009/10. The sub-programmes were reduced from five to three in line with standardised budget structure for the housing sector.

Table 8.11: Summary of payments and estimates - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Office of the HOD	6,454	7,077	4,124	8,324	8,324	7,810	8,790	9,476	10,187
Corporate Services	27,323	30,013	37,815	35,744	35,384	35,283	38,386	41,025	44,102
Financial Management	20,008	21,970	20,436	30,967	30,377	30,377	32,069	34,049	36,602
Total	53,785	59,060	62,375	75,035	74,085	73,470	79,245	84,550	90,891

Table 8.12: Summary of payments and estimates by economic classification - Programme 1: Administration

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Current payments	52,842	55,309	60,500	72,331	70,381	70,381	76,395	81,700	87,827
Compensation of employees	25,470	29,340	32,078	39,238	39,238	32,792	42,840	44,919	48,288
Goods and services	27,372	25,788	28,392	33,093	31,143	37,589	33,555	36,781	39,539
Other	-	181	30	-	-	-	-	-	-
Transfers and subsidies to:	72	410	449	4	1,004	389	-	-	-
Local government	72	-	93	4	4	22	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	410	356	-	1,000	353	-	-	-
Other	-	-	-	-	-	14	-	-	-
Payments for capital assets	871	3,341	1,426	2,700	2,700	2,700	2,850	2,850	3,064
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	871	3,330	1,426	2,700	2,700	2,700	2,850	2,850	3,064
Other	-	11	-	-	-	-	-	-	-
Total	53,785	59,060	62,375	75,035	74,085	73,470	79,245	84,550	90,891

The overall increase in the budget over the 2007/08 MTEF period for all sub-programmes can mainly be ascribed to the increase in *Compensation of employees*, due to the revamping of the entire business unit to respond to the housing delivery challenges of the province. The decrease in expenditure against *Compensation of employees* in the 2006/07 Estimated Actual is due to the non-filling of vacant posts.

The decrease in the sub-programme: Office of the HOD in 2005/06 can be attributed to the department paying once-off consultant fees in 2004/05, against the sub-programme Corporate Services.

Goods and services shows a sharp increase in expenditure in the 2006/07 Estimated Actual, owing to once-off expenditure in respect of the payment of IT and telephonic installation for the department's Head Office in Pietermaritzburg, as well as consultant fees. The department needs to implement a plan in order to curtail the projected over-expenditure in that category. The increase in *Goods and services* over the 2007/08 MTEF, compared to the 2006/07 Adjusted Budget, is to provide for support services to enable the department to respond to the New Comprehensive Plan on Housing Delivery.

The inclusion of R1 million in the 2006/07 Adjusted Budget against *Transfers and subsidies to: Households* relates to the once-off payment of leave gratuities.

The fluctuation in *Machinery and equipment* from 2003/04 to 2006/07 can be ascribed to the fact that these capital items have varying useful lives, and therefore require replacement at different intervals.

6.2 Programme 2: Housing Planning and Research

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 purpose of the Policy sub-programme is to conduct research and develop policies in order to meet the objectives of providing adequate shelter to qualifying beneficiaries. In line with the policies of the Department of Social Welfare and Population Development, the department is involved in three pilot projects of home-based care, one pioneered by 'Save the Children's Fund', with the focus on urban areas.

While also providing a support function, the Planning component is responsible for providing assistance to municipalities with regard to the compilation of Housing Sector Plans as part of their IDP process, and also maintaining the Provincial Housing Development Plan as part of the departmental Strategic Plan. This component also serves on the provincial IDP committee, where the respective municipal IDPs are evaluated and enhanced.

The Capacity Building function focuses on building the capacity of all stakeholders, including municipal and provincial housing officials, councillors, *Amakhosi*, implementing agents, emerging developers, Section 21 companies, social housing institutions, non-government organisations (NGOs), community based organisations (CBOs), housing consumers and material suppliers, to enhance their knowledge and skills in housing and related issues, which will ultimately lead to effective and efficient housing delivery.

Tables 8.13 and 8.14 illustrate payments and estimates for this programme from 2003/04 to 2009/10.

Table 8.13: Summary of payments and estimates - Programme 2: Housing Planning and Research

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Administration	4,203	4,419	5,835	5,765	10,355	10,380	6,677	6,660	7,159
Policy	1,586	1,633	645	1,831	1,831	1,831	2,567	2,667	2,867
Planning	2,101	2,577	1,776	2,475	4,625	4,625	4,735	4,869	5,234
Capacity Building	2,637	3,645	3,957	13,920	11,180	11,180	7,562	5,250	10,644
Total	10,527	12,274	12,213	23,991	27,991	28,016	21,541	19,446	25,904

Table 8.14: Summary 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				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Current payments	8,685	10,610	10,972	21,802	21,552	21,552	19,292	17,478	19,789
Compensation of employees	6,967	6,484	5,246	8,881	7,931	7,931	9,325	9,791	10,525
Goods and services	1,718	4,126	5,725	12,921	13,621	13,621	9,967	7,687	9,264
Other	-	-	1	-	-	-	-	-	-
Transfers and subsidies to:	15	62	52	48	298	323	-	-	4,000
Local government	15	62	21	48	48	3	-	-	4,000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	31	-	250	320	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	1,827	1,602	1,189	2,141	6,141	6,141	2,249	1,968	2,115
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,827	1,602	1,189	2,141	6,141	6,141	2,249	1,968	2,115
Other	-	-	-	-	-	-	-	-	-
Total	10,527	12,274	12,213	23,991	27,991	28,016	21,541	19,446	25,904

The increase in the 2006/07 Adjusted Budget in the sub-programme: Administration relates to a saving identified during the Adjustments Estimate, which was utilised to fast track the implementation of the Master Systems Plan.

The large increase in the Capacity Building sub-programme and *Goods and services* in 2006/07 is due to additional funding for Housing Development Plans and Training of Housing Stakeholders. The latter being a two year programme ending in 2007/08, with the bulk of the funding being allocated in 2006/07 and reducing in 2007/08. However, additional funding of R5 million was allocated in 2009/10 for capacity building in the Municipal Housing component, of which R4 million was allocated to the category *Transfers and subsidies to: Local government*.

Transfers and subsidies to: Local government shows no budget in 2007/08 and 2008/09 owing to the discontinuation of the Regional Service Council Levy.

