

# VOTE 7

## DEPARTMENT OF HOUSING

---

To be appropriated by Vote	R3 757 410 000
Responsible MEC	MEC for Housing
Administration Department	Department of Housing
Accounting Officer	Head of Department

---

### 1. OVERVIEW

#### Vision

To be a province where all households inhabit quality homes in vibrant and sustainable communities.

#### Mission

To provide appropriate quality services, tenure, housing in targeted precincts and communities working in partnership with stakeholders.

#### Core mandate

The department is governed by values that seek to build sustainable communities in the province through the provision of land, a variety of tenure, services, and housing. The department is guided by the Breaking New Ground (BNG) Strategy, the Growth and Development Strategy and the Global City Region Strategy.

The five key pillars of the department incorporate principles espoused in the above-mentioned strategies and it is fully committed to their implementation. The five pillars focus on:

- Dealing with issues of quantity and quality as mutually inclusive components of the housing delivery process
- Mainstreaming the participatory development paradigm
- Transforming settlements, especially the 20 Prioritised Township Programme (20PTP), into sustainable and vibrant communities
- Implementing the rental housing policy and subsidy
- Promoting good urban governance

The department's operational structure and programmes comply with the policies, principles and strategies that guide its daily operations. The department's five key priority programmes, which are in full support of the provincial priorities, are mixed housing development, formalisation and eradication of informal settlement, provision of alternative tenure products, urban renewal programmes and the 20PTP.

#### Key performance indicators

The department commits to the following performance indicators in the actualization of its 2009 to 2014 five-year strategy:

- Ensure that Gauteng citizens have access to affordable housing
- Ensure that the social housing sector is attractive to financiers and developers
- Ensure coordination of integrated infrastructure developments in priority areas
- Have in place effective and efficient administrative systems, which focus on customer requirements
- Ensure that efforts in housing development add to job creation and poverty alleviation
- Ensure that there is increased participation by women and other vulnerable groups including the disabled and youth in wealth and job creation ventures
- Ensure that there is continued mobilization of and involvement and participation by all sectors of society in the delivery of housing

### Policy imperatives

The department has finalized the Inclusionary Housing Policy, a critical instrument for addressing the shortfall in low income housing units, eradicating poverty, optimising the use of well located land and creating more integrated developments.

### Legislative mandate

The department derives its mandate from, amongst others, the following pieces of legislation;

- The Constitution of the Republic of South Africa, 1996
- Housing Act, 1997 (as amended)
- Gauteng Housing Act
- Political directives from the Executive Authority
- Home Loan and Mortgage Disclosure Act, 2000. This provides for the promotion of equity and fairness in lending and disclosure by financial institutions.
- Public Finance Management Act, 1999 (as amended). This describes the required accountability by public sector managers in relation to eliminating waste and corruption in the use of public funds.
- Rental Housing Act, 1999. This defines Government's responsibilities in the rental housing sector; promotes rental housing, establishes a Rental Housing Tribunal; and provides for conflict resolution.
- Gauteng Housing Act, 1998. This provides for and governs the existence of the Gauteng Department of Housing.
- Prevention of Illegal Eviction from Unlawful Occupation of Land Act, 1998 (as amended). This provides for the prohibition of unlawful eviction as well as the procedures for the eviction of unlawful occupiers.
- Housing Consumer Protection Measures Act, 1998. This provides for the protection of housing consumers and establishes the National Home Builders Council.
- National Housing Act, 1997 (as amended). This provides for the responsibilities of the various spheres of Government with regard to Housing delivery.
- Sectional Titles Act, 1986 (as amended). This deals with and provides for the division of buildings into sections and for the acquisition of separate ownership in sections coupled with joint ownership in common property. It further provides for the transfer of ownership of sections and real rights in sections.

External activities and events relevant to budget decisions

Gauteng has experienced a marked increase in the formation of new informal settlements. Urbanization is the main driving factor contributing to an increased number of households in informal settlements, and this trend is likely to continue into the future. This goes hand in hand with rising unemployment and continued marginalization of the urban poor.

The housing waiting list has a high number of applicants that have been on the system since 1996. Some have moved and changed places of residence around Gauteng; thus, during housing allocation they could not be located. Due to the non-integration of the housing subsidy system waiting list, the number of applicants on the list could not be cross checked with the beneficiaries of the housing subsidy system.

An independent audit conducted by Gauteng Audit Services revealed the waiting list system to contain a large amount of outdated beneficiary information, as well as flaws in the system design. To rectify this, the Department has embarked on a project called Ziveze/Itlhagise. This is a new customer information management system intended to radically turn around housing delivery in the province and ensure that planning for housing development is done according to customer demand, need and affordability. In collaboration with other national structures including the Department of Home Affairs, the South African Revenue Services and the Deeds Office, it calls on all applicants to update and validate their information. The campaign is being delivered to Gauteng residents and households through media channels including radio, print media advertising, street posters and information leaflets.

The department has established operating centres in Ekurhuleni, West Rand/Sedibeng, City of Johannesburg and City of Tshwane. The cost of setting up these centres was considerable, and places a strain on the department's already stretched budget. The campaign, although not budgeted for in the current allocation, was pronounced by the Premier. The resulting Housing Demand Database is intended to:

- identify community needs, and promote fair, equitable and transparent allocation of houses
- assist the department to understand the needs of all Gauteng's communities
- enable the department to plan effectively for the housing needs of all beneficiaries
- ensure that customers receive all the housing options available such as low cost housing, rental or bonded housing

- accelerate delivery of housing within the context of sustainable human settlements

The department has developed the Housing Development Sector Involvement Strategy (HDSIS) for women, youth and persons with disabilities. The aim is to provide women, youth and persons with disabilities with skills training, and to enable them to benefit from the department's economic empowerment programmes. The department's procurement policy allocates percentages to women (30 percent), youth (5 percent) and disabled persons (5 percent).

To benefit young people, the learnership and internship programmes implemented in 2004/05 were extended in 2008/09 to include the Construction Education and Training Authority (CETA).

## 2. REVIEW OF THE 2008/09 FINANCIAL YEAR

The department aims to meet government's constitutional responsibility for ensuring that every South African has access to permanent housing that provides secure tenure, privacy protection and access to basic services. The strategy has changed from large-volume construction of low-cost housing to dealing with issues of quantity and quality as related elements of the housing delivery process, and promoting these houses as assets. By 2004, the National Government had built 1.6 million houses, an achievement for all to be proud of. Gauteng has contributed 350 000 to the 2.6 million houses built nationwide to date. In the period 2008/09 to 2014 and beyond, the department aims to remain on track towards successfully attaining its housing targets through effective operational practices, innovations and a sustained sense of urgency.

In the 2008/09 financial year, the department implemented its five key identified priorities as follows.

### Mixed-Housing Development

At flagship projects in each region of the province, ongoing work is at different stages of construction. These projects, implemented in line with the BNG principles of integrated housing, are in Linbro Park, Austin View and K206 (Alexandra), Leeupoort (Ekurhuleni), Nellmapius, Thorntree View and Olievenhoutbosch (Tshwane) Azaadville/Kagiso, Middlelei and Droogeheuvel (West Rand).

