

# VOTE 7

## DEPARTMENT OF LOCAL GOVERNMENT AND HOUSING

To be appropriated by Vote	R4 737 125 000
Responsible MEC	MEC for Local Government and Housing
Administering Department	Department of Local Government and Housing
Accounting Officer	Head of Department

### 1. OVERVIEW

#### **Vision**

We are an accountable department which builds integrated, sustainable communities that enjoy a good quality of life through promoting participatory governance.

#### **Mission**

To lead the provision of human settlements and coordinate the effective functioning of local government to promote sustained development in communities.

#### **Values**

Our values are informed by the Batho Pele (People First) principles of the South African Public Service and, as an organisation, our specific focus is on respect, integrity, responsibility, accountability and fairness.

#### **Core mandate**

- Based on our core mandate and on the broader mandate derived from the Constitution, the primary role of the Gauteng Department of Local Government and Housing (DLGH) is to provide capacity support to the municipalities and to promote and facilitate the provision of adequate housing in the province. Core functions of the Department include:
- Developing Gauteng Provincial Government (GPG) local government support and housing development policies that will strengthen local government service delivery provide houses for all and build sustainable communities;
- Develop and implement programmes and projects that give effect to GPG local government support and housing policies, as reflected in its short, medium and long-term plans;
- Provide key support services to local government in implementing the Municipal Finance Management Act (MFMA), and supporting local economic development (LED), community development workers (CDWs), the Expanded Public Works Programme (EPWP) and infrastructure development programmes funded through the Municipal Infrastructure Grant (MIG);
- Advise on and approve Integrated Development Plans (IDPs);
- Manage the housing delivery process and transform settlements, especially the 20 prioritised townships, into sustainable and vibrant communities; and
- Provide key housing services in respect of subsidies and rental housing policies.

## **Legislative and other mandate**

### **Constitutional mandate**

The mandate of the Department is derived from Chapters 3, 6 and 7 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Based on the Department's revised core mandate and on the broader mandate derived from the Constitution, the primary role of the DLGH is to provide capacity support to the municipalities and to promote and facilitate the provision of adequate housing in the province.

### **Legislative mandate**

The following legislative mandate guides the implementation of the Department's programmes:

- Intergovernmental Relations Framework Act (Act No. 13 of 2005);
- Local Government: Municipal Property Rate Act (Act No. 6 of 2004);
- National Environmental Management Act (Act No. 107 of 1998), as amended by Act No. 8 of 2004;
- Broad Based Black Economic Empowerment Act (Act No. 53 of 2003);
- Municipal Finance Management Act (Act No. 56 of 2003);
- Local Government: Municipal Systems Act (Act No. 32 of 2000);
- Construction Industry Development Board Act (Act No. 38 of 2000);
- Public Finance Management Act (Act No. 1 of 1999);
- Local Government: Municipal Demarcation Act (Act No. 27 of 1998);
- Local Government: Municipal Structure Act (Act No. 117 of 1998);
- 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);
- National Building Regulations and Building Standards Act (Act No. 103 of 1977);
- State Land Disposal Act (Act No. 48 of 1961); and
- Deeds Registries Act (Act No. 47 of 1937).

### **Policy mandate**

#### **The Department is guided by the following policies and strategies:**

- Provincial Growth and Development Strategy (PGDS);
- Breaking New Ground Strategy (BNG);
- Global City Region (GCR) Strategy;
- National Framework for Local Economic Development in South Africa (2006 – 2011);
- National Spatial Development Perspective;
- National Housing Policy;
- National Housing Code; and
- Integrated development plans (IDPs) of the municipalities.

### **1.1 Aligning Departmental budgets to achieve prescribes outcomes**

The Departments adopted the outcome approach in the previous financial year, with its Strategic Plan and Annual Performance Plan (APP) serving as the basis for the development of the outcomes plan. The budget is prioritised towards the Eradication of Informal Settlement, Rental Stocks and Alternative Tenure project. The Department contributes to three outcomes: sustainable human settlement and improved quality of household life; a responsive, effective and efficient local government system; and an efficient effective and development oriented public service and an empowered, fair and inclusive citizenship.

## **2. REVIEW OF THE CURRENT FINANCIAL YEAR (2011/12)**

This section provides a review of 2011/12, outlining the main achievements and progress made during the year and providing a brief discussion of challenges and new developments.

Sustainable human settlement and improved quality of household life

### **Output 1: Accelerated delivery of housing opportunities**

The Department's efforts to accelerate housing delivery included plans to deliver fifty houses through the Winterveld renewal project, but this target was exceeded and 1 127 houses were completed in the current financial year. Through the Mixed-Housing Development Programme, the Department delivered 1 964 houses and 1 000 Community Residential Units (CRUs). In addition, 225 small scale (Backyard Rental) and social housing rental units were completed against the planned target of 271.

The upgrading and eradication of identified informal settlements through the provision of basic services, infrastructure and housing remains the focus areas of the Department. Through this programme the Department completed 2 795 houses, and 1 226 stands were serviced in the period under review. The construction of the twelve Cluster Homes was completed and is awaiting electricity connections; the construction of the emergency accommodation facility is complete and awaiting the occupation certificate from the building control department.

The Everton Urban Renewal Programme has seen a number of engagements taking place at a regional level, and designs for a broader sewer implementation have been prepared. The Everton Renewal Programme consultant has completed the design for the local portion of the reticulation project.

The Bekkersdal Urban Renewal Programme commenced with the implementation of Phase Two of the sewer project. The scoping and preparation of technical documentation for the refurbishment of the vandalised buildings in Bekkersdal was completed. The Department is in the process of finalising technical documentation for link roads and the bridge projects. The implementation of road construction in the Bekkersdal project is 63 percent complete.

The Department has finalised and approved the terms of reference for the inner-city business plans for Vereeniging. The engagements with the Mayoral Committee have been concluded, and a project review and a status quo analysis are underway.

In rehabilitating and renewing identified townships, 34 development areas have been identified in 166 wards and the status quo reports are complete for all 34 areas. In carrying out the Tembisa Master Plan, sector departments have been formally requested to nominate delegates for the task teams. Ekurhuleni Metropolitan Municipality has commenced with the process of acquiring the services of an independent coordinator through the Neighbourhood Development Grant.

### **Output 2: More efficient land utilisation**

The Department has acquired some 516 portions of land throughout the province for the development of new housing. The Department continues to engage with private and public land owners with the intention of securing additional suitable land for housing development. The densification strategy which promotes high rise buildings and the use of alternative building technology has contributed to more efficient land utilisation.

### **Output 3: Improved property market**

The Department and the State Law Advisors continued their efforts to finalise the Inclusionary Housing Bill. Whilst it was intended that this Bill would have been passed into law by now, it became evident that a considerable amount work needs to be done before it is finalised. The Finance Linked Individual Subsidy Programme (FLISP) policy was finalised in the 2011/2012 financial year and will be implemented in some of the Department's Mixed Housing Development projects, starting with the Lufereng Housing Project, and will be extended to other projects as more funding is available.