The increase in *Machinery and equipment* in the 2006/07 Adjusted Budget is due to the purchase of computer equipment, in line with the Master Systems Plan.

Service delivery measures – Programme 2: Housing Planning and Research

Table 8.15 below reflects the main service delivery measures pertaining to Programme 2. With effect from 2007/08, these have been re-aligned to comply with the generic service delivery measures for the sector, as far as possible. This re-alignment made it difficult for the department to provide appropriate and accurate comparatives for the 2006/07 Estimated Actual in some instances.

Table 8.15: Service delivery measures – Programme 2: Housing Planning and Research

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1. Facilitation of capacity building for stakeholders in Housing			
1.1 Facilitate accreditation of municipalities	• Number of municipalities accredited	-	1
1.2 Provide training to municipalities on housing	• Number of training workshops provided to municipalities	12	16
	• Number of visits executed to support municipalities	500	100
1.3 Provide training to housing consumers	• Number of housing consumers trained	15,000	20,000
2. Strengthening governance and service delivery			
2.1 Assist municipalities to develop Housing Development Plans	• Number of Housing Development Plans in place	26	18
2.2 Development of policy guide for housing programmes	• Number of policy guideline developed	4	4
2.3 Research	• Number of research projects conducted	2	2

6.3 Programme 3: Housing Development Implementation

The main objective of this programme is to promote effective and efficient housing delivery. The bulk of the programme allocation is made up of the conditional grant for Housing Subsidies.

This programme provides various housing subsidies. The housing subsidy instruments implemented by the department are: Individual, Project linked, Institutional, Relocation, Disaster Management and Rural Housing Stock. The sub-programmes in this programme have been partially aligned to the standardised budget structure for the housing sector. As a result, the sub programme: Affordable State Rental Programme was moved from Programme 4 to this programme.

Tables 8.16 and 8.17 illustrate a summary of payments and estimates for the period 2003/04 to 2009/10.

Table 8.16: Summary of payments and estimates - Programme 3: Housing Development Implementation

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2006/07	2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06							
Administration	47,016	58,142	45,723	47,646	47,646	47,646	56,955	60,394	64,923	
Individual Housing Subsidies	50,560	42,262	43,290	50,200	50,200	50,200	54,600	65,643	79,893	
Operational Capital Budget	-	-	-	7,000	7,000	7,000	7,000	8,500	8,500	
Planning and Services	274,987	257,380	235,407	308,578	264,412	264,412	359,975	430,695	522,494	
Top Structure Construction	395,714	370,375	338,757	444,051	380,495	380,495	518,012	619,780	781,882	
Affordable State Rental Programme	57,298	10,300	66,214	72,000	122,000	122,000	75,600	125,600	148,754	
Social and Economic Facilities	-	-	-	6,197	113,919	113,919	120,000	150,000	150,000	
Total	825,575	738,459	729,391	935,672	985,672	985,672	1,192,142	1,460,612	1,756,446	

Table 8.17: Summary of payments and estimates by economic classification - Prog. 3: Housing Development Implementation

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates			
	Audited	Audited	Audited				2006/07	2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06							
Current payments	46,370	52,878	44,756	45,369	45,369	48,080	54,645	57,928	62,272	
Compensation of employees	24,738	29,996	29,632	37,447	36,747	32,630	39,494	41,459	44,568	
Goods and services	21,632	20,962	15,104	7,922	8,622	15,450	15,151	16,469	17,704	
Other	-	1,920	20	-	-	-	-	-	-	
Transfers and subsidies to:	778,603	684,979	683,966	888,064	938,064	935,353	1,135,187	1,400,218	1,691,523	
Local government	55,775	60,051	66,421	72,038	122,038	122,038	75,600	125,600	148,754	
Non-profit institutions	-	-	-	-	-	-	-	-	-	
Households	722,828	624,928	617,545	816,026	816,026	813,315	1,059,587	1,274,618	1,542,769	
Other	-	-	-	-	-	-	-	-	-	
Payments for capital assets	602	602	669	2,239	2,239	2,239	2,310	2,466	2,651	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	602	602	669	2,239	2,239	2,239	2,310	2,466	2,651	
Other	-	-	-	-	-	-	-	-	-	
Total	825,575	738,459	729,391	935,672	985,672	985,672	1,192,142	1,460,612	1,756,446	

The decrease against this programme from 2003/04 to 2004/05 relates to the roll-over of funds from the 2002/03 and 2003/04 financial years in respect of under-spending on the Integrated Housing and Human Settlement Development grant.

The increase in the 2006/07 Adjusted Budget and Estimated Actual under the sub-programme: Affordable State Rental Programme is in respect of funds shifted from within the Vote to address the backlog in the Hotel Redevelopment and Upgrade Programme. This was once-off funding resulting in the decrease against this sub-programme in 2007/08.

The increase against *Transfers and subsidies to: Local government* in the 2006/07 Adjusted Budget can be attributed to savings from the maintenance of rental stock, which was reprioritised for the Hostels Redevelopment and Upgrade Programme.

The increase in *Transfer and subsidies to: Households* over the 2007/08 MTEF is due to additional allocations in the Integrated Housing and Human Settlement Development grant.

Service delivery measures – Programme 3: Housing Development Implementation

Table 8.18 below reflects the main service delivery measures pertaining to Programme 3. These have been aligned to the generic service delivery measures for the sector as far as possible with effect from 2007/08. This re-alignment made it difficult for the department to provide appropriate and accurate comparatives for the 2006/07 Estimated Actual in some instances.