The aim of these developments is to ensure to promote social cohesion and address the ills of apartheid planning. Through them, the poor for the first time have opportunities of integration into the mainstream housing market.

The projects involve cross subsidization of basic services and infrastructure, and savings on infrastructure development. Choice with affordability are offered through a range of housing typologies.

### Formalisation and Eradication of Informal Settlements

Within the Eradication of Informal Settlements programme, the department had planned in 2008/09 to formalise 35 informal settlements, serve 3 758 stands and build 28 073 houses. The department has so far completed 11 659 houses and serviced 11 084 stands. Sixty-eight informal settlements have been formalised through the in-situ upgrade, with 325 000 people being provided with access to water and sanitation. Following the registration of 405 informal settlements across the province, the department undertook geo-technical investigations which indicated that approximately 120 settlements could be upgraded in-situ and 209 settlements should be relocated to identified project areas. Twelve informal settlements have been eradicated to date. The challenges experienced in the eradication of informal settlements relate to finding available and suitable land for relocation purposes, the high cost of well located land sufficiently close to urban areas, the growing number of settlements as others are eradicated, re-invasions of land, and densification once a settlement is targeted for formalization.

### Alternative Tenure

The programme purpose is to facilitate the development of affordable rental accommodation as well as to formalise, regulate and enhance backyard rentals through progressively eradicating backyard shacks and replacing them with structures compliant with the province's minimum norms and standards. The pilot programme of developing backyard rental accommodation in Orlando East (Soweto) and Boipatong identified challenges related to the quality of work, cash flow problems for contractors, landlord/tenant relationships, non-compliance by small contractors with norms and standards, and availability of material from suppliers.

The Social and Rental Housing Programme completed 515 higher density individual ownership units, upgraded 779 units through the Public Sector Hostel Redevelopment Programme and assisted 765 beneficiaries through

the backyard rental programme. The target of eradicating all hostels and converting them to family units by 2009 has been set for the province. The department has therefore been focusing on completing the following thirteen hostels: Diepkloof, Meadowlands, Orlando West, Dube, Kagiso, Mohlakeng, Saulsville, Mamelodi, Refilwe, Sebokeng, Boipatong, Sethokga and Buyafuthi.

### **Urban Renewal and Human Settlement Redevelopment**

The Urban Renewal Project is taking place in three areas: Alexandra, Bekkersdal and Evaton. The department has performed impact assessments and has analysed the project implementation method.

#### Alexandra Renewal Project

In Alexandra, the department planned to implement 90 infrastructure, economic & community projects involving planning, local economic development, engineering, housing, education, social facilities, sports and recreation, and support services. To date 49 projects have been approved, with 16 housing-related projects underway. A Local Business Support Centre providing support service to small and emerging business is fully functional.

#### Bekkersdal Renewal Project

Sixty projects were scheduled for Bekkersdal, including rehabilitation of local business centres, resurfacing of roads and improvement of health infrastructure. It was projected that these projects would create 1 500 new jobs. Thirty-four projects have been approved.

The department has adopted a new strategy for turning around the Bekkersdal Renewal Project to ensure its effectiveness. This adopts a regional approach to housing development within the West Rand, and involves relocating communities in informal areas on unsafe and dolomitic land to new housing development in areas such as Middellevlei/Droogehewel and Westonaria South. There, over 16 000 different housing units will be developed over three years. To implement the strategy, the department has appointed established contractors to work on a turn-key basis on risk matters relating to the accelerated programme.

#### Evaton Renewal Project

A total of 70 projects were planned for Evaton, to include installing public and street lightning and road resurfacing. Thirty-two projects have been approved.

The department has re-engineered the project so that addresses better the needs of the people of the area. The new approach uses development companies or agencies. These come with upfront funding partnerships, years of experience and an established capacity to deliver. Over the next three financial years, the project will: upgrade bulk infrastructure and engineering services including sewer and water networks, storm water and street lighting; upgrade roads and transport networks; upgrade housing as well build new houses for new beneficiaries; enhance local economic development, and help to create employment and small business opportunities alleviate poverty; enhance social services and infrastructure. To focus developments, Evaton has been divided into precincts; however, the new approach requires even smaller divisions within a precinct. This will help to localize and speed up delivery, especially in brown-field upgrades. So far, through this strategy and with the involvement of Standard Bank of South Africa and other private sector companies, over R500 million has been invested.

#### Twenty Prioritised Township Programme (20PTP)

By building and rehabilitating social and economic infrastructure including internal and external township services and with a focus on environmental protection and on quality improvement, this programme aims to build sustainable communities and contribute to poverty eradication.

The department planned by the end of the 2008/09 financial year to rehabilitate and resurface 90 kilometres of roads within communities, and to establish or rehabilitate seven parks. Tarring all the roads in these townships by 2009 indicated the amount of effort by all stakeholders to achieve the target, given that some municipalities relied on limited Municipal Infrastructure grant funding for implementing their road projects whilst others did not have the necessary additional funding for tarring a full level road and for constructing storm water systems.

Actual achievement during the year included completion and handover of projects worth more than R20 million to the community of Sebokeng in the Vaal. Included are a new clinic, a refurbished school and five tarred roads.

### 3. OUTLOOK FOR THE 2009/10 FINANCIAL YEAR

The department will continue to focus on the strategic objectives detailed below.

#### **Mixed-Housing Development**

By 2014, Gauteng should have implemented fourteen of these projects across the province, providing over 150 000 different housing units over the five-year period. This will allow the department to effectively deal with the "market gap". These projects will be implemented with collaboration by and participation of local authorities and the private sector, including financial institutions. The projects will assist the department to realize its job creation objectives and to create de-racialised residential areas which accommodate all people irrespective of their background, financial status or social standing. During the 2009/10 financial year, the Department plans to service 5 445 stands and build 6 872 houses.

#### **Formalisation and eradication of informal settlements**

The Department's plan for in-situ upgrading or for relocating the informal settlements across the province identified through geo-technical studies aims to have eradicated all informal settlements by 2014. The Department will continue with the implementation of this plan.

In 2009/10, of the 395 registered informal settlement to be eradicated by 2014, the department plans to formalise 21 and eradicate 44, to service 4 134 stands and build 30 880 houses.

#### **Alternative tenure**

The department will continue with the hostel eradication programme in thirteen hostels. The conversion process will provide current qualifying hostel dwellers and residents from surrounding communities with affordable rental units, community rental units, transitional rental and RDP (Walk Up) flats. Non-qualifying hostel dwellers will be permanently relocated to other projects within the province. The department has scheduled to build 1 525 hostel units and 1 086 social housing units in the 2009/10 financial year.

Based on the lessons learnt from the backyard rental accommodation pilot programme in Orlando East (Soweto) and Boipatong, and using alternative building technology methods, the department with the respective municipalities plan to roll out the programme to other areas including Zola, Mamelodi and Atteridgeville. The Department plans to deliver 1 100 backyard rental units in the 2009/10 financial year.