## **A responsive, effective and efficient local government system**

### **Output 1: Differentiated approach to municipal financing, planning and support**

The implementation of training programmes for municipal officials in critical and scarce skills training continued although on a limited scale due to funding constraints in the financial year. Initiatives such Operation Clean Audit (OPCA) and other interventions have significantly improved the performance in the province's municipalities. The recent report from the Auditor General proves the success of these efforts.

A total of 17 officials continued with Internal Audit Technician learnership training and 51 young graduates were recruited and are currently undergoing workplace training in the municipal finance area. Support provided to municipalities in the implementation of Performance Management System (PMS) and other management interventions were delayed due to merger process in the City of Tshwane.

### **Output 2: Improving access to basic services**

The implementation of two alternative energy projects in municipalities with the purpose of implementing the Gauteng Integrated Energy strategy was achieved. The energy efficiency drive in Tshwane municipality saw the retrofitting of street lights with energy efficient bulbs and traffic intersections, and the City of Johannesburg embarked on the development of Alternative Energy strategy. The target of installing 3000 solar geysers by municipalities has been surpassed, with a total of 16 730 solar geyser having been installed across Tshwane, Ekurhuleni and Sedibeng.

Progress on the Gauteng Provincial Bulk Infrastructure Plan has seen the Ekangala Waste Water Treatment Works (WWTW) and Percy Stewart being funded by the municipal capital budgets and grant funding from the MIG programme. In Sebokeng, a consultant has been appointed to design; this is funded by Department of Water Affairs (DWA) to an amount of R40 million.

The Sedibeng Regional Sewer Scheme indicates that preliminary designs for Sebokeng have been completed. In Kungwini, the Ekangala WWTW upgrades have already commenced and 40 per cent of the construction work is complete. Preliminary designs have been completed for Sebokeng and Mogale City, while Percy Stewart is under construction (civil, electrical, mechanical and chemical upgrading).

#### **Output 3: Actions supportive of the human settlement outcomes**

The Department targeted 2000 land parcels to be devolved to municipalities as support to municipalities to increase densities and release well-located public land. Even though there are delays in appointing a service provider, physical verification of properties to be devolved has to be done on each land parcel in order to determine the current status of the land parcels before transfer.

#### **Output 4: Deepen democracy through a refined ward committee model**

The implementation of the Public Participation Framework continued in the 2011/12 financial year. The Department has finalised the guidelines for the establishment of ward committees as well as the funding model.

#### **Output 5: Administrative and financial capability**

The Department, in collaboration with the Department of Finance, is assisting municipalities to achieve clean audit reports by 2014. In strengthening support for municipalities, the Department is implementing the revenue and debt management model. The West Rand Municipality has procured a service provider to undertake the feasibility study and to develop the implementation strategy for the establishment of the shared services.

#### **Output 6: Single window of coordination**

Regarding issues relating to the implementation of the provincial Inter-Governmental Relations (IGR) Framework, no Member of Mayoral Committee meeting took place during the third quarter of the 2011/12 financial year. All councillors in the Province were sworn in by end of May, and were inducted by the end of July. A database of all MMC's in each of the municipalities was developed. This affected the Member of Executive Council and Member of Mayoral Council forums. However a database of IGR infrastructure programmes is being prepared and the development and implementation of the IGR monitoring framework and plan for municipalities is underway. The IGR Conference was held late in the last financial year 2010/11 and it has taken some time to finalize the report. This report influences the development of the IGR Implementation Plan as the resolutions need to be signed off and included in the Plan. All municipalities in the province have drafted their IDPs, and preparations for IDP analysis are ongoing.

### **Efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship**

#### **Output 2: Human resource management and development**

The merger of former department of Housing and Department of Local government process and the placement of employees were finalised. Consultations regarding placement of staff subsequent to the reconfiguration process were finalized in line with the General Public Service Sector Bargaining Council (GPSSBC) Resolution 1 of 2011. The report on the implementation of the new organizational structure and the placement of staff was approved internally and forwarded to the Office of the Premier for reporting purposes and to the GDF for implementation.

### **3.OUTLOOK FOR THE COMING FINANCIAL YEAR (2012/13)**

The Department remains committed to its core mandate: to ensure the provision of housing and the effective functioning of local government across the province in order to build sustainable communities and facilitate shared and equitable social and economic growth and development.

In 2011/12, the Department reviewed its five-year strategy in order to reprioritise and align its targets and resources towards the achievement of Outcomes 8 and 9, as per the Delivery Agreements. The Department's contribution towards the achievement of "Sustainable human settlements and improved quality of household life as well as a responsive, accountable, effective and efficient local government system" is reflected in the planned delivery of the following outputs for the 2012/13 financial year:

## **Sustainable human settlement and improved quality of household life**

### **Output 1: Accelerated delivery of housing opportunities**

The Department will facilitate the development of innovative quality housing solutions and accelerate delivery of housing opportunities through the Mixed-Housing Development Programme, Eradication of Informal Settlements, Urban Renewal and Alternative Tenure Programmes. As a result of combined efforts across all Human Settlement Development Programmes, the Department plans to service approximately 21 150 stands and build approximately 29 500 houses.

The Alternative Tenure Programme includes social and rental housing, backyard rental and hostel re-development. It is aimed at the creation of affordable rental accommodation for households who prefer to rent rather than to own houses. Hostel re-development aims to transform hostels from single gender dormitory-type accommodation to a choice between rental and ownership tenure, as well as units including self-contained single, communal or family units. In total, the programme plans to deliver 1,681 units: 180 backyard rental units; 511 social and rental housing units; 990 affordable rental accommodation (hostel re-development) units; 393 backyard rental units; 1 097 social and rental housing units; and 2 664 affordable rental accommodation units.

The Department will provide ongoing capacity support and monitoring and evaluation of the accredited Level 1 and 2 Metros in relation to the delivery of housing. It will also plan accreditation of Level 3 Metros.

### **Output 2: Access to basic services**

In the 2012/13 financial year, the Department plans to deliver the following basic services: 110 000 households provided with access to basic water, 15 000 households provided with access to basic sanitation, and 50 000 households provided with access to basic electricity.

### **Output 3: More efficient land utilisation**

The Department plans to acquire 15 well-located properties for low income and affordable housing. Three hundred properties will be inspected to be secured, whilst 4 020 will be recommended for vesting with the GPG.

### **Output 4: Improved property market**

The Inclusionary Housing Bill implementation process will commence in the 2012/13 financial year. The implementation guidelines for the Sustainable Human Settlements Strategy and Plan on the integrated approach to human settlements will be developed and approved in the financial year.