Table 8.18: Service delivery measures – Programme 3: Housing Development Implementation

Output type	Performance measures	Performance targets	
		2006/07	2007/08
		Est. Actual	Estimate
Development of sustainable human settlements			
1. Implementation of national housing programmes			
1.1 Individual	● Number of subsidies approved	1,200	1,350

Table 8.18: Service delivery measures – Programme 3: Housing Development Implementation

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
1.2 Project Linked	<ul style="list-style-type: none"> Number of subsidies approved Number of houses completed 	10,250 7,000	13,300 12,409
1.3 Peoples Housing Process	<ul style="list-style-type: none"> Number of subsidies approved Number of houses completed 	- 10,086	- 4,800
1.4 Consolidation	<ul style="list-style-type: none"> Number of subsidies approved 	220	450
1.5 Institutional	<ul style="list-style-type: none"> Number of subsidies approved 	4	1.180
1.6 Relocation	<ul style="list-style-type: none"> Number of subsidies approved 	50	20
1.7 Disaster	<ul style="list-style-type: none"> Number of subsidies approved 	7,000	7,500
1.8 Rural Housing	<ul style="list-style-type: none"> Number of subsidies approved Number of houses completed 	25,640 1,573	11,200 3,100
1.9 All subsidy instruments	<ul style="list-style-type: none"> Number of properties transferred Number of subsidies approved Number of sites completed Number of houses completed 	10,638 44,364 23,521 18,659	13,000 35,000 21,800 22,800
1.10 Hostels Redevelopment and Upgrade Programme	<ul style="list-style-type: none"> Number of units upgraded 	3,500	4,000
1.11 Social and Economic Amenities	<ul style="list-style-type: none"> Number of projects implemented 	4	10

6.4 Programme 4: Housing Property Management

The objective of this programme is to manage ex-Natal Provincial Administration and Own Affairs stock. This stock includes residential properties, vacant land 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 occupants in terms of the Discount Benefit Scheme, or be disposed of in the open market. Some of these properties will also be devolved to the municipalities. In cases where a transfer is not possible, such stock will remain rental stock, and the allocation includes a provision for maintenance thereof.

Tables 8.19 and 8.20 give a summary of payments and budget estimates pertaining to this programme:

Table 8.19: Summary of payments and estimates - Programme 4: Housing Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09
Administration	57,480	51,782	47,713	57,085	53,085	53,675	52,554	56,812	61,524
Discount Benefit Scheme	40,028	14,529	25,145	34,751	34,751	62,614	36,488	43,488	32,837
Housing Properties Maintenance	93,718	111,974	97,322	125,599	75,599	47,736	138,880	131,880	129,106
Total	191,226	178,285	170,180	217,435	163,435	164,025	227,922	232,180	223,467

Table 8.20: Summary of payments and estimates by economic classification - Programme 4: Housing Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
				2006/07					
Current payments	127,805	118,057	125,346	116,621	112,971	142,774	172,287	176,501	182,738
Compensation of employees	54,186	47,034	44,694	53,554	49,554	49,554	48,234	50,980	56,522
Goods and services	73,619	59,326	80,650	63,067	63,417	93,220	124,053	125,521	126,216
Other	-	11,697	2	-	-	-	-	-	-
Transfers and subsidies to:	63,100	60,089	44,765	100,389	50,039	20,826	55,000	55,000	40,000
Local government	57,883	53,832	43,973	50,039	50,039	20,237	55,000	55,000	40,000
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	5,217	6,257	792	50,350	-	589	-	-	-
Other	-	-	-	-	-	-	-	-	-
Payments for capital assets	321	139	69	425	425	425	635	679	729
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	321	139	69	425	425	425	635	679	729
Other	-	-	-	-	-	-	-	-	-
Total	191,226	178,285	170,180	217,435	163,435	164,025	227,922	232,180	223,467

There is a decrease in the expenditure in Programme 4: Housing Property Management from 2003/04 to 2004/05, as a result of funds that were rolled-over from the 2002/03 and 2003/04 financial years. This is evident in the sub-programmes: Administration and Discount Benefit Scheme.

The reduced 2006/07 Adjusted Budget for this programme is due to an identified saving that was utilised for the Hostels Redevelopment and Upgrade Programme in Programme 3: Housing Development Implementation. The MTEF allocation of this programme shows the effects of the devolution of the Rental Stock to municipalities, with the Housing Property Maintenance sub-programme stabilising in 2007/08, then decreasing from 2008/09.

The increase in the Discount Benefit Scheme sub-programme in the 2006/07 Estimated Actual relates to the utilisation of savings identified in the Housing Properties Maintenance sub-programme, for the fast-tracking of the Discount Benefit Scheme in the eThekweni area.

Spending against *Transfers and subsidies to: Local government* relates to the payment of rates and taxes.

Service delivery measures – Programme 4: Housing Property Management

Table 8.21 reflects the main service delivery measures pertaining to Programme 4. These have been aligned to the generic service delivery measures for the sector as far as possible, as already mentioned.

Table 8.21: Service delivery measures – Programme 4: Housing Property Management

Output type	Performance measures	Performance targets	
		2006/07 Est. Actual	2007/08 Estimate
Strengthening governance and service delivery			
1. Regulate the relationship between the landlords and tenants			
1.1 Rental Tribunal	• Number of cases resolved	1,200	1,200
2. Creation of humane living conditions for hostel residents			
2.1 Discount benefit scheme	• Number of residential properties transferred	10,000	10,000
2.2 Devolution of rental stock	• Number of houses and properties devolved to municipalities	1,000	1,000
2.3 Maintenance of all rental units	• Number of units maintained	5,000	5,000

7. Other programme information

7.1 Personnel numbers and costs

Tables 8.22 and 8.23 below illustrate personnel numbers and estimates pertaining to the Department of Housing over the seven-year period.

In order to achieve its goals and ensure that it has the necessary human resources that will drive the implementation of various interventions, the department embarked on an exercise of reviewing the structure in the light of the recent joint study conducted by the Public Service Commission and the Department of Public Service and Administration. Although the department approved the revised organisational structure, the filling of these posts will be conducted in a phased-in approach when funds become available.

Table 8.22: Personnel numbers and costs per programme

Personnel numbers	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
1. Administration	306	323	216	270	279	283	285
2. Housing Planning and Research	51	45	26	31	31	35	36
3. Housing Development Implementation	214	219	166	186	206	221	225
4. Housing Property Management	887	1,024	516	517	533	511	505
Total	1,458	1,611	924	1,004	1,049	1,050	1,051
Total personnel cost (R'000)	111,361	112,854	111,650	122,907	139,893	147,149	159,903
Unit cost (R'000)	76	70	121	122	133	140	152