#### **Urban Renewal Programmes (URP)**

The department has designed a new approach that will focus on high impact development by prioritizing infrastructure upgrade and development and will deal with roads and engineering services in identified precincts. The new approach has prioritized housing and support infrastructure and places more emphasis on attracting private investment in economic development with high impact and visibility. The projects mainly focus on housing, engineering, bulk infrastructure (water and sanitation), roads and transport, and local economic development.

##### Alexandra Renewal Project

Given that suitable land for mixed income groups, mixed use and alternative tenure options has been identified, the department has started to acquire pockets of land to de-densify Alexandra without displacing communities from areas of economic opportunities or interfering with the historical social design. Thirty projects are planned for implementation in the 2009/10 financial year.

##### Bekkersdal Renewal Project Turnaround Strategy

The strategy focuses on the completion of all five-year projects with high visibility including roads, storm water drainage, sewers, landscaping and beautification. All works are scheduled to be completed by the appointed established contractors by March 2010. The opening of the Local Business Support Centre (LSBC) will ensure that local people acquire skills that will enable them to participate in the development and to access other opportunities within the region. A critical intervention is to ensure that the West Rand, Randfontein and Westonaria local municipalities have maintenance plans for all completed and handed over projects. Twenty projects are planned for implementation in the Bekkersdal area during the 2009/10 financial year.

##### Evaton Renewal Project Turnaround Strategy

Using a model similar to that of Bekkersdal, the department plans during the 2009/10 financial year to implement 22 projects, creating a projected 500 jobs including learnerships.

### Acquisition of well located land

In line with the recommendations of the Land Use Task Team, the department defines as suitably located land that:

- Is in close proximity to or within a reasonable distance from urban services including schools, clinics, commercial and retail activity, parks and recreational facilities
- Is located on or near a public transport route (bus, taxi or rail)
- Has additional or spare bulk infrastructure capacity which can be optimized
- Is in a strategic location with economic potential capable of providing job opportunities and enabling entrepreneurship

As part of the Land Bankability Strategy and towards maximizing the usage of publicly-owned land, the department has earmarked pockets of private and public land for sustainable human settlements in all regions of the province. In the period to 2012, the identified land to be purchased through the Housing Fund consists of 31 portions in Johannesburg, 66 in Tshwane, 51 in Ekurhuleni, 16 in West Rand, 44 in Sedibeng and 18 in Metsweding. The department is continuing with the implementation of the Inclusionary Housing Policy. Key to this is its ability to promote the de-racialisation of exclusive suburbia and create inclusive communities irrespective of income, race and profession.

### Expropriation of land

The state will after reasonable negotiations and after considering relevant factors, as a last resort use expropriation to access a particular portion of land if required. The department, together with local authorities in areas such as Sedibeng and Ekurhuleni, has implemented the process of land expropriation where land owners have negotiated in bad faith.

### Alternative building technologies and methods to fast-track housing delivery

The department has undertaken to complement conventional housing construction with alternative building technologies. In line with the new comprehensive housing plan which aims to accelerate access to housing, these technologies will assist in decreasing the housing backlog as they are faster in construction, labour intensive, assist with job creation and skills transfer, offer a varied array of housing types to beneficiaries, and fall within the prescribed subsidy scheme. The department is currently implementing seven projects throughout the province, and expects to identify additional projects as it approves additional companies meeting the department's norms and standards. In collaboration with the national Department of Housing and the National Home Builders Registration Council (NHBRC), the department has established an Innovation Hub in Soshanguve that will assist in identifying various building methods; these will have to be sanctioned in terms of the relevant regulations.

## 4. RECEIPTS AND FINANCING

### 4.1 Summary of receipts

TABLE 1: SUMMARY OF RECEIPTS: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Equitable share	320 497	377 393	442 993	521 548	532 618	1 151 298	570 324	430 223	450 567
Conditional grants	1 352 805	1 759 822	2 613 553	2 579 973	2 806 671	2 103 962	3 187 086	3 771 831	4 322 945
<b>Total Treasury Funding</b>	<b>1 673 302</b>	<b>2 137 215</b>	<b>3 056 546</b>	<b>3 101 521</b>	<b>3 339 289</b>	<b>3 255 260</b>	<b>3 757 410</b>	<b>4 202 054</b>	<b>4 773 512</b>

The department is mainly funded through two sources of revenue: conditional grants and equitable share. Conditional grants constitute 83.8 percent of the total, and the equitable share 16.7 percent (2008/09 revised estimate).

The equitable share primarily funds the operational activities of the department. The Integrated Housing and Human Settlement Development grant from the national department of Housing finances national and provincial housing programmes, with the aim of establishing and maintaining habitable, stable, and sustainable human settlements where all citizens have access to social and economic amenities such as community halls, sports facilities and welfare centres. The equitable share allocation funds the Alexandra Urban Renewal Project as well



as the rehabilitation of the 20PTP. This decreases from R570 million in 2009/10 to R450 million in 2011/12, as some of the projects are expected to be completed during that period. The department's total receipts are expected to increase from R1.7 billion in 2005/06 to R4.8 billion in 2011/12. The receipts are mainly from the grant allocation which increases from R1.4 billion in the 2005/06 financial year to R4.3 billion in 2011/12. The significant increase in 2007/08 is attributable to the R350 million allocated during the adjustments budget.

## 4.2 Departmental receipts collection

TABLE 2: DEPARTMENTAL RECEIPTS: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	1 692	274	77	330	404	302	360	360	360
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land		197	590	240	170	107	270	270	270
Sales of capital assets									
Financial transactions in assets and liabilities	148	2 189	2 708	2 640	1 611	1 934	2 900	2 900	2 900
<b>Total departmental receipts</b>	<b>1 840</b>	<b>2 660</b>	<b>3 375</b>	<b>3 210</b>	<b>2 185</b>	<b>2 343</b>	<b>3 530</b>	<b>3 530</b>	<b>3 530</b>

The department is not a significant revenue generator. Most revenue generated comes from parking fees, tenders and rental from hostel accommodation. The department thus relies mainly on national transfers. Departmental own receipts are expected to increase from R1.8 million in the 2005/06 financial year to R3.5 million in 2011/12. The biggest increase is recorded in the 2009/10 when revenue increases from R2.3 million to R3.5 million. However, revenue remains constant in the outer years of the 2009 MTEF due to constant tariffs for rental stock housing.