## **A responsive, effective, and efficient local government system**

### **Output 1: Differentiated approach to municipal financing, planning and support**

Five hundred officials will be trained and mentored in project and contract management, finance, technical skills, the built environment and governance across all municipalities. Support will be provided to five municipalities to customise and implement the Human Resource Framework, Strategy and Guidelines. In the Sedibeng and West Rand district municipalities, the department will provide support in the implementation of the Performance Management System.

### **Output 2: Improving access to basic services**

The Department planned to facilitate in 2012/13 the implementation of Water Conservation and Water Demand Management Programme in nine municipalities. It also planned to support the upgrading of five Waste Water Treatment Works. The Department will promote a sustainable energy supply mix through the implementation of the Provincial Integrated Energy Strategy. This strategy involves ongoing implementation of ten alternative energy projects initiated in the 2011/12 financial year. It also involves the use of solar and wind energy sources, resulting in the installation of 35 000 solar geysers in 2012/13.

### **Output 5: Deepen democracy through a refined ward committee model**

As part of DLGH's strategic goals and the provincial strategic priority of strengthening the developmental state and good governance, the Department plans to deepen participatory democracy processes and strengthen its institutions through the implementation of public participation, CDW and stakeholder mobilisation initiatives. The Department will support municipalities in ensuring the establishment and functionality of all ward committees in the province. The Department also plans to facilitate and provide support for the development and implementation of the Public Participation Framework, Operational Plan and Budget for the five municipalities within the West Rand jurisdiction. The Department also plans to convene four Public Participation Dialogues throughout the province, and supporting twenty advocacy/community initiatives across the three spheres of government.

**Output 6: Administrative and financial capability**

The Department continues to provide targeted municipal financial support in order to improve financial viability and administrative capacity of municipalities. It will provide support to five municipalities to assist them to comply with Generally Recognised Accounting Practice (GRAP) standards. In the West Rand district area, the Department will provide support with the establishment of a shared services centre in the areas of internal audit and audit committees. Continued support will be provided to disclaimed and qualified municipalities in order to improve their future audit outcomes. DLGH will provide support to Ekurhuleni Metropolitan Council and Emfuleni, Mogale City, Westonaria, Randfontein and Lesedi in the implementation of the Revenue and Debtor Management Model.

**Output 7: Single window of coordination**

The Department will provide support to 12 municipalities to implement the provincial IGR framework as well as host quarterly IGR practitioners' seminars. DLGH will provide support to traditional institutions in the implementation of legislation and provide three capacity building programmes to 20 traditional councillors.

**4. RECEIPTS AND FINANCING****4.1 Summary of receipts****TABLE 1: SUMMARY OF RECEIPTS: LOCAL GOVERNMENT AND HOUSING**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Equitable share	673 598	913 820	863 947	763 732	783 732	783 732	733 349	779 910	832 954
Conditional grants	2 823 711	3 187 086	3 771 831	3 804 611	3 804 647	3 804 647	4 003 776	4 329 066	4 620 481
Human Settlement Grant	2 823 711	3 187 086	3 771 831	3 804 611	3 804 647	3 804 647	4 003 776	4 329 066	4 620 481
<b>Total receipts</b>	<b>3 497 309</b>	<b>4 100 906</b>	<b>4 635 778</b>	<b>4 568 343</b>	<b>4 588 379</b>	<b>4 588 379</b>	<b>4 737 125</b>	<b>5 108 976</b>	<b>5 453 435</b>

The Department's receipts include the conditional grant and equitable share received from the National Department of Human Settlement. The grant allocation is for the implementation of national and provincial housing programmes and the equitable share is primarily for carrying out the operational activities of the Department.

The biggest share of the Department's receipts is from the conditional grant allocation. The total receipts for the 2008/09 financial year amounted to R3.4 billion, increasing to R4.6 billion in 2010/11 and R4.5 billion in the current financial year. The total budget for the Department in the 2012/13 financial year amounts to R4.6 billion and increases gradually to R5.4 billion over the MTEF to enable the Department to deliver on its mandate. This is an annual average growth rate of 6.1 per cent.

The provincial allocation and conditional grants allocated to the Department during the 2011/12 MTEF provide for finalising the Alexandra Urban Renewal Project, rehabilitation of the 20 PTP and providing financial assistance to municipalities. The Department's receipts increase from R4.5 billion in 2011/12 after adjustment, to R5.4 billion in the 2014/15 financial year, an increase of R865 million. The increase is mainly due to the Housing Conditional Grant which enables the provision of housing and the eradication of informal settlements to continue.

**4.2 Departmental receipts****TABLE 2: DEPARTMENTAL RECEIPTS: LOCAL GOVERNMENT AND HOUSING**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Sales of goods and services other than capital assets	236	340	372	432	386	425	452	477	506
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	410	479	210	301	32	132	317	334	354
Sales of capital assets									
Transactions in financial assets and liabilities	1 805	4 089	861	3 262	15 940	17 772	3 425	3 613	3 830
<b>Total departmental receipts</b>	<b>2 451</b>	<b>4 908</b>	<b>1 443</b>	<b>3 995</b>	<b>16 358</b>	<b>18 329</b>	<b>4 194</b>	<b>4 424</b>	<b>4 690</b>

The DLGH is not a revenue generating department. The main sources of own revenue are parking, third party commissions, tenders and servitudes from Eskom. The revenue of the Department will remain relatively constant, with a slight increase expected due to cash collections from hostel dwellers. Departmental receipts decreased from R2.4 million in 2008/09 to R1.4 million in the 2010/11 financial year. Due to recovery of overpayment, the departmental receipts increased from R3.9 million to R16.3 million for the 2011/2012 financial year. The receipts are projected to decrease to R4.2 million in 2012/13 and increase marginally over the MTEF to R4.6million in 2014/15.

The increase of R16.3 million was a once-off receipt item as the result of recovery of bad debts. The rest of the revenue items will be collections on a monthly basis which will vary from month to month. The revenue estimations are based on parking, third party commissions and Persal related items which are permanent and stable. Adjustments on revenue are based on an increase in personnel or the growth of Department which increases certain revenue items.

In relation to sales of goods and services other than capital assets, parking and commission are the main source of income on this item. This income remains relatively stable as the volume of parking has been constant with slight increases each year. Rent received from hostel dwellers has not yet been collected but measures are to be taken to appoint a service provider for cash collection at hostels.

## 5. PAYMENT SUMMARY

### 5.1 Key assumptions

The Department has budgeted for a 6.8 percent wage increase for the 2011 Medium Term Expenditure Framework (MTEF) for this financial year, based on projected consumer price inflation (CPI).

The following elements have been taken into account when determining personnel and other budgets for the new MTEF:

- Number of staff and possible changes over MTEF;
- Basic salary cost including Improvement on Conditions Service adjustments from 1 July and January each year;
- Salary increases for people with scarce skills;
- Grades and level of staff members;
- Increased take up of benefits such as medical aid, homeowners' allowance etc;
- Skills development;
- Inflation related items have been based on headline CPI projections; and
- Provision has been made for the migrated municipality from North West.