Table 8.23: Details of personnel numbers and costs

	Audited 2003/04	Audited 2004/05	Audited 2005/06	Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
				2006/07			2007/08	2008/09	2009/10
Total for department									
Personnel numbers (head count)	1,458	1,611	924	1,611	1,004	1,004	1,049	1,050	1,051
Personnel cost (R'000)	111,361	112,854	111,650	139,120	133,470	122,907	139,893	147,149	159,903
Human resources component									
Personnel numbers (head count)	52	54	41	54	54	54	54	54	54
Personnel cost (R'000)	4,330	5,281	6,721	7,455	7,455	7,220	7,593	7,788	8,372
Head count as % of total for department	3.57	3.35	4.44	3.35	5.38	5.38	5.15	5.14	5.14
Personnel cost as % of total for department	3.89	4.68	6.02	5.36	5.59	5.87	5.43	5.29	5.24
Finance component									
Personnel numbers (head count)	93	98	103	105	105	105	107	108	110
Personnel cost (R'000)	14,443	14,637	14,481	18,050	18,050	18,050	19,538	20,511	21,434
Head count as % of total for department	6.38	6.08	11.15	6.52	10.46	10.46	10.20	10.29	10.47
Personnel cost as % of total for department	12.97	12.97	12.97	12.97	13.52	14.69	13.97	13.94	13.40
Full time workers									
Personnel numbers (head count)	1,449	1,604	916	1,604	997	996	1,042	1,043	1,044
Personnel cost (R'000)	110,047	111,572	109,415	137,680	132,030	120,538	137,758	144,907	157,549
Head count as % of total for department	99.38	99.57	99.13	99.57	99.30	99.20	99.33	99.33	99.33
Personnel cost as % of total for department	98.82	98.86	98.00	98.96	98.92	98.07	98.47	98.48	98.53
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)	9	7	8	7	7	8	7	7	7
Personnel cost (R'000)	1,314	1,282	2,235	1,440	1,440	2,369	2,135	2,242	2,354
Head count as % of total for department	0.62	0.43	0.87	0.43	0.70	0.80	0.67	0.67	0.67
Personnel cost as % of total for department	1.18	1.14	2.00	1.04	1.08	1.93	1.53	1.52	1.47

7.2 Training

Table 8.24 provides for actual and estimated expenditure on training for the period 2003/04 to 2006/07 and budgeted expenditure for the period 2007/08 to 2009/10.

The allocation for general training for the department is centralised under Programme 1: Administration. There is provision for capacity building in Programme 2: Housing Planning and Research, and specialised training programmes for Programmes 3 and 4 are budgeted for under the respective programmes.

Table 8.24: Expenditure on training

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
1. Administration	298	681	1,216	2,200	2,200	1,750	2,150	2,300	2,473
2. Housing Planning and Research	298	1,998	1,746	1,547	1,547	7,815	4,272	1,776	2,909
3. Housing Development Implementation	-	28	344	319	319	424	374	374	374
4. Housing Property Management	-	-	-	-	-	-	-	-	-
Total	596	2,707	3,306	4,066	4,066	9,989	6,796	4,450	5,756

7.3 Changes to programme structures

The programme structure of the department has been amended to fall in line with the generic structure of the Housing Sector, as illustrated in Table 8.25 below.

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

2006/07 Structure		2007/08 Structure	
Programme	Sub- programme	Programme	Sub- programme
Administration	1.1 Office of the HOD 1.2 Risk Management and Advisory Services 1.3 Communications 1.4 Corporate Services 1.5 Financial Management	Administration	1.1 Office of the HOD 1.2 Corporate Services 1.3 Financial Management
Housing Planning & Development	2.1 Administration Support 2.2 Product Development 2.3 Planning 2.4 Capacity Building	Housing Planning & Research	2.1 Administration 2.2 Policy 2.3 Planning 2.4 Capacity Building
Project Management	3.1 Project Management 3.2 Housing Subsidy Administration 3.3 Social and Economic Amenities 3.4 Contract and Land/ Legal Administration 3.5 Monitoring and Evaluation	Housing Development Implementation	3.1 Administration 3.2 Individual Housing Subsidies 3.3 Operational Capital Budget 3.4 Planning and Services 3.5 Top Structure Construction 3.6 Affordable State Rental Programme 3.7 Social and Economic Facilities
Urban Renewal and Human Settlement Redevelopment	4.1 Flood relief 4.2 Human Settlement Redevelopment	Housing Property Management	4.1 Administration 4.2 Discount Benefit Scheme 4.3 Housing Properties Maintenance
Property Management	5.1 Assets Management 5.2 Rental Tribunal 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				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Tax receipts	-	-	-	-	-	-	-	-	-
Casino taxes									
Motor vehicle licenses									
Horseracing									
Other taxes									
Non-tax receipts	314	286	211	500	500	891	341	201	119
Sale of goods and services other than capital asset	-	-	211	406	406	244	223	130	84
Sales by market establishments	-	-	211	406	406	244	223	130	84
Administrative fees									
Other sales	-	-	211	406	406	244	223	130	84
<i>Of which</i>									
<i>Commission Insurance</i>	-	-	190	200	200	185	168	84	42
<i>House Debtors admin fee</i>	-	-	-	160	160	31	25	13	6
<i>Other (Specify)</i>									
Rental Parking open, Boarding Serv Staff	-	-	21	46	46	28	30	33	36
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
Fines, penalties and forfeits									
Interest, dividends and rent on land	314	286	-	94	94	647	118	71	35
Interest	314	286	-	94	94	647	118	71	35
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	306	643	678	-	-	1,261	500	550	605
Total	620	929	889	500	500	2,152	841	751	724

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				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06				2006/07		
Current payments	235,702	236,854	241,574	256,123	250,273	282,787	322,619	333,607	352,626
Compensation of employees	111,361	112,854	111,650	139,120	133,470	122,907	139,893	147,149	159,903
Salaries and wages	100,940	96,579	94,538	117,025	112,222	101,659	116,439	122,311	134,112
Social contributions	10,421	16,275	17,112	22,095	21,248	21,248	23,454	24,838	25,791
Goods and services	124,341	110,202	129,871	117,003	116,803	159,880	182,726	186,458	192,723
<i>of which</i>									
Consultant fees	-	3,026	32,519	3,300	46,406	78,609	59,455	67,804	68,794
Audit and contractor fees	-	2,101	3,250	3,800	3,968	3,968	4,380	4,500	4,838
IT expenditure	-	1,104	3,322	1,346	2,136	2,236	2,185	2,351	2,516
Maintenance	-	-	16,881	-	6,088	6,088	47,000	40,000	21,689
Interest and rent on land	-	13,751	-	-	-	-	-	-	-
Interest	-	13,751	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	47	53	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	841,790	745,540	729,232	988,505	989,405	956,891	1,190,187	1,455,218	1,735,523
Local government	113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754
Municipalities	113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	14	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	14	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	14	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	728,045	631,595	618,724	866,376	817,276	814,577	1,059,587	1,274,618	1,542,769
Social benefits	-	410	387	-	1,250	673	-	-	-
Other transfers to households	728,045	631,185	618,337	866,376	816,026	813,904	1,059,587	1,274,618	1,542,769
Payments for capital assets	3,621	5,684	3,353	7,505	11,505	11,505	8,044	7,963	8,559
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3,621	5,673	3,353	7,505	11,505	11,505	8,044	7,963	8,559
Transport equipment	-	-	1,100	1,000	1,000	1,000	1,150	1,150	1,236
Other machinery and equipment	3,621	5,673	2,253	6,505	10,505	10,505	6,894	6,813	7,323
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	11	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	1,081,113	988,078	974,159	1,252,133	1,251,183	1,251,183	1,520,850	1,796,788	2,096,708