## 5. PAYMENT SUMMARY

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration	78 017	88 478	159 200	214 296	225 366	274 795	230 387	232 286	242 878
2. Housing Needs, Research and Planning	7 513	7 495	13 485	15 504	15 504	15 294	19 730	19 730	20 616
3. Housing Development	1 522 259	1 979 315	2 805 260	2 803 873	3 030 852	3 505 182	3 416 571	3 859 316	4 415 218

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
4. Housing Asset Management	65 513	61 927	78 601	67 848	67 567	38 927	90 722	90 722	94 800
<b>Total payments and estimates</b>	<b>1 673 302</b>	<b>2 137 215</b>	<b>3 056 546</b>	<b>3 101 521</b>	<b>3 339 289</b>	<b>3 834 198</b>	<b>3 757 410</b>	<b>4 202 054</b>	<b>4 773 512</b>

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Current payments</b>	<b>111 380</b>	<b>118 581</b>	<b>253 986</b>	<b>307 547</b>	<b>333 617</b>	<b>363 654</b>	<b>335 824</b>	<b>352 723</b>	<b>368 728</b>
Compensation of employees	69 916	81 914	162 589	207 734	218 804	236 845	243 617	268 131	282 903
Goods and services	41 396	36 667	91 397	99 813	114 813	126 809	92 207	84 592	85 825
Interest and rent on land									
Financial transactions in assets and liabilities	68								
<b>Transfers and subsidies</b>	<b>1 506 700</b>	<b>1 967 065</b>	<b>2 794 380</b>	<b>2 789 974</b>	<b>3 001 672</b>	<b>3 464 287</b>	<b>3 417 086</b>	<b>3 844 831</b>	<b>4 400 081</b>
Provinces and municipalities						10			
Departmental agencies and accounts						59			
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	1 506 700	1 967 065	2 794 380	2 789 974	3 001 672	3 464 218	3 417 086	3 844 831	4 400 081
<b>Payments for capital assets</b>	<b>55 222</b>	<b>51 569</b>	<b>8 180</b>	<b>4 000</b>	<b>4 000</b>	<b>6 257</b>	<b>4 500</b>	<b>4 500</b>	<b>4 703</b>
Buildings and other fixed structures	52 210	48 765							
Machinery and equipment	3 012	2 804	8 180	4 000	4 000	6 257	4 500	4 500	4 703
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total Economic Classification</b>	<b>1 673 302</b>	<b>2 137 215</b>	<b>3 056 546</b>	<b>3 101 521</b>	<b>3 339 289</b>	<b>3 834 198</b>	<b>3 757 410</b>	<b>4 202 054</b>	<b>4 773 512</b>



Expenditure is expected to increase from R1.7 billion in 2005/06 to R4.8 billion in 2011/12. In the 2008/09 financial year an amount of R3.1 billion was allocated, R2.6 billion of which (83 per cent) was for the Integrated Housing and Human Settlement grant as part of the intensification of the Breaking New Ground strategy. Of the conditional grant, R175 million was allocated for the Alexandra Urban Renewal project, R50 million for the 20 PTP, while R296 million is a discretionary allocation for maintaining and upgrading hostels.

During the 2008/09 adjustments, an additional R85.8 million was allocated to fund the shortfall resulting from improvements in conditions of employment and R74.7 million for inflationary adjustments associated with the increasing costs of building material and the revised subsidy quantum.

The Department's budget over the MTEF is expected to increase from R3.8 billion in 2009/10 to R4.8 billion in 2011/12. This is mainly due to the increased funding for conditional grants. Alexandra Urban Renewal Project funding is expected to increase to R195 million in 2009/10 and then decrease to R39.8 million in 2011/12, when the project is scheduled to finish.

Current payments increase from R111.4 million in 2005/06 to R368.8 million in 2011/12. Compensation of employees increase from R69.9 million to R282.9 million in the same period, and goods and services from R41.4 to R85.8 million. This is to accommodate restructuring within the department, where new posts were created to decentralize the core business of the Department into regions resulting in the appointment of additional personnel, with new office space, services and equipment to run and maintain operations.

Payment for capital assets decrease from R55.2 million in 2005/06 to R4.7 million in 2011/12, because until the 2006/07 financial year, the department utilized capital expenditure to defray personnel expenditure. This practice has been disallowed as per the directive issued by the National Department of Housing. The significant increase in expenditure on machinery and equipment between 2006/07 and 2007/08 is due to the establishment of the regional offices, resulting in the procurement of additional office equipment. This will stabilize over the MTEF period.

## 5.1 Infrastructure payments

TABLE 5: SUMMARY OF INFRASTRUCTURE BUDGET BY CATEGORY: HOUSING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>New infrastructure assets</b>	1 193 922	2 053 856	1 268 484	1 779 073	1 853 771	1 853 771	2 346 035	2 819 780	3 374 630
<b>Existing infrastructure assets</b>	375 726	388 488	1 071 821	975 900	975 900	975 900	1 086 051	1 040 051	1 040 451
Maintenance and repair	35 494	33 988	351 127	431 066	431 066	431 066	459 714	447 714	448 020
Upgrading and additions	340 232	354 500	720 694	507 629	507 629	507 629	626 337	592 337	592 431
Rehabilitation and refurbishment				37 205	37 205	37 205			
<b>Infrastructure transfers</b>									
Current									
Capital									
<i>Current infrastructure</i>	35 494	33 988	351 127	431 066	431 066	431 066	459 714	447 714	448 020
<i>Capital infrastructure</i>	1 534 154	2 408 356	1 989 178	2 323 907	2 398 605	2 398 605	2 972 372	3 412 117	3 967 061
<b>Total infrastructure</b>	<b>1 569 648</b>	<b>2 442 344</b>	<b>2 340 305</b>	<b>2 754 973</b>	<b>2 829 671</b>	<b>2 829 671</b>	<b>3 432 086</b>	<b>3 859 831</b>	<b>4 415 081</b>

The department's infrastructure programme focuses on key initiatives relating to mixed-housing development, formalization and eradication of informal settlements, alternative tenure, urban renewal and the 20 Prioritised Township Programme.

The mixed-income housing development will ensure that communities are well integrated socially and are settled on well-located land close to areas of economic development and to opportunities. The Eradication of Informal Settlement programme aims at establishing and maintaining habitable, stable and sustainable human settlement in which all citizens will have access to selected social and economic amenities. The Alternative Tenure programme seeks to alleviate the housing backlog, regenerate and rehabilitate inner city housing and redevelop hostels units. The Urban Renewal programme aims at stimulating local economies and promoting the creation of sustainable jobs. The 20 Prioritised Township Programme (20PTP) seeks to integrate planning of marginalized townships and intergovernmental coordination so as to upgrade infrastructure and build and develop new centres of activity to promote economic regeneration.

Amongst the planned outputs for the infrastructure programme are: building 5 445 houses in mixed housing developments and 30 880 as part of the Eradication of Informal Settlement programme; redevelopment of 1 525 hostel units in the public sector hostel redevelopment; and resurfacing of 90 kilometers of roads in the 20PTP programme.

## 6. PROGRAMME INFORMATION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

To ensure effective leadership, management and administrative support to the core business divisions through continuous refinement of organizational strategy and structure in compliance with appropriate legislation and best practice.

#### Programme objectives

- To provide for the functioning of the Office of the MEC and legislative support services
- To ensure that the Department maintains effective, efficient and transparent risk management and financial systems and controls in order to safeguard departmental assets
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility within the operation of the department
- To provide corporate and financial support services to the department through the following sections: Financial and Management Accounting; Transport/Fleet Management; Supply Chain Management; Human Resources Management; Legal Services; Information Technology Systems; Facilities Management; Registrar; Revenue Management; Communication and Customer Relations Management.