## 5.2 Programme summary

TABLE 3: SUMMARY OF PAYMENTS AND ESTIMATES: LOCAL GOVERNMENT AND HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration	292 499	303 283	342 112	307 450	322 896	315 234	266 740	271 752	286 567
2. Human Settlement	3 069 760	3 553 526	4 050 554	4 006 020	3 991 297	4 003 846	4 267 006	4 605 632	4 911 045
3. Cooperative Governance	264 205	196 434	136 526	251 459	270 472	248 796	198 762	226 655	250 317
4. Traditional Institutional Development	3 699	3 786	3 130	3 414	3 714	3 919	4 617	4 937	5 506
<b>Total payments and estimates</b>	<b>3 630 163</b>	<b>4 057 029</b>	<b>4 532 322</b>	<b>4 568 343</b>	<b>4 588 379</b>	<b>4 571 795</b>	<b>4 737 125</b>	<b>5 108 976</b>	<b>5 453 435</b>

## 5.3 Summary of economic classification

TABLE 4: SUMMARY OF ECONOMIC CLASSIFICATION: LOCAL GOVERNMENT AND HOUSING

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>562 143</b>	<b>597 820</b>	<b>593 964</b>	<b>667 176</b>	<b>668 063</b>	<b>670 463</b>	<b>651 406</b>	<b>699 550</b>	<b>748 270</b>
Compensation of employees	345 134	402 745	429 494	518 633	518 633	520 136	546 510	582 033	619 865
Goods and services	217 009	195 075	164 470	148 543	149 430	150 327	104 896	117 517	128 405
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>3 056 420</b>	<b>3 282 243</b>	<b>3 925 623</b>	<b>3 857 520</b>	<b>3 876 669</b>	<b>3 857 620</b>	<b>4 066 276</b>	<b>4 394 426</b>	<b>4 689 340</b>
Provinces and municipalities	79 920	14 000	103 510		20 000				
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 976 500	3 268 243	3 822 113	3 857 520	3 856 669	3 857 620	4 066 276	4 394 426	4 689 340
<b>Payments for capital assets</b>	<b>11 555</b>	<b>175 548</b>	<b>12 660</b>	<b>43 647</b>	<b>43 647</b>	<b>43 647</b>	<b>19 443</b>	<b>15 000</b>	<b>15 825</b>
Buildings and other fixed structures		81 951							
Machinery and equipment	11 555	1 808	12 660	43 647	43 647	43 647	19 443	15 000	15 825
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets		91 790							
Software and other intangible assets									



	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments for financial assets	45	1 418	75			65			
<b>Total economic classification</b>	<b>3 630 163</b>	<b>4 057 029</b>	<b>4 532 322</b>	<b>4 568 343</b>	<b>4 588 379</b>	<b>4 571 795</b>	<b>4 737 125</b>	<b>5 108 976</b>	<b>5 453 435</b>

The largest share of the budget is allocated to the Human Settlement Programme, which aims at establishing sustainable human settlements where all citizens have access to social and economic amenities such as community halls, sports facilities and welfare centres. The total departmental expenditure increases from R3.6 billion in 2008/09 to R4.5 billion in the 2010/11 financial year.

The Department's budget further grows from R4.5 billion in 2011/12 to R5.4 billion or 6.1 per cent over the MTEF. The budget increase is attributed to growth in the Human Settlement Grant allocation to address the demand for housing related to immigration to Gauteng.

Total expenditure on compensation of employees increased sharply from R345 million in 2008/09 to R518 million in 2011/12, an annual average growth rate of 14.7 per cent. This mainly relates to the merger of the former Department of Housing and Department of Local Government departments as well as higher than anticipated wage agreements and an amount of R80 million that was allocated for community development workers. The personnel budget grows from R518 million in 2011/12 to R546 million in 2012/13 and to R620 million in 2014/15.

Total expenditure on goods and services declined considerably from R217 million in 2008/09 to R164 million 2011/12, a decrease of 11 per cent. This budget decreases by 30 per cent in 2012/13 from R148 million to R104 million. The decrease results from the reprioritisation process and the allocation by Provincial Treasury of some of these funds to the personnel budget as a result of the Department filling critical positions.

## 5.4 Transfers

TABLE 5: SUMMARY OF DEPARTMENTAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Category A	5 700	9 500	3 510						
Category B	57 852	500							
Category C	16 368	4 000							
<b>Total departmental transfers to local government</b>	<b>79 920</b>	<b>14 000</b>	<b>3 510</b>						

## 5.5 Infrastructure payments

TABLE 6: SUMMARY OF INFRASTRUCTURE BUDGET BY CATEGORY

	Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R Thousand	2008/09	2009/10	2010/11	2011/12			2013/14	2013/14	2014/15
Payments for infrastructure by category									
New and replacement assets	2 541 449	2 609 954	3 799 239	3 784 397	3 784 397	3 784 397	3 916 776	4 244 926	4 530 945
Existing infrastructure assets	251 741	652 488	115 722	142 000	142 000	142 000	142 000	142 000	150 520

R Thousand	Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2013/14	2013/14	2014/15
Upgrades and additions	240 570	163 122	18 477	61 041	61 041	61 041	45 000	45 000	45 000
Rehabilitation, renovations and refurbishments		163 122		9 959	9 959	9 959	26 000	26 000	30 260
Maintenance and repairs	11 171	326 244	97 245	71 000	71 000	71 000	71 000	71 000	75 260
Infrastructure transfers									
Current									
Capital									
Current infrastructure	11 171	326 244	97 245	71 000	71 000	71 000	71 000	71 000	75 260
Capital infrastructure	2 782 019	2 936 198	3 817 716	3 855 397	3 855 397	3 855 397	3 987 776	4 315 926	4 606 205
<b>Total</b>	<b>2 793 190</b>	<b>3 262 442</b>	<b>3 914 961</b>	<b>3 926 397</b>	<b>3 926 397</b>	<b>3 926 397</b>	<b>4 058 776</b>	<b>4 386 926</b>	<b>4 681 465</b>

### Bekkersdal Renewal Project Turnaround Strategy

The Bekkersdal Renewal Project has adopted a new regional approach to housing development within the West Rand, relocating informal dwellings from unsafe and dolomitic ground to new housing development areas such as Middlelei/Droogeheuwel and Westonaria South. In the 2011/12 financial year, the Department plans to service 1 510 stands and build 1800 mixed housing development units in the Bekkersdal area.

### Alexandra Renewal Project (ARP)

In Far East Bank Ext 7, a total of 1 363 units have been completed and 956 registered at the Deeds Office. The Far East Bank Ext 9 (K206) has been allocated 1 065 primary units, 1 020 rental units and 10 special needs houses. An amount of R28 million is budgeted in 2012/13 for 10 000 new electricity connections, and bulk supply upgrading has resumed for this project. The construction of 12 community cluster homes has resumed and the contractors are on site and have started on the project. Around 15 projects have been placed on hold due to financial constraints; this includes the conclusion of 65 township proclamation processes and township registrations, upgrading of Polosho and Emfundisweni schools, the Alex Alexandra stadium and the development of the new magistrate's court precinct.