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				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06				2006/07		
Current payments	52,842	55,309	60,500	72,331	70,381	70,381	76,395	81,700	87,827
Compensation of employees	25,470	29,340	32,078	39,238	39,238	32,792	42,840	44,919	48,288
Salaries and wages	21,520	24,718	27,184	32,713	33,460	27,014	36,543	38,292	41,164
Social contributions	3,950	4,622	4,894	6,525	5,778	5,778	6,297	6,627	7,124
Goods and services	27,372	25,788	28,392	33,093	31,143	37,589	33,555	36,781	39,539
<i>of which</i>									
Consultant fees	-	2,930	3,660	3,000	8,447	8,447	9,846	10,773	11,581
Audit and contractor fees	-	2,101	3,250	3,800	3,968	3,968	4,380	4,500	4,838
IT expenditure	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Other	27,372	20,757	21,482	26,293	18,728	25,174	19,329	21,508	23,120
Other	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	144	-	-	-	-	-	-	-
Interest	-	144	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	37	30	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	72	410	449	4	1,004	389	-	-	-
Local government	72	-	93	4	4	22	-	-	-
Municipalities	72	-	93	4	4	22	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entities receiving funds	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	14	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	14	-	-	-
Other transfers	-	-	-	-	-	14	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	410	356	-	1,000	353	-	-	-
Social benefits	-	410	356	-	1,000	353	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	871	3,341	1,426	2,700	2,700	2,700	2,850	2,850	3,064
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	871	3,330	1,426	2,700	2,700	2,700	2,850	2,850	3,064
Transport equipment	-	-	1,100	1,000	1,000	1,000	1,150	1,150	1,236
Other machinery and equipment	871	3,330	326	1,700	1,700	1,700	1,700	1,700	1,828
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	11	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	53,785	59,060	62,375	75,035	74,085	73,470	79,245	84,550	90,891

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				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06				2006/07		
Current payments	8,685	10,610	10,972	21,802	21,552	21,552	19,292	17,478	19,789
Compensation of employees	6,967	6,484	5,246	8,881	7,931	7,931	9,325	9,791	10,525
Salaries and wages	6,107	5,739	4,510	7,217	6,267	6,267	7,510	7,887	8,479
Social contributions	860	745	736	1,664	1,664	1,664	1,815	1,904	2,046
Goods and services	1,718	4,126	5,725	12,921	13,621	13,621	9,967	7,687	9,264
<i>of which</i>									
Consultant fees	-	96	203	300	300	2,700	2,600	2,620	2,817
Audit and contractor fees									
IT expenditure	-	1,104	3,219	1,346	2,046	2,146	2,060	2,196	2,361
Maintenance									
Other	1,718	2,926	2,303	11,275	11,275	8,775	5,307	2,871	4,086
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest									
Rent on land									
Financial transactions in assets and liabilities	-	-	1	-	-	-	-	-	-
Unauthorised expenditure									
Transfers and subsidies to:	15	62	52	48	298	323	-	-	4,000
Local government	15	62	21	48	48	3	-	-	4,000
Municipalities	15	62	21	48	48	3	-	-	4,000
Municipal agencies and funds									
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds									
Entitles 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	-	-	31	-	250	320	-	-	-
Social benefits	-	-	31	-	250	320	-	-	-
Other transfers to households									
Payments for capital assets	1,827	1,602	1,189	2,141	6,141	6,141	2,249	1,968	2,115
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings									
Other fixed structures									
Machinery and equipment	1,827	1,602	1,189	2,141	6,141	6,141	2,249	1,968	2,115
Transport equipment									
Other machinery and equipment	1,827	1,602	1,189	2,141	6,141	6,141	2,249	1,968	2,115
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total	10,527	12,274	12,213	23,991	27,991	28,016	21,541	19,446	25,904

Budget Statement 2

Table 8.E: Details of payments and estimates by economic classification - Programme 3: Housing Development Implementation

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06				2006/07		
Current payments	46,370	52,878	44,756	45,369	45,369	48,080	54,645	57,928	62,272
Compensation of employees	24,738	29,996	29,632	37,447	36,747	32,630	39,494	41,459	44,568
Salaries and wages	21,280	26,896	24,572	31,608	31,008	26,891	32,251	33,656	36,495
Social contributions	3,458	3,100	5,060	5,839	5,739	5,739	7,243	7,803	8,073
Goods and services	21,632	20,962	15,104	7,922	8,622	15,450	15,151	16,469	17,704
<i>of which</i>									
Consultant fees	-	-	3,222	-	2,240	2,240	9,611	10,013	10,581
Audit and contractor fees	-	-	-	-	-	-	-	-	-
IT expenditure	-	-	84	-	90	90	120	150	150
Other	21,632	20,962	11,798	7,922	6,292	13,120	5,420	6,306	6,973
Interest and rent on land	-	1,914	-	-	-	-	-	-	-
Interest	-	1,914	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	6	20	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	778,603	684,979	683,966	888,064	938,064	935,353	1,135,187	1,400,218	1,691,523
Local government	55,775	60,051	66,421	72,038	122,038	122,038	75,600	125,600	148,754
Municipalities	55,775	60,051	66,421	72,038	122,038	122,038	75,600	125,600	148,754
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Entitles 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	722,828	624,928	617,545	816,026	816,026	813,315	1,059,587	1,274,618	1,542,769
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	722,828	624,928	617,545	816,026	816,026	813,315	1,059,587	1,274,618	1,542,769
Payments for capital assets	602	602	669	2,239	2,239	2,239	2,310	2,466	2,651
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	602	602	669	2,239	2,239	2,239	2,310	2,466	2,651
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	602	602	669	2,239	2,239	2,239	2,310	2,466	2,651
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	825,575	738,459	729,391	935,672	985,672	985,672	1,192,142	1,460,612	1,756,446