TABLE 6: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Office of the MEC	5 910	8 165	8 337	21 155	21 155	18 391	22 155	22 155	23 148
2. Corporate Services	72 107	80 313	150 863	193 141	204 211	256 404	208 232	210 131	219 730
<b>Total payments and estimates</b>	<b>78 017</b>	<b>88 478</b>	<b>159 200</b>	<b>214 296</b>	<b>225 366</b>	<b>274 795</b>	<b>230 387</b>	<b>232 286</b>	<b>242 878</b>

TABLE 7: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Current payments</b>	<b>68 995</b>	<b>77 526</b>	<b>139 881</b>	<b>198 322</b>	<b>209 392</b>	<b>251 840</b>	<b>213 899</b>	<b>215 798</b>	<b>225 648</b>
Compensation of employees	37 193	45 052	78 552	120 993	132 063	147 843	148 575	156 008	164 613

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Goods and services	31 800	32 474	61 329	77 329	77 329	103 997	65 324	59 790	61 035
Interest and rent on land									
Financial transactions in assets and liabilities	2								
<b>Transfers and subsidies</b>	<b>6 490</b>	<b>8 280</b>	<b>11 139</b>	<b>11 974</b>	<b>11 974</b>	<b>16 698</b>	<b>11 988</b>	<b>11 988</b>	<b>12 527</b>
Provinces and municipalities						10			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	6 490	8 280	11 139	11 974	11 974	16 688	11 988	11 988	12 527
<b>Payments for capital assets</b>	<b>2 532</b>	<b>2 672</b>	<b>8 180</b>	<b>4 000</b>	<b>4 000</b>	<b>6 257</b>	<b>4 500</b>	<b>4 500</b>	<b>4 703</b>
Buildings and other fixed structures									
Machinery and equipment	2 532	2 672	8 180	4 000	4 000	6 257	4 500	4 500	4 703
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>78 017</b>	<b>88 478</b>	<b>159 200</b>	<b>214 296</b>	<b>225 366</b>	<b>274 795</b>	<b>230 387</b>	<b>232 286</b>	<b>242 878</b>

Programme expenditure has increased from 2005/06 to 2007/08 at an average annual rate of 43 per cent. This high rate is mainly because of the reallocation of some of Programme 2's objectives to Corporate Services, as a result of which the budget allocation, and therefore the spending was increased in 2007/08. During 2008/09, the budget for this programme was adjusted upwards by R11.1 million. This was the total additional allocation for personnel and the department allocated the entire amount to this programme in order to cover the Xhasa Accounts and Technical Centre personnel absorbed into the department after its closure. Over the MTEF, the budget increases at an average annual rate of 2.86 per cent. This is mainly because of inflationary increases.

The compensation of employees has an uneven trend because allocations made for personnel in 2008/09 were higher than the inflationary adjustments made for personnel over the MTEF. The Department further reprioritised the goods and services budget to cover the increases in personnel expenditure that are expected over the MTEF as a result of the conditions of service agreements within the public sector.

**PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING****Programme description**

Housing Policy and Research undertakes key functions for the department viz. policy, research, municipal support and registration of institutions. Attached to this programme are other transversal functions including quality assurance, housing support and strategic planning.

**Programme objectives**

- To provide administrative and transversal project management services
- To provide a regulatory framework for housing delivery in respect of policy guidelines, proclamation of legislation and outlining the policy development and approval process
- To develop provincial multi-year strategic housing plans, aligning provincial and municipal housing plans and IDPs
- To conduct housing research through information gathering, analysis and reporting within specific time frames
- To provide housing-related training and capacity building for municipalities and departmental programmes
- To co-ordinate the activities of the Municipal Housing Development Planning process with the principles of land use development management
- To ensure an integrated management approach to service delivery
- To establish and manage the department's Spatial Information System to guide and monitor development
- To render a planning support service to the department to guide and monitor development.

**TABLE 8: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING NEEDS, RESEARCH AND PLANNING**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration	1 236	2 315	6 988	5 669	5 669	5 114	6 714	6 714	7 015
2. Policy	2 524	3 439	3 342	2 110	4 160	2 764	5 429	5 429	5 673
3. Planning	3 753	1 741	3 155	3 675	3 675	4 109	4 587	4 587	4 793
4. Research				4 050	2 000	3 307	3 000	3 000	3 135
<b>Total payments and estimates</b>	<b>7 513</b>	<b>7 495</b>	<b>13 485</b>	<b>15 504</b>	<b>15 504</b>	<b>15 294</b>	<b>19 730</b>	<b>19 730</b>	<b>20 616</b>

**TABLE 9: SUMMARY OF ECONOMIC CLASSIFICATION: HOUSING NEEDS, RESEARCH AND PLANNING**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Current payments</b>	<b>7 408</b>	<b>7 495</b>	<b>13 485</b>	<b>13 504</b>	<b>13 504</b>	<b>12 712</b>	<b>16 730</b>	<b>16 730</b>	<b>17 481</b>
Compensation of employees	5 503	6 276	9 450	9 163	9 163	9 760	11 142	11 688	12 331
Goods and services	1 905	1 219	4 035	4 341	4 341	2 952	5 588	5 042	5 150
Interest and rent on land									
Financial transactions in assets and liabilities									
<b>Transfers and subsidies</b>				<b>2 000</b>	<b>2 000</b>	<b>2 582</b>	<b>3 000</b>	<b>3 000</b>	<b>3 135</b>
Provinces and municipalities									
Departmental agencies and accounts									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households				2 000	2 000	2 582	3 000	3 000	3 135
<b>Payments for capital assets</b>	<b>105</b>								
Buildings and other fixed structures									
Machinery and equipment	105								
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>7 513</b>	<b>7 495</b>	<b>13 485</b>	<b>15 504</b>	<b>15 504</b>	<b>15 294</b>	<b>19 730</b>	<b>19 730</b>	<b>20 616</b>

Programme expenditure from 2005/06 to 2007/08 has increased at an average annual rate of 34 per cent. The allocated budget in 2007/08, and therefore the expenditure, was higher than that of previous years as a result of the decision to fully capacitate this programme, thus ensuring that it is fully functional. The increases in budget from 2008/09 until the outer year of the MTEF are mainly to take account of inflation.

Expenditure over the MTEF is expected to increase marginally from R19.7 million to R20.6 million due to anticipated additional costs relating to compensation of employees, use of goods and services and transfers to households. Expenditure related to transfers to households, which is for payments of research institutions that the department utilises, will increase from R2 million in 2008/09 to R3.1 million in 2011/12, mainly to take account of inflation.

## SERVICE DELIVERY MEASURES

### Programme 2: Housing Needs Research and Planning

Programme/Sub-programme/Performance Measures	2008/09	Estimated Annual Targets		
	Estimated Outcome	2009/10	2010/11	2011/12
Number of acts passed	1			
Housing strategic development plan in place (yes/no)	1	1	1	1
Number of guidelines approved	2	1	1	1
Number of research projects conducted	2	1	1	1

**PROGRAMME 3: HOUSING DEVELOPMENT****Programme description**

To promote effective and efficient delivery of national and provincial housing programmes, and focus on the integrated redevelopment of urban communities at scale to cultivate sustainable local economies. The province has identified three areas that require urban renewal intervention, Alexandra, Bekkersdal and Evaton.