### Hostels

Depending on the qualification criteria, current hostel dwellers and residents from surrounding communities will be provided with accommodation from amongst the following types: affordable rental units, community rental units, transitional rental and RDP (walk up) flats. *The focus has been on completing work on the following thirteen hostels: Diepkloof, Meadowlands, Orlando West, Dube, Kagiso, Mohlakeng, Saulsville, Mamelodi, Refilwe, Sebokeng, Boipatong, Sethokga and Buyafuthi.*

## 6. PROGRAMME DESCRIPTION

### PROGRAMME 1: ADMINISTRATION

#### Programme description

The main goal of the Administration Programme is to strengthen and align the Department's organisational capacity and capability to deliver on its mandate. It enables the Department's business units to perform efficiently by providing corporate support (HR, financial management, ITC and facilities support). The programme ensures 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. The programme's outputs are a reflection of government's Outcome 12 which seeks to achieve "An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship."

#### Programme objectives

- To ensure that Human Resource Management is a strategic partner to all units in the Department;
- To provide effective legal services to the Department;

- To provide efficient and effective facilities management to the Department;
- To provide effective, efficient and stable ICT infrastructure and support to the Department;
- To ensure prudent financial management and efficient and effective procurement systems; and to ensure that financial planning and budgeting are aligned to the Department's strategic plan;
- To provide for the functioning of the Office of the MEC and legislative support services;
- To ensure maintenance of effective, efficient and transparent risk management, financial systems and controls in order to safeguard departmental assets; and
- To ensure good corporate governance and improved productivity through the promotion of discipline, transparency, independence, accountability, fairness and social responsibility within departmental operations.

**TABLE 7: SUMMARY OF PAYMENTS AND ESTIMATES: ADMINISTRATION**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Office of the MEC	24 585	21 593	18 197	28 672	28 672	28 737	2 324	2 638	3 043
2. Management	267 914	281 690	323 915	278 778	294 224	286 497	264 416	269 114	283 524
<b>Total payments and estimates</b>	<b>292 499</b>	<b>303 283</b>	<b>342 112</b>	<b>307 450</b>	<b>322 896</b>	<b>315 234</b>	<b>266 740</b>	<b>271 752</b>	<b>286 567</b>

**TABLE 8: SUMMARY OF ECONOMIC CLASSIFICATION: ADMINISTRATION**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>267 130</b>	<b>284 520</b>	<b>322 993</b>	<b>283 287</b>	<b>298 633</b>	<b>290 906</b>	<b>241 740</b>	<b>249 252</b>	<b>262 867</b>
Compensation of employees	157 375	175 052	190 193	202 808	202 808	202 808	216 644	232 028	247 262
Goods and services	109 755	109 468	132 800	80 479	95 825	88 098	25 096	17 224	15 605
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>16 553</b>	<b>16 063</b>	<b>11 376</b>	<b>18 579</b>	<b>18 679</b>	<b>18 679</b>	<b>7 500</b>	<b>7 500</b>	<b>7 875</b>
Provinces and municipalities			3 510						
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	16 553	16 063	7 866	18 579	18 679	18 679	7 500	7 500	7 875
<b>Payments for capital assets</b>	<b>8 771</b>	<b>1 282</b>	<b>7 668</b>	<b>5 584</b>	<b>5 584</b>	<b>5 584</b>	<b>17 500</b>	<b>15 000</b>	<b>15 825</b>
Buildings and other fixed structures									
Machinery and equipment	8 771	1 282	7 668	5 584	5 584	5 584	17 500	15 000	15 825
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Payments for financial assets	45	1 418	75			65			
<b>Total economic classification</b>	<b>292 499</b>	<b>303 283</b>	<b>342 112</b>	<b>307 450</b>	<b>322 896</b>	<b>315 234</b>	<b>266 740</b>	<b>271 752</b>	<b>286 567</b>

The programme's budget increased from R292 million in 2008/09 to R342 million in 2010/11. During 2011/12, the budget amounted to R307 million, adjusted upwards by R15 million or 4.8 percent during the virements process to fund spending on goods and services. The budget decreases from R315 million in current financial year to R266 million in 2012/13, a 15 percent decline in the growth rate year on year.

The Department's expenditure on compensation of employees grew by an annual average of 8.8 per cent from to R157 million in the 2008/09 to R202 million in the 2011/12 financial year. The trend is due to higher than inflationary adjustments. It is expected that R695 million of the programme's budget over the MTEF will be spent on compensation of employees, and R57 million on goods and services.

The budget for goods and services decreases from R88 million in 2011/12 to R25 million in 2012/13. This is mainly because the goods and services budget for the 20PTP and Urban Renewal Programmes are being moved to Programme 2: Human Settlements where projects are implemented.

The payments for capital assets budget grows rapidly over the MTEF from R5.5 million in 2011/12 to R17.5 million in 2012/13. This is an annual average growth rate of 213 per cent year on year. The increase is due to centralisation of administration functions. The funds will be utilised for refurbishment the Department's offices.

## PROGRAMME 2: HUMAN SETTLEMENT

### Programme description

The core focus of the Human Settlements Programme is to build cohesive and sustainable communities by ensuring that innovative services and infrastructure are provided to create sustainable human settlements. The programme promotes effective and efficient delivery of national and provincial housing programmes. It also concentrates on the integrated redevelopment of urban communities at scale, cultivating sustainable local economies. Attached to the programme are other transversal functions that include quality assurance, research, policy development, strategic planning and housing support. The programme is also responsible for the efficient management of provincial assets through property management. The programme's outputs are reflected in government's Outcome 8, which seeks to achieve "Sustainable human settlement and improved quality of household life."

### Programme Objectives

- Develop and advance the regulatory environment for sustainable human settlements;
- Capacitate municipalities and officials in the human settlements sector;
- Socio-economic integration of vulnerable groups through human settlement initiatives;
- Provide and develop integrated infrastructure for the creation of cohesive communities;
- Provide and facilitate the development of innovative and quality housing solution; and
- Ensure the efficient and effective management of departmental fixed assets.