Table 8.F: Details of payments and estimates by economic classification - Prog. 4: Housing Property Management

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06				2006/07		
Current payments	127,805	118,057	125,346	116,621	112,971	142,774	172,287	176,501	182,738
Compensation of employees	54,186	47,034	44,694	53,554	49,554	49,554	48,234	50,980	56,522
Salaries and wages	52,033	39,226	38,272	45,487	41,487	41,487	40,135	42,476	47,974
Social contributions	2,153	7,808	6,422	8,067	8,067	8,067	8,099	8,504	8,548
Goods and services	73,619	59,326	80,650	63,067	63,417	93,220	124,053	125,521	126,216
<i>of which</i>									
Consultant fees	-	-	25,434	-	35,419	65,222	37,398	44,398	43,815
Audit and contractor fees	-	-	-	-	-	-	-	-	-
IT expenditure	-	-	19	-	-	-	5	5	5
Maintenance	-	-	16,881	-	6,088	6,088	47,000	40,000	21,689
Other	73,619	59,326	38,316	63,067	21,910	21,910	39,650	41,118	60,707
Interest and rent on land	-	11,693	-	-	-	-	-	-	-
Interest	-	11,693	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Financial transactions in assets and liabilities	-	4	2	-	-	-	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	63,100	60,089	44,765	100,389	50,039	20,826	55,000	55,000	40,000
Local government	57,883	53,832	43,973	50,039	50,039	20,237	55,000	55,000	40,000
Municipalities	57,883	53,832	43,973	50,039	50,039	20,237	55,000	55,000	40,000
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	5,217	6,257	792	50,350	-	589	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	5,217	6,257	792	50,350	-	589	-	-	-
Payments for capital assets	321	139	69	425	425	425	635	679	729
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	321	139	69	425	425	425	635	679	729
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	321	139	69	425	425	425	635	679	729
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total	191,226	178,285	170,180	217,435	163,435	164,025	227,922	232,180	223,467

Table 8.G: Details of expense on infrastructure

Type of Infrastructure	Programme	Number of projects	Total costs	Medium-term estimates		
				2007/08	2008/09	2009/10
Capital		642	10,071,816	1,135,187	1,400,218	1,691,523
Infrastructure transfers		642	10,071,816	1,135,187	1,400,218	1,691,523
Households - Construction of low cost housing		3	7,671,816	939,587	1,124,618	1,392,769
Local government - Hostel rehabilitation		3	2,400,000	75,600	125,600	148,754
Social and Economic Facilities		3	-	120,000	150,000	150,000
Current		20,000	249,866	120,368	120,368	122,393
Maintenance		4	20,000	83,880	76,880	89,106
Extended Enhanced Discount Benefit Scheme		-	-	36,488	43,488	33,287
Total		20,642	10,321,682	1,255,555	1,520,586	1,813,916

Table 8.H: Summary of transfers to municipalities

R000	Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates			
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10	
	A	eThekweni	102,219				92,968	84,262	104,119	132,116
Total: Ugu Municipalities		-	-	-	-	-	-	-	-	640
B	KZ211 Vulamehlo	-	-	-	-	-	-	-	-	160
B	KZ212 Umdoni	-	-	-	-	-	-	-	-	-
B	KZ213 Umzumbe	-	-	-	-	-	-	-	-	160
B	KZ214 uMuziwabantu	-	-	-	-	-	-	-	-	160
B	KZ215 Ezingolweni	-	-	-	-	-	-	-	-	160
B	KZ216 Hibiscus Coast	-	-	-	-	-	-	-	-	-
C	DC21 Ugu District Municipality	-	-	-	-	-	-	-	-	-
Total: uMgungundlovu Municipalities		11,511	20,956	26,225	13,000	13,003	13,003	14,000	14,000	10,480
B	KZ221 uMshwathi	-	-	-	-	-	-	-	-	160
B	KZ222 uMngeni	-	-	-	-	-	-	-	-	-
B	KZ223 Mpofana	-	-	-	-	-	-	-	-	-
B	KZ224 Impendle	-	-	-	-	-	-	-	-	160
B	KZ225 Msunduzi	11,497	20,956	26,196	13,000	13,000	13,000	14,000	14,000	10,000
B	KZ226 Mkhambathini	-	-	-	-	-	-	-	-	160
B	KZ227 Richmond	14	-	29	-	-	-	-	-	-
C	DC22 uMgungundlovu District Municipality	-	-	-	-	3	3	-	-	-
Total: Uthukela Municipalities		-	1	-	-	-	-	-	-	-
B	KZ232 Emnambithi/Ladysmith	-	-	-	-	-	-	-	-	-
B	KZ233 Indaka	-	-	-	-	-	-	-	-	-
B	KZ234 Umtshezi	-	1	-	-	-	-	-	-	-
B	KZ235 Okhahlamba	-	-	-	-	-	-	-	-	-
B	KZ236 Imbabazane	-	-	-	-	-	-	-	-	-
C	DC23 Uthukela District Municipality	-	-	-	-	-	-	-	-	-
Total: Umzinyathi Municipalities		-	-	-	-	-	-	-	-	160
B	KZ241 Endumeni	-	-	-	-	-	-	-	-	-
B	KZ242 Nquthu	-	-	-	-	-	-	-	-	160
B	KZ244 Usinga	-	-	-	-	-	-	-	-	-
B	KZ245 Umvoti	-	-	-	-	-	-	-	-	-
C	DC24 Umzinyathi District Municipality	-	-	-	-	-	-	-	-	-
Total: Amajuba Municipalities		-	-	-	-	-	-	-	-	160
B	KZ252 Newcastle	-	-	-	-	-	-	-	-	-
B	KZ253 eMadlangeni	-	-	-	-	-	-	-	-	-
B	KZ254 Dannhauser	-	-	-	-	-	-	-	-	160
C	DC25 Amajuba District Municipality	-	-	-	-	-	-	-	-	-
Total: Zululand Municipalities		15	20	21	10	10	10	10	10	480
B	KZ261 eDumbe	-	-	-	-	-	-	-	-	160
B	KZ262 uPhongolo	-	-	-	-	-	-	-	-	160
B	KZ263 Abaqulusi	-	-	-	-	-	-	-	-	-
B	KZ265 Nongoma	-	-	-	-	-	-	-	-	160
B	KZ266 Ulundi	-	-	-	5	5	5	10	10	-
C	DC26 Zululand District Municipality	15	20	21	5	5	5	-	-	-
Total: Umkhanyakude Municipalities		-	-	-	-	-	-	-	-	800
B	KZ271 Umhlabyalingana	-	-	-	-	-	-	-	-	160
B	KZ272 Jozini	-	-	-	-	-	-	-	-	160
B	KZ273 The Big Five False Bay	-	-	-	-	-	-	-	-	160
B	KZ274 Hlabisa	-	-	-	-	-	-	-	-	160
B	KZ275 Mtubatuba	-	-	-	-	-	-	-	-	160
C	DC27 Umkhanyakude District Municipality	-	-	-	-	-	-	-	-	-
Total: uThungulu Municipalities		-	-	-	5,000	5,000	5,000	5,500	5,500	5,480
B	KZ281 Mbonambi	-	-	-	-	-	-	-	-	160
B	KZ282 uMhlatuze	-	-	-	5,000	5,000	5,000	5,500	5,500	5,000
B	KZ283 Ntambanana	-	-	-	-	-	-	-	-	160
B	KZ284 Umlalazi	-	-	-	-	-	-	-	-	-
B	KZ285 Mthonjaneni	-	-	-	-	-	-	-	-	-
B	KZ286 Nkandla	-	-	-	-	-	-	-	-	160
C	DC28 uThungulu District Municipality	-	-	-	-	-	-	-	-	-
Total: Ilembe Municipalities		-	-	-	-	-	-	-	-	480
B	KZ291 Mandeni	-	-	-	-	-	-	-	-	160
B	KZ292 KwaDukuza	-	-	-	-	-	-	-	-	-
B	KZ293 Ndwedwe	-	-	-	-	-	-	-	-	160
B	KZ294 Maphumulo	-	-	-	-	-	-	-	-	160
C	DC29 Ilembe District Municipality	-	-	-	-	-	-	-	-	-
Total: Sisonke Municipalities		-	-	-	-	-	-	-	-	320
B	KZ5a1 Ingwe	-	-	-	-	-	-	-	-	160
B	KZ5a2 Kwa Sani	-	-	-	-	-	-	-	-	160
B	KZ5a3 Mataliele	-	-	-	-	-	-	-	-	-
B	KZ5a4 Kokstad	-	-	-	-	-	-	-	-	-
B	KZ5a5 Ubuhlebezwe	-	-	-	-	-	-	-	-	-
B	KZ5a6 Umzimkhulu	-	-	-	-	-	-	-	-	-
C	DC43 Sisonke District Municipality	-	-	-	-	-	-	-	-	-
Unallocated/unclassified		-	-	-	-	22,000	22,000	9,600	10,600	18,754
Total		113,745	113,945	110,508	122,129	172,129	142,300	130,600	180,600	192,754