**Programme objectives**

- To provide an effective and efficient beneficiary administration service
- To address the 600 000 unit backlog in basic services and infrastructure by 2009
- To address rural housing needs in Gauteng
- To deepen the involvement of communities as decision makers in the housing delivery process
- To focus on the development of greenfield, well located, integrated, higher density housing
- To create a "Community Builder Programme" that focuses on job creation, training and capacitation
- To increase the use of labour intensive construction methods in the installation of services through the Essential Services programme
- To increase the total number of projects that utilise labour intensive methods
- To maximise job creation in the construction of houses through the People's Housing Process (PHP)
- To establish structures and agreements that will ensure effective coordination
- To foster cooperation and coordinate resources in all phases of project life cycles
- To mobilise community participation at all phases of the project life cycles
- To facilitate the normalisation of the housing environment in targeted areas
- To undertake the successful and sustainable management of selected urban regeneration projects, so as to enhance the economic and social viability of neighbourhoods
- To reduce levels of unemployment through the stimulation of income generating opportunities
- To ensure enhancement of integrated and sustainable development through urban regeneration.

**TABLE 10: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING DEVELOPMENT**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration	40 601	54 961	66 262	64 873	80 154	79 624	85 473	85 482	89 329
2. Financial Interventions	66 232	10 814	17 260	327 000	327 000	147 652	367 500	431 000	450 394
3. Incremental Interventions	1 021 151	1 369 079	2 215 721	1 798 000	2 009 698	2 447 983	2 329 598	2 716 784	3 221 272
4. Social and Rental Intervention	394 275	544 461	487 417	566 000	566 000	511 314	586 000	568 371	593 948
5. Rural Intervention			18 600	48 000	48 000	318 609	48 000	57 679	60 275
<b>Total payments and estimates</b>	<b>1 522 259</b>	<b>1 979 315</b>	<b>2 805 260</b>	<b>2 803 873</b>	<b>3 030 852</b>	<b>3 505 182</b>	<b>3 416 571</b>	<b>3 859 316</b>	<b>4 415 218</b>

**TABLE 11: SUMMARY OF ECONOMIC CLASSIFICATION: HOUSING DEVELOPMENT**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Current payments</b>	<b>15 801</b>	<b>20 721</b>	<b>66 262</b>	<b>79 873</b>	<b>95 154</b>	<b>85 223</b>	<b>85 473</b>	<b>100 473</b>	<b>104 994</b>
Compensation of employees	11 114	18 490	43 227	64 699	64 699	67 341	68 300	83 199	87 775
Goods and services	4 634	2 231	23 035	15 174	30 455	17 882	17 173	17 274	17 219
Interest and rent on land									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Financial transactions in assets and liabilities	53								
<b>Transfers and subsidies</b>	<b>1 460 518</b>	<b>1 922 697</b>	<b>2 738 998</b>	<b>2 724 000</b>	<b>2 935 698</b>	<b>3 419 959</b>	<b>3 331 098</b>	<b>3 758 843</b>	<b>4 310 224</b>
Provinces and municipalities									
Departmental agencies and accounts						59			
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	1 460 518	1 922 697	2 738 998	2 724 000	2 935 698	3 419 900	3 331 098	3 758 843	4 310 224
<b>Payments for capital assets</b>	<b>45 940</b>	<b>35 897</b>							
Buildings and other fixed structures	45 565	35 765							
Machinery and equipment	375	132							
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>1 522 259</b>	<b>1 979 315</b>	<b>2 805 260</b>	<b>2 803 873</b>	<b>3 030 852</b>	<b>3 505 182</b>	<b>3 416 571</b>	<b>3 859 316</b>	<b>4 415 218</b>

The Housing and Human settlement Development Grant is the main driver for the budget and expenditure within this programme, hence the increased budget as compared to the other programmes. Expenditure in the financial years 2005/06 to 2007/08 increased at an average rate of 36 per cent. The rural intervention sub-programme was introduced in the 2007/08 financial year as a result of the department's revised programme structure.

During 2008/09, the main adjustment in this programme was for the conditional grant, within sub-programme 3, as a result of increasing costs of building materials and the subsidy quantum for the year. The increases of the budget over the MTEF are mainly to take account of inflation, and will cover the increasing personnel expenditure.

In 2007/08, R19 million was rolled over for the finalization of the Alexandra Renewal Project. This is reflected in the increased goods and services expenditure when compared to previous years. Transfers and subsidies form a substantial part of this programme throughout the multi-term. Expenditure rises from R1.5 billion in 2005/06 to R4.3 billion in 2011/12 mainly for payments to contractors and service providers on the different projects within this programme, e.g. the Alexandra and Bekkersdal renewal projects.



## SERVICE DELIVERY MEASURES

## HOUSING DEVELOPMENT

Performance Measures/Subprogramme/Performance Measures	2008/09 Estimated Outcome	Estimated Annual Targets		
		2009/10	2010/11	2011/12
Mixed Housing Development and Formal Housing				
Number of houses built	6 247	6 872	7 559	8 315
Number of serviced stands	4 950	5 445	5 990	6 589
Alternative Tenure				
Number of units delivered for rental/ownership	1 386	1 525	1 678	1 846
Number of backyard units delivered	1 000	1 100	1 210	1 331
Number of houses assisted in approved projects	988	1 086	1 195	1 315
Eradication of Informal Settlements				
Number of Informal Settlement Formalized	35	41		
Number of Informal Settlement eradicated	40	44		
Number of serviced stands	3 758	4 134	4 547	5 002
Number of houses completed	28 073	30 880	33 968	37 365
Urban Renewal				
No. of projects completed	Alex - 90 Bekkersdal -85 Evaton - 70 10	Alex - 30 Bekkersdal -20 Evaton - 22 15		50
Number of facilities constructed or renovated				
Number of schools secured				
Number of community safety projects	2	3		
Number of high mast lights installed	50	200		
Number of Localized SDFs	20	20		
Number of Township Development plans	12	20		
Number of commercialized hubs established	6	10		
Number of market stalls developed	6	10		
Number of bio-diversity areas	2	3		
Number of food gardens	2	3		

## PROGRAMME 4: HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT

## Programme description

The Gauteng Housing Asset Management Programme is responsible for the efficient management of provincial assets through property management.

## Programme objectives

- To capacitate social housing Institutions so as to accelerate housing delivery
- To facilitate the stabilization of the sectional title environment
- To facilitate an enabling environment that allows for the delivery of social housing including facilitating the involvement of financial institutions
- To phase out special needs housing and facilitate interactions with provincial departments
- To improve project management capacity of all projects implemented under this programme
- To provide housing assistance to departmental staff
- To facilitate the regeneration and rehabilitation of inner city housing (Better Build Programme) as defined in the Mixed Housing Development Programmes (MHDP) as well as targeted urban environments in order to promote urban integration
- To facilitate medium-density housing (rental, instalment sale and cooperative housing)
- To facilitate affordable rental accommodation (including upgrade of backyard rentals and non-transferable stock)
- To promote home ownership
- To dispose of commercial property and vacant land owned by the department in the most economical manner
- To deliver social housing units in targeted presidential projects.