TABLE 9: SUMMARY OF PAYMENTS AND ESTIMATES: HUMAN SETTLEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Housing Needs, Research and Planning	15 492	16 708	9 497	20 434	20 434	20 534	13 707	14 422	15 587
Administration	5 656	7 029	2 921	5 484	5 484	5 584	2 815	3 964	4 375
Policy	4 168	3 673	3 451	5 599	5 599	5 599	4 401	4 097	3 847
Planning	3 668	4 175	2 598	6 199	6 199	6 199	3 242	3 099	3 727
Research	2 000	1 831	527	3 152	3 152	3 152	3 249	3 262	3 638
2. Housing Development	2 986 755	3 455 409	3 943 050	3 911 391	3 896 632	3 909 117	4 179 104	4 512 934	4 817 182
Administration	80 805	191 386	113 382	102 280	87 521	102 746	209 680	221 612	231 321
Financial Interventions	327 556	114 513	118 369	436 447	436 483	436 483	472 914	498 924	498 924

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Incremental Interventions	1 953 006	2 587 297	3 180 421	2 718 441	2 718 405	2 715 665	2 812 921	3 071 211	3 365 750
Social and Rental Intervention	577 389	528 592	472 463	593 948	593 948	593 948	620 301	654 418	654 418
Rural Intervention	47 999	33 621	58 415	60 275	60 275	60 275	63 288	66 769	66 769
3. Housing Assets									
Management Property	67 513	81 409	98 007	74 195	74 231	74 195	74 195	78 276	78 276
Administration	15 516	13 138	13 981						
Sale and Transfer of Housing Properties	23 997	27 271	43 357	30 309	30 309	30 309	31 825	33 576	33 576
Devolution of Housing Properties	1 000		60	1 044	1 044	1 044	1 096	1 156	1 156
Housing Properties Maintenance	27 000	41 000	40 609	42 842	42 878	42 842	41 274	43 544	43 544
<b>Total payments and estimates</b>	<b>3 069 760</b>	<b>3 553 526</b>	<b>4 050 554</b>	<b>4 006 020</b>	<b>3 991 297</b>	<b>4 003 846</b>	<b>4 267 006</b>	<b>4 605 632</b>	<b>4 911 045</b>

TABLE 10: SUMMARY OF ECONOMIC CLASSIFICATION: HUMAN SETTLEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>109 813</b>	<b>127 613</b>	<b>136 332</b>	<b>144 016</b>	<b>129 257</b>	<b>141 842</b>	<b>208 230</b>	<b>218 706</b>	<b>229 580</b>
Compensation of employees	86 715	103 667	113 761	114 016	114 016	115 365	150 958	160 771	171 219
Goods and services	23 098	23 946	22 571	30 000	15 241	26 477	57 272	57 935	58 361
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>2 959 947</b>	<b>3 252 173</b>	<b>3 914 222</b>	<b>3 837 941</b>	<b>3 837 977</b>	<b>3 837 941</b>	<b>4 058 776</b>	<b>4 386 926</b>	<b>4 681 465</b>
Provinces and municipalities			100 000						
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	2 959 947	3 252 173	3 814 222	3 837 941	3 837 977	3 837 941	4 058 776	4 386 926	4 681 465
<b>Payments for capital assets</b>		<b>173 740</b>		<b>24 063</b>	<b>24 063</b>	<b>24 063</b>			
Buildings and other fixed structures		81 951							
Machinery and equipment				24 063	24 063	24 063			
Heritage Assets									
Specialised military assets									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Biological assets									
Land and sub-soil assets		91 790							
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 069 760</b>	<b>3 553 526</b>	<b>4 050 554</b>	<b>4 006 020</b>	<b>3 991 297</b>	<b>4 003 846</b>	<b>4 267 006</b>	<b>4 605 632</b>	<b>4 911 045</b>

The total expenditure of the Human Settlement programme grew from R3billion to R4billion between the 2008/09 and 2011/12 financial years, an annual average growth rate of 8 percent. The increase in expenditure between 2008/09 and 2011/12 relates to the growth in additional allocations received for the Urban Renewal Programme. An amount of R36 000 was allocated to the Human Settlement Grant during the 2011/12 adjustment budget for disaster relief initiatives to repair infrastructure or houses that had been damaged by floods in the early part of the previous financial year.

In 2011/12, the Department completed the development of the Inclusionary Housing Incentives chapter of the Inclusionary Housing Bill and submitted the Multi-year Housing Development Plan to the National Department of Human Settlements. It also delivered 16 990 serviced stands, exceeding the target for the year by 280 percent. In housing delivery, the programme delivered 18 434 houses, or 67.5 per cent delivery of the targeted houses.

The 2012/13 budget is mainly assigned to Sub-programme 2: Housing Development, which over the next four years will focus on developing mixed housing on appropriately located land. Through the Housing Development programme, the Department plans to service approximately 21 159 stands and build approximately 29 598 houses. In eradicating informal settlements, the sub-programme plans to deliver 84 917 houses and service 86 339 stands throughout the province between the 2011/12 and 2014/15 financial years.

The increase in compensation of employees over the period under review relates to the higher anticipated wage agreement and the implementation of other collective agreements. The increase over the 2011/12 MTEF can be attributed to additional funding received to compensate for the carry-through costs of the higher than anticipated 2010 wage agreement and carry-through costs of personnel.

The budget for goods and services increases significantly from R26 million in 2011/12 to R57 million (or an increase of 116 per cent) in the 2012/13 financial year. The increase in goods and service results from a decision to allocate the total budget of the 20PTP and Urban Renewal projects to this programme for implementation. The budget is mainly attributed to consultants and professional business and advisory services, agency and outsourced services. This is related to procured goods and services for the 20 PTP and the Urban Renewal Programme.

Transfers and subsidies to households saw a rapid increase from R2.9billion in 2008/09 to R3.8 billion 2011/12. This is largely due to the Human Settlement Development Grant to fund the growing housing demand in the province. The programme projects to spend 100 percent of the Human Settlement Development Grant. Transfers to households grow from R4billion to R4.681 billion. This is an annual average growth of 6.8 per cent over the MTEF. The funding is to accelerate the delivery of housing with the province.

## SERVICE DELIVERY MEASURES

### SUB PROGRAMME: HOUSING NEEDS, RESEARCH AND PLANNING

Performance Measure/Indicator	Estimates Annual Targets		
	2012/13	2013/14	2014/15
Approved implementation plan for the Inclusionary Housing (IH) Bill by March 2013	Development and approval of implementation plan for the IH Bill	Support municipalities with implementation	Support municipalities with implementation
Approved implementation guidelines for Sustainable Human Settlement Strategy and Plan on integrated approach to human settlements by March 2013	Development and approval of implementation guidelines for the approved strategy	Implementation	Implementation
Approved Multi-Year Housing Development Plan (MYHDP) developed by March 2013	Approved MYHDP	Approved MYHDP	Approved MYHDP
Approved Annual Performance Plan (APP) developed by March 2013	Approved APP	Approved APP	Approved APP