Table 8.I: Transfers to municipalities - Hostel Redevelopment and Upgrading

R000		Outcome			Main Budget	Adjusted Budget 2006/07	Estimated actual	Medium-term estimates		
		Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
		A	eThekweni	55,731				60,000	66,214	72,000
Total: Ugu Municipalities		-	-	-	-	-	-	-	-	-
B	KZ211 Vulamehlo									
B	KZ212 Umdoni									
B	KZ213 Umzambe									
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 Mpofana									
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 eMadlangeni									
B	KZ254 Dannhauser									
C	DC25 Amajuba District Municipality									
Total: Zululand Municipalities		-	-	-	-	-	-	-	-	-
B	KZ261 eDumbe									
B	KZ262 uPhongolo									
B	KZ263 Abaqulusi									
B	KZ265 Nongoma									
B	KZ266 Ulundi									
C	DC26 Zululand District Municipality									
Total: Umkhanyakude Municipalities		-	-	-	-	-	-	-	-	-
B	KZ271 Umhlabyalingana									
B	KZ272 Jozini									
B	KZ273 The Big Five 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 Mandeni									
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 Mataliele									
B	KZ5a4 Kokstad									
B	KZ5a5 Ubuhlebezwe									
B	KZ5a6 Umzimkhulu									
C	DC43 Sisonke District Municipality									
Unclassified		-	-	-	-	22,000	22,000	9,600	10,600	18,754
Total		55,731	60,000	66,214	72,000	122,000	122,000	75,600	125,600	148,754

Table 8.J: Transfers to municipalities - Municipal Rates and Taxes

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2007/08	2008/09	2009/10
A eThekweni	46,317	32,875	17,748	31,995	31,995	2,166	35,490	35,490	25,000
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	11,511	20,956	26,225	13,000	13,000	13,000	14,000	14,000	10,000
B KZ221 uMshwathi									
B KZ222 uMngeni									
B KZ223 Mpozana									
B KZ224 Impendle									
B KZ225 Msunduzi	11,497	20,956	26,196	13,000	13,000	13,000	14,000	14,000	10,000
B KZ226 Mkhambathini									
B KZ227 Richmond	14	-	29	-	-	-	-	-	-
C DC22 uMgungundlovu District Municipality									
Total: Uthukela Municipalities	-	1	-	-	-	-	-	-	-
B KZ232 Emnambithi/Ladysmith									
B KZ233 Indaka									
B KZ234 Umtshezi	-	1	-	-	-	-	-	-	-
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 eMadlangeni									
B KZ254 Dannhauser									
C DC25 Amajuba District Municipality									
Total: Zululand Municipalities	-	-	-	5	5	5	10	10	-
B KZ261 eDumbe									
B KZ262 uPhongolo									
B KZ263 Abaqulusi									
B KZ265 Nongoma									
B KZ266 Ulundi	-	-	-	5	5	5	10	10	-
C DC26 Zululand District Municipality									
Total: Umkhanyakude Municipalities	-	-	-	-	-	-	-	-	-
B KZ271 Umhlabuyalingana									
B KZ272 Jozini									
B KZ273 The Big Five False Bay									
B KZ274 Hlabisa									
B KZ275 Mtubatuba									
C DC27 Umkhanyakude District Municipality									
Total: uThungulu Municipalities	-	-	-	5,000	5,000	5,000	5,500	5,500	5,000
B KZ281 Mbonambi									
B KZ282 uMhlathuze	-	-	-	5,000	5,000	5,000	5,500	5,500	5,000
B KZ283 Ntambanana									
B KZ284 Umlalazi									
B KZ285 Mthonjaneni									
B KZ286 Nkandla									
C DC28 uThungulu District Municipality									
Total: Ilembe Municipalities	-	-	-	-	-	-	-	-	-
B KZ291 Mandeni									
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 Mataliele									
B KZ5a4 Kokstad									
B KZ5a5 Ubuhlebezwe									
B KZ5a6 Umzimkhulu									
C DC43 Sisonke District Municipality									
Unallocated									
Total	57,828	53,832	43,973	50,000	50,000	20,171	55,000	55,000	40,000