TABLE 12: SUMMARY OF PAYMENTS AND ESTIMATES: HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration	15 836	25 839	34 358	15 848	15 567	13 041	19 722	19 722	20 609
2. Sale and Transfer of Housing Properties	17 056	15 290	16 243	24 000	14 000	14 367	29 000	29 000	30 305
3. Devolution of Housing Properties				1 000	11 000	2 860	1 000	1 000	1 044
4. Housing Properties Maintenance	32 621	20 798	28 000	27 000	27 000	8 659	41 000	41 000	42 842
<b>Total payments and estimates</b>	<b>65 513</b>	<b>61 927</b>	<b>78 601</b>	<b>67 848</b>	<b>67 567</b>	<b>38 927</b>	<b>90 722</b>	<b>90 722</b>	<b>94 800</b>

TABLE 13: SUMMARY OF ECONOMIC CLASSIFICATION: HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Current payments</b>	<b>19 176</b>	<b>12 839</b>	<b>34 358</b>	<b>15 848</b>	<b>15 567</b>	<b>13 879</b>	<b>19 722</b>	<b>19 722</b>	<b>20 605</b>
Compensation of employees	16 106	12 096	31 360	12 879	12 879	11 901	15 600	17 236	18 184
Goods and services	3 057	743	2 998	2 969	2 688	1 978	4 122	2 486	2 421
Interest and rent on land									
Financial transactions in assets and liabilities	13								
<b>Transfers and subsidies</b>	<b>39 692</b>	<b>36 088</b>	<b>44 243</b>	<b>52 000</b>	<b>52 000</b>	<b>25 048</b>	<b>71 000</b>	<b>71 000</b>	<b>74 195</b>
Provinces and municipalities									
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households	39 692	36 088	44 243	52 000	52 000	25 048	71 000	71 000	74 195
<b>Payments for capital assets</b>	<b>6 645</b>	<b>13 000</b>							
Buildings and other fixed structures	6 645	13 000							

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Machinery and equipment									
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
<b>Total economic classification</b>	<b>65 513</b>	<b>61 927</b>	<b>78 601</b>	<b>67 848</b>	<b>67 567</b>	<b>38 927</b>	<b>90 722</b>	<b>90 722</b>	<b>94 800</b>

The structure of this programme has been changed, with the Enhanced Extended Discount Benefit Scheme sub-programme incorporated into the sub-programme Sale and Transfer of Housing Properties as agreed nationally. Expenditure between the financial years 2005/06 and 2007/08 has increased at an average rate of 9.53 per cent per annum. This marginal increase was because the burden of maintaining housing properties was lessened when these properties were transferred to the listed beneficiaries and/or devolved to municipalities. During 2008/09, the only adjustment within this programme was a virement as a result of an incorrect allocation of Programme 3's personnel expenditure. Over the MTEF, the average annual growth rate is 2.22 per cent.

Expenditure increased sharply for most items from 2006/07 to 2007/08. In 2007/08 a new programme structure was approved, coupled with the new standard chart of accounts. Expenditure is expected to increase marginally from R90.7 million to R94.8 million over the MTEF as many departmental own housing assets will have been transferred to the beneficiaries and/or devolved to the municipalities resulting in a marginal budgetary growth requirement. In 2008/09, hostels will be re-assigned to Programme 1: Administration, hence the decrease in the adjustment budget.

## 7. OTHER PROGRAMME INFORMATION

### 7.1 Personnel numbers and costs

TABLE 14: PERSONNEL NUMBERS AND COSTS: HOUSING

Personnel numbers	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	As at 31 March 2011	As at 31 March 2012
1. Administration	341	402	473	750	961	961	961
2. Housing Needs, Research and Planning	37	23	37	37	37	37	37
3. Housing Development	101	124	308	308	236	236	236
4. Housing Asset Management	190	209	68	72	77	77	77
<b>Total personnel numbers</b>	<b>669</b>	<b>758</b>	<b>886</b>	<b>1 167</b>	<b>1 311</b>	<b>1 311</b>	<b>1 311</b>
<b>Total personnel cost (R thousand)</b>	<b>69 916</b>	<b>81 914</b>	<b>162 589</b>	<b>218 804</b>	<b>243 617</b>	<b>268 131</b>	<b>282 903</b>
<b>Unit cost (R thousand)</b>	<b>105</b>	<b>108</b>	<b>184</b>	<b>187</b>	<b>186</b>	<b>205</b>	<b>216</b>

Personnel expenditure grows by R212 million between 2005/06 and 2011/12. The significant expenditure increase from R81.9 million in 2006/07 to R162.6 million in 2007/08 is due to a new structure implemented in April 2007 when the Department regionalised its core business, and to the capacitating of regional offices with support staff and the filling of a number of critical posts. Personnel numbers increased from 1 167 in 2008/09 to 1 311 in 2009/10 due to the absorption of Xhosa personnel into the department after the closure of the entity.

TABLE 15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Total for Housing									
Personnel numbers (head count)	669	758	886	1 167	1 074	1 152	1 311	1 311	1 311
Personnel cost (R thousands)	69 916	81 914	162 589	207 734	218 804	236 845	243 617	268 131	282 903
Human resources component									
Personnel numbers (head count)	27	27	27	41	41	41	42	42	42
Personnel cost (R thousands)	876	876	5 503	9 080	9 080	9 080	9 180	9 180	9 180
Head count as % of total for department	4%	4%	4%	4%	4%	4%	3%	3%	3%
Personnel cost as % of total for department	1%	1%	7%	4%	4%	4%	4%	3%	3%
Finance component									
Personnel numbers (head count)	94	94	94	139	139	139	177	177	177
Personnel cost (R thousands)	19 355	19 355	19 259	28 570	28 570	28 570	28 890	28 890	28 890
Head count as % of total for department	14%	12%	12%	12%	13%	12%	14%	14%	14%
Personnel cost as % of total for department	28%	24%	24%	14%	13%	12%	12%	11%	10%
Full time workers									
Personnel numbers (head count)	411	621	668	949	856	934	1 093	1 093	1 093
Personnel cost (R thousands)	51 283	66 911	135 197	189 101	200 171	218 212	224 984	249 498	264 270
Head count as % of total for department	61%	82%	88%	81%	80%	81%	83%	83%	83%
Personnel cost as % of total for department	73%	82%	85%	91%	91%	92%	92%	93%	93%
Part-time workers									
Personnel numbers (head count)	34	19	17	34	34	34	34	34	34
Personnel cost (R thousands)	1 283	153	185	1 283	1 283	1 283	1 283	1 283	1 283
Head count as % of total for department	5%	3%	2%	3%	3%	3%	3%	3%	3%
Personnel cost as % of total for department	2%			1%	1%	1%	1%		

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Contract workers									
Personnel numbers (head count)	184	118	219	184	184	184	184	184	184
Personnel cost (R thousands)	17 350	14 850	27 207	17 350	17 350	17 350	17 350	17 350	17 350
Head count as % of total for department	28%	16%	29%	16%	17%	16%	14%	14%	14%
Personnel cost as % of total for department	25%	18%	33%	8%	8%	7%	7%	6%	6%

The department adopted a new approved structure, which was implemented from 1 April 2007. The department has regionalized its core business and in so doing has also created new positions by merging some positions, particularly at lower level, in order to create a structure that will support the Department in achieving its objectives. Personnel numbers increased due to transfer of hostels personnel from the Department of Public Transport, Roads and Works. The personnel number is expected to increase even further during the 2009/10 financial year and over the MTEF due to the closing down of Xhosa Accounts and Technical Centre. The Department absorbed Xhosa employees within the current programme structure from April 2008.