**SUB- PROGRAMME: HOUSING DEVELOPMENT**

Performance Measure/Indicator	Estimated Annual Targets		
	2012/13	2013/14	2014/15
1600 sites serviced for Winterveld Urban Renewal Programme (URP) by March 2013	1 600	1 716	1 400
1600 housing units completed for Winterveld URP by March 2013	1 600	3 206	1 400
3 specialist studies conducted to confirm and determine areas of need in selected townships by October 2012	3 specialist studies conducted	3 specialist studies conducted	3 specialist studies conducted
2 policies developed and implemented to give effect to the EPWP principles by March 2013	1 policy on job creation developed 1 policy on skills development developed	Implementation of policies	Review of policies
200 serviced sites improved/upgraded for rural housing by March 2013	200	1 500	0
20 housing units completed for rural housing by June 2012	20	500	0
4843 sites serviced for Mixed-Housing Development (MHD) by March 2013	4 843	3 200	200
3800 housing units completed for MHD by March 2013	3 800	7 115	500
14516 serviced sites completed for eradication of informal settlements by March 2013	14 516	18 470	2 000
24178 housing units completed for eradication of informal settlements by March 2013	24 178	33 107	12 000
2000 rental units completed (SHIs and small-scale) by March 2013	2 000	3 322	200
2143 community residential units constructed by March 2013	2 143	5 556	1 000

**SUB-PROGRAMME: HOUSING ASSET MANAGEMENT PROPERTY MANAGEMENT**

Performance Measure/Indicator	Estimated Annual Targets		
	2012/13	2013/14	2014/15
8000 residential properties transferred to beneficiaries through Enhanced Extended Discount Benefit Scheme (EEDBS) by March 2013	8 000 residential properties transferred	8 000	8 000
1000 housing disputes resolved within the province by March 2013	1000 housing disputes resolved	1 000	1 000
1400 disputes resolved by the Rental Housing Tribunal between landlords and tenants by March 2013	1400 disputes resolved	1400	1500
6 hostels maintained by March 2013	6 Inner-city hostels	6 Inner-city hostels	6 Inner-city hostels
200 vacant stands maintained by March 2013	200 vacant stands maintained	200 vacant stands maintained	200 vacant stands maintained

**PROGRAMME 3: COOPERATIVE GOVERNANCE****Programme description**

The goal of the Cooperative Governance Programme is to strengthen the developmental state by enhancing participatory governance and building the capacity and capability of local government to achieve its constitutional mandate. In addition, the programme seeks to build an inclusive economic environment which is conducive to the creation of decent work. The programme coordinates and facilitates development and planning in



municipalities to ensure that a variety of services are accessible to communities and are delivered in an integrated and sustainable manner. The programme's outputs are reflected in government's Outcome 9 which seeks to achieve "A responsive, accountable, effective and efficient local government system."

### Programme objectives

- Deepen participatory democracy processes and strengthen its institutions;
- Strengthen institutions of governance, service delivery and capacity within municipalities;
- Acquire, manage and develop, suitable and well located land (including state-owned ) for the creation of sustainable human settlements;
- Ensure accelerated municipal basic services and infrastructure delivery to meet national targets;
- Full inter-operability amongst provincial management and disaster management centres in the province;
- Establish, coordinate and monitor the operations and effectiveness of provincial disaster management; and fire brigade structures;
- Full compliance with fire and rescue services norms and standards; and
- Creation of awareness by conducting disaster management and fire and rescue services campaigns.

**TABLE 11: SUMMARY OF PAYMENTS AND ESTIMATES: COOPERATIVE GOVERNANCE**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Local Governance	138 493	161 245	107 921	208 011	227 024	205 554	166 744	190 992	204 743
Municipal Governance	8 002	8 677	2 672	11 796	11 796	11 796	4 107	4 916	5 210
Municipal Finance	22 333	26 049	9 925	64 836	63 849	63 849	15 420	18 258	19 353
Community Development Workers	77 176	82 588	78 574	86 379	86 379	84 101	92 000	97 520	103 370
Capacity and Development	30 982	43 931	16 750	45 000	65 000	45 808	55 217	70 298	76 810
2. Development and Planning	125 712	35 189	28 605	43 448	43 448	43 242	32 018	35 663	45 574
Land Management	4 715	5 115	4 352	6 282	6 282	6 282	4 970	5 293	8 716
Municipal Integrated Development	7 879	8 464	6 925	8 909	8 909	8 909	9 103	10 180	10 790
Planning	37 287	13 149	8 698	20 588	20 588	20 382	9 333	10 558	17 126
Disaster Management	75 831	8 461	8 630	7 669	7 669	7 669	8 612	9 632	8 942
Municipal Infrastructure									
<b>Total payments and estimates</b>	<b>264 205</b>	<b>196 434</b>	<b>136 526</b>	<b>251 459</b>	<b>270 472</b>	<b>248 796</b>	<b>198 762</b>	<b>226 655</b>	<b>250 317</b>

**TABLE 12: SUMMARY OF ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>181 612</b>	<b>181 901</b>	<b>131 509</b>	<b>236 459</b>	<b>236 459</b>	<b>233 796</b>	<b>196 819</b>	<b>226 655</b>	<b>250 317</b>
Compensation of employees	99 620	121 439	123 144	198 999	198 999	198 999	176 360	186 518	198 401
Goods and services	81 992	60 462	8 365	37 460	37 460	34 797	20 459	40 137	51 916
Interest and rent on land									
<b>Transfers and subsidies to:</b>	<b>79 920</b>	<b>14 007</b>	<b>25</b>	<b>1 000</b>	<b>20 013</b>	<b>1 000</b>			
Provinces and municipalities	79 920	14 000			20 000				
Departmental agencies and accounts									
Universities									

<b>R thousand</b>	<b>Outcome</b>			<b>Main appropriation</b>	<b>Adjusted appropriation</b>	<b>Revised estimate</b>	<b>Medium-term estimates</b>		
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>			<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		7	25	1 000	13	1 000			
<b>Payments for capital assets</b>	<b>2 673</b>	<b>526</b>	<b>4 992</b>	<b>14 000</b>	<b>14 000</b>	<b>14 000</b>	<b>1 943</b>		
Buildings and other fixed structures									
Machinery and equipment	2 673	526	4 992	14 000	14 000	14 000	1 943		
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>264 205</b>	<b>196 434</b>	<b>136 526</b>	<b>251 459</b>	<b>270 472</b>	<b>248 796</b>	<b>198 762</b>	<b>226 655</b>	<b>250 317</b>

The programme's total expenditure declined at an annual average rate of 8.7 per cent from R264 million to R136 million between the 2008/09 and 2010/11 financial years. However, it increased again to R251 million in the 2011/12 financial year. The programme's budget increased by R112 million, or 54 per cent year on year, between the 2010/11 and 2011/12 financial years. The significant increase in the budget is attributed to the compensation of employees allocation for Community Development Workers, and to fund financial management capacity development in municipalities.

An additional amount of R20 million was allocated to Tshwane Metropolitan in relation to funding the integration of the Metsweding municipality. The allocated funds cater for the amalgamation of the Metsweding Persal System into Tshwane, ensure that the systems and assets registers of both municipalities are connected, and to ensure that the Metsweding region continues to function in terms of infrastructure.