Table 8.K: Transfers to municipalities - Capacity Building - Flanders Programme

R000	Outcome			Main Budget	Adjusted Budget	Estimated actual	Medium-term estimates		
	Audited 2003/04	Audited 2004/05	Audited 2005/06				2006/07	2007/08	2008/09
A	eThekweni								
	Total: Ugu Municipalities			-	-	-	-	-	640
B	KZ211	Vulamehlo	-	-	-	-	-	-	160
B	KZ212	Umdoni	-	-	-	-	-	-	160
B	KZ213	Umzumbe	-	-	-	-	-	-	160
B	KZ214	uMuziwabantu	-	-	-	-	-	-	160
B	KZ215	Ezingolweni	-	-	-	-	-	-	160
B	KZ216	Hibiscus Coast	-	-	-	-	-	-	160
C	DC21	Ugu District Municipality	-	-	-	-	-	-	160
	Total: uMgungundlovu Municipalities			-	-	-	-	-	480
B	KZ221	uMshwathi	-	-	-	-	-	-	160
B	KZ222	uMngeni	-	-	-	-	-	-	160
B	KZ223	Mpofana	-	-	-	-	-	-	160
B	KZ224	Impendle	-	-	-	-	-	-	160
B	KZ225	Msunduzi	-	-	-	-	-	-	160
B	KZ226	Mkhambathini	-	-	-	-	-	-	160
B	KZ227	Richmond	-	-	-	-	-	-	160
C	DC22	uMgungundlovu District Municipality	-	-	-	-	-	-	160
	Total: Uthukela Municipalities			-	-	-	-	-	-
B	KZ232	Emnambithi/Ladysmith	-	-	-	-	-	-	160
B	KZ233	Indaka	-	-	-	-	-	-	160
B	KZ234	Umtshezi	-	-	-	-	-	-	160
B	KZ235	Okhahlamba	-	-	-	-	-	-	160
B	KZ236	Imbabazane	-	-	-	-	-	-	160
C	DC23	Uthukela District Municipality	-	-	-	-	-	-	160
	Total: Umzinyathi Municipalities			-	-	-	-	-	160
B	KZ241	Endumeni	-	-	-	-	-	-	160
B	KZ242	Nquthu	-	-	-	-	-	-	160
B	KZ244	Usinga	-	-	-	-	-	-	160
B	KZ245	Umvoti	-	-	-	-	-	-	160
C	DC24	Umzinyathi District Municipality	-	-	-	-	-	-	160
	Total: Amajuba Municipalities			-	-	-	-	-	160
B	KZ252	Newcastle	-	-	-	-	-	-	160
B	KZ253	eMadlangeni	-	-	-	-	-	-	160
B	KZ254	Dannhauser	-	-	-	-	-	-	160
C	DC25	Amajuba District Municipality	-	-	-	-	-	-	160
	Total: Zululand Municipalities			-	-	-	-	-	480
B	KZ261	eDumbe	-	-	-	-	-	-	160
B	KZ262	uPhongolo	-	-	-	-	-	-	160
B	KZ263	Abaqulusi	-	-	-	-	-	-	160
B	KZ265	Nongoma	-	-	-	-	-	-	160
B	KZ266	Ulundi	-	-	-	-	-	-	160
C	DC26	Zululand District Municipality	-	-	-	-	-	-	160
	Total: Umkhanyakude Municipalities			-	-	-	-	-	800
B	KZ271	Umhlabuyalingana	-	-	-	-	-	-	160
B	KZ272	Jozini	-	-	-	-	-	-	160
B	KZ273	The Big Five False Bay	-	-	-	-	-	-	160
B	KZ274	Hlabisa	-	-	-	-	-	-	160
B	KZ275	Mtubatuba	-	-	-	-	-	-	160
C	DC27	Umkhanyakude District Municipality	-	-	-	-	-	-	160
	Total: uThungulu Municipalities			-	-	-	-	-	480
B	KZ281	Mbonambi	-	-	-	-	-	-	160
B	KZ282	uMhlathuze	-	-	-	-	-	-	160
B	KZ283	Ntambanana	-	-	-	-	-	-	160
B	KZ284	Umlalazi	-	-	-	-	-	-	160
B	KZ285	Mthonjaneni	-	-	-	-	-	-	160
B	KZ286	Nkandla	-	-	-	-	-	-	160
C	DC28	uThungulu District Municipality	-	-	-	-	-	-	160
	Total: Ilembe Municipalities			-	-	-	-	-	480
B	KZ291	Mandeni	-	-	-	-	-	-	160
B	KZ292	KwaDukuza	-	-	-	-	-	-	160
B	KZ293	Ndwedwe	-	-	-	-	-	-	160
B	KZ294	Maphumulo	-	-	-	-	-	-	160
C	DC29	Ilembe District Municipality	-	-	-	-	-	-	160
	Total: Sisonke Municipalities			-	-	-	-	-	320
B	KZ5a1	Ingwe	-	-	-	-	-	-	160
B	KZ5a2	Kwa Sani	-	-	-	-	-	-	160
B	KZ5a3	Matafiele	-	-	-	-	-	-	160
B	KZ5a4	Kokstad	-	-	-	-	-	-	160
B	KZ5a5	Ubuhlebezwe	-	-	-	-	-	-	160
B	KZ5a6	Umzimkhulu	-	-	-	-	-	-	160
C	DC43	Sisonke District Municipality	-	-	-	-	-	-	160
	Unallocated			-	-	-	-	-	-
	Total			-	-	-	-	-	4,000