## 7.2 Training

TABLE 16: PAYMENTS ON TRAINING: HOUSING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
1. Administration of which	1 407	1 600	1 105	1 710	1 710	1 710	1 905	2 120	2 120
Subsistence and travel									
Payments on tuition	1 407	1 600	1 105	1 710	1 710	1 717	1 905	2 120	2 120
2. Housing Needs, Research and Planning			310	300	300	300	420	545	545
Subsistence and travel									
Payments on tuition			310	300	300	300	420	545	545
3. Housing Development			470	780	780	780	980	1 105	1 105
Subsistence and travel									
Payments on tuition			470	780	780	780	980	1 105	1 105
4. Housing Asset Management			280	210	210	210	195	230	230
Subsistence and travel									
Payments on tuition			280	210	210	210	195	230	230

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
<b>Total payments on training</b>	<b>1 407</b>	<b>1 600</b>	<b>2 165</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 500</b>	<b>4 000</b>	<b>4 000</b>

Training expenditure will increase from R1.4 million to R4 million in 2011/12 as the department's personnel increases. The department ensures that training opportunities are encouraged and made available to all levels of staff to equip them with necessary skills.

TABLE 17: INFORMATION ON TRAINING: HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
Number of staff	669	758	886	1 167	1 074	1 152	1 311	1 311	1 311
Number of personnel trained	652	769	793	1 166	890	792	1 248	1 248	1 248
of which									
Male	318	384	429	606	410	428	613	613	613
Female	334	385	364	560	480	364	635	635	635
Number of training opportunities	4	5	31	4	4	64	4	4	4
of which									
Tertiary									
Workshops	2	2	2	2	2	2	2	2	2
Seminars	2	3	4	2	2	2	2	2	2
Other									
Number of bursaries offered	55	20	76	50	50	34	55	60	60
Number of interns appointed	50	50	72	80	83	110	80	80	80
Number of learnerships appointed	23	23	20	25	16	4	25	35	35
Number of days spent on training									

## 8. CROSS CUTTING ISSUES

### Sector Involvement 2008/09

The department has initiated what is now called the Housing Development Sector Involvement Strategy (HDSIS) for the disabled from 2008-2014. The department's procurement policy allocates percentages of expenditure to sectors such as 30 percent for women, 5 percent for youth and 5 percent for the disabled.

The Strategy looks at the overall development and empowerment of sectors or groups that have been previously marginalised by society in terms of skills development and economic empowerment. The department's vision of sector development is that an operational plan on training and economic empowerment will be developed and implemented in the 2008/09 financial year.

The department also aims to work in partnership with the identified sectors and to empower them to become productive and to be actively involved in housing construction. The Department has since defined vulnerable groups to include people with severe mental disabilities, people disabled by violence, particularly domestic violence, orphans and abused children, the aged, victims of war and people with HIV/AIDS, among others. The scope of our beneficiaries has therefore been extended to include all sections of society where there are pockets of vulnerability.

There will be continuous consultation between the department and civil society, including youth, women, the aged, differently abled people and related structures.

### OUTCOMES AND OUTPUTS TARGETED SPECIFICALLY AT WOMEN AND GIRLS

Outcome	Output	Gender issue	Programme	Sub programme	Indicator/output	Performance Targets		
The Gauteng department of housing empowers women contractors and assist them to access skills, training and creates a conducive business environment for them in the province	Training of women in construction at various NQF (National Qualification Framework) levels	Direct allocation of work to women contractors	Programme 1	Development Communication, Corporate Communication and Media	To date the value of projects allocated to women-owned companies is R2 00 million (10 women contractors were appointed)	R13 million	R13 million	R13 million
Women in the building and construction industry create dynamic role models for young girls to enter the industry	Professional support in the form of mentorship, skills training and promotion of entrepreneurship	Women for Housing and PPC conceived a leadership program for women who want to build their careers in leadership levels in the construction industry.	Programme 1	Development Communication, Corporate Communication and Media	Women for Housing hosts Young Leaders Forum activities, every year the forum brought together 50 young women (University students and young professionals)	50 young women	50 young women	50 young women
Awareness Campaign	Women's month campaign and full participation in 16 Days of Activism against women and child abuse		Programme 1	Development Communication, Corporate Communication and Media	Target based projects, building 16 houses in the 16 days of activism and handing them over to beneficiaries (Child headed families, disabled women and pensioners)	16 Houses	16 Houses	16 Houses



**OUTCOMES AND OUTPUTS WHICH WILL BENEFIT WOMEN EMPLOYEES WITHIN GDOH**

Outcome	Output	Gender issue	Programme	Sub programme	Indicator/ output	Performance Target		
						2009/10	2010/11	2011/12
Monitoring of women progress and measures towards achieving gender equality in the work place	Provide education and training for women, employment and business opportunities.	Provide education and training for women, employment and business opportunities.	Programme 1	HR (Transformation unit)	Number of female personnel trained in 2008/09 financial year 560	635 Female personnel	635 Female personnel	635 Female personnel
Optimal employment of women at senior management level	50% 60 SMS post filled	Appoint women in strategic decision making posts	Programme 1	HR (Transformation unit)	50 percent of 60 SMS post, women appointed in strategic decision making posts	50% of senior management	50% of senior management	50% of senior management
Gender sensitive working environment	Awareness programmes on gender related issues	Awareness programmes on gender related issues	Programme 1 and 2	HR (Employee wellness unit) and Housing Policy unit	Implementation of Sexual harassment policy and HIV/AIDS policy	Implementation of Sexual harassment policy and HIV/AIDS policy	Implementation of Sexual harassment policy and HIV/AIDS policy	Implementation of Sexual harassment policy and HIV/AIDS policy
Internship programme	Learnerships and Internship programmes which will be extended to include the Construction SETA	Internship (Youth)	Programme 1	HR	9% of total Personnel	9% of total Personnel	9% of total Personnel	9% of total Personnel

**9. RECONCILIATION OF STRUCTURAL CHANGES****TABLE 18: RECONCILIATION OF STRUCTURAL CHANGES: DEPARTMENT OF HOUSING**

Programmes for 2008/09		Programmes for 2009/10	
Programme	Sub-programme	Programme	Subprogramme
2. HOUSING NEEDS, RESEARCH AND PLANNING	2. Needs	2. HOUSING NEEDS, RESEARCH AND PLANNING	4. Research
3. HOUSING DEVELOPMENT, IMPLEMENTATION PLANNING AND TARGETS	2. Individual Housing Subsidies and Support to Municipalities	3. HOUSING DEVELOPMENT	2. Financial Interventions
3. HOUSING DEVELOPMENT, IMPLEMENTATION PLANNING AND TARGETS	3. Informal Settlement Upgrading	3. HOUSING DEVELOPMENT	3. Incremental Interventions
4. HOUSING ASSET MANAGEMENT		4. HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT	