Total expenditure on compensation of employees increased from R100 million from 2008/09 to R123 million in 2010/11. The budget increases significantly by R75 million or 61 per cent in the 2011/12 financial year. This is ascribed to the organisational restructuring and the resultant filling of posts and the various wage agreements which includes the funding of the Community Development Workers programme. The substantial increase from 2011/12 onward is attributed to the Department's plans to increase capacity within this programme (subject to the lifting of the moratorium) in order to effectively implement its programmes.

Spending against goods and services declined substantially from 2009/10 to 2010/11 due to the decision taken by the Department to centralise all administrative function in Programme 1: Administration, and the cost-cutting initiative. The budget for goods and service remains relatively stable over the MTEF, with an annual average growth rate of 14 per cent.

Transfers and subsidies to Provinces and municipalities was high in 2007/08 as the Department needed to address the backlog, in that year, relating to the CRU programme; it decreased in 2008/09. The decrease in spending from 2008/09 to 2009/10 relates mainly to the movement of funds to Housing Property Maintenance (goods and services) which was under-budgeted.

The Department successfully co-ordinated Scarce and Critical Skills Training for 15 municipalities in the province; 212 officials were trained in Finance, 260 in Engineering, 14 in Town Planning and 17 in Supply Chain Management.

**SERVICE DELIVERY MEASURES****SUB-PROGRAMME: LOCAL GOVERNANCE**

Performance Measure/ Indicator	Estimates Annual Targets		
	2012/13	2013/14	2014/15
4 Public Participation Dialogues held annually	Convene 4 Public Participation Dialogues	Convene 4 Public Participation Dialogues	Convene 4 Public Participation Dialogues
Skills audit conducted on Ward Committees across all municipalities in Gauteng throughout the financial year to determine training needs	Skills Audit conducted on the Ward Committee members  Assessment of the effectiveness and impact of the Orientation and Induction Programme	Assessment of the effectiveness and impact of the Orientation and Induction Programme	Assessment of the effectiveness and impact of the Orientation and Induction Programme
Support provided to 2 district municipalities to implement the Oversight Model throughout the financial year	Support provided for the implementation of the Oversight Model across 2 district municipalities	Support provided for the implementation of the Oversight Model across 4 local municipalities	Support provided for the implementation of the Oversight Model across 3 local municipalities
12 municipalities supported with the implementation of a Good Governance Manual throughout the year	12 municipalities supported with the implementation of a Good Governance Manual	12 municipalities supported with the implementation of a Good Governance Manual	12 municipalities supported with the implementation of a Good Governance Manual
500 people trained in the critical and scarce skills gap across all municipalities by March 2013	500 people trained and mentored in project and contract management, finance, technical skills, built environment and governance	500 people trained and mentored in project and contract management, finance, technical skills, built environment and governance	500 people trained and mentored in project and contract management, finance, technical skills, built environment and governance
5 municipalities supported to customise and implement the standardised Human Resource Framework, Strategy and Guidelines by March 2013	Support provided to 5 municipalities to customise and implement the Human Resource Framework, Strategy and Guidelines	Support provided to review and update the customised Human Resource Framework, Strategy and Guidelines	Support provided to review and update the customised Human Resource Framework, Strategy and Guidelines
Capacity and Skill Development Programme implemented for 150 members of vulnerable groups by March 2013	Implementation of capacity building and skills development programme for 100 women councillors and 50 young women mentored	Conduct an impact assessment of the capacity building and skills development programme and revise accordingly	Project completed
Establishment of a Departmental GEYODI Committee by August 2012 4 quarterly and 1 annual GEYODI Report by March 2013	Establishment of a Departmental GEYODI Committee 4 quarterly and 1 annual Departmental GEYODI Report	4 GEYODI committee reports and 1 annual report 4 Quarterly and 1 annual Departmental GEYODI Report	4 GEYODI committee reports and 1 annual report 4 quarterly and 1 annual Departmental GEYODI Report

**SUB-PROGRAMME: DEVELOPMENT AND PLANNING**

Performance Measure/Indicator	Estimated Annual Targets		
	2012/13	2013/14	2014/15
20 properties acquired for the Department of Education by March 2013	20 properties acquired	22 properties acquired	22 properties acquired
5020 properties disposed of to National Government, Local Government and the public in terms of the Housing Act/Disposal Policy by March 2013	10 properties transferred to National Govt.  5000 properties devolved or transferred to municipalities in terms of the Housing Act  10 properties disposed off to the public in terms of the disposal policy	10 properties transferred to National Govt.  2500 properties devolved or transferred to municipalities in terms of the Housing Act  10 properties disposed off to the public in terms of the disposal policy	10 properties transferred to National Govt.  2500 properties devolved or transferred to municipalities in terms of the Housing Act  10 properties disposed off to the public in terms of the disposal policy
300 properties inspected and 5 cases identified and dealt with to safeguard GPG vacant land by March 2013	300 inspections  5 cases dealt with	300 inspections  5 cases dealt with	300 inspections  5 cases dealt with
4020 properties recommended for vesting with GPG	4020 properties recommended	300 properties recommended	Project completed
36 South African Institute of Civil Engineers (SAICE) deployed to municipalities to provide technical support throughout the financial year	36 SAICE professional staff deployed to municipalities	36 SAICE professional staff deployed to municipalities	36 SAICE professional staff deployed to municipalities

Performance Measure/Indicator	Estimated Annual Targets		
	2012/13	2013/14	2014/15
Support municipalities to provide basic services (water, sanitation and electricity/energy) to 175 000 households (HH) by March 2013	Water: 110 000 HH  Sanitation: 15 000 HH  Electricity: 50 000 HH	Water: 110 000 HH  Sanitation: 15 000 HH  Electricity: 50 000 HH	Water: 110 000 HH  Sanitation : 15 000 HH  Electricity/Energy: 50 000 HH
Facilitate the development/review of 5 infrastructure master plans by March 2013	5 master plans developed or reviewed	5 master plans developed or reviewed	5 master plans developed or reviewed
R 555 million spent on the implementation of the Municipal Infrastructure Grant (MIG) Programme by 10 municipalities by March 2013	R555 million (70 % expenditure by 10 municipalities by 30 March 2013)	R650 million (70 % expenditure by 30 March 2014)	R650 million (70 % expenditure by 30 March 2014)
10 alternative energy projects implemented across all municipalities by March 2014	Ongoing implementation of 10 alternative energy projects initiated in the 2011/12 financial year	Ongoing implementation of 10 alternative energy projects from the 2012/13 financial year	Ongoing implementation of 10 alternative energy projects from the 2013/14 financial year
35 000 solar geysers installed across municipalities by March 2013	35 000 solar geysers installed	35 000 solar geysers installed	35 000 solar geysers installed

## PROGRAMME 4: TRADITIONAL INSTITUTION DEVELOPMENT

### Programme description

To promote and facilitate viable and sustainable traditional institutions, and to support and enhance the capacity of traditional authorities. The key performance areas are traditional institutional administration, traditional resource administration, rural development facilitation and traditional land administration.

### Programme objectives

- To strengthen co-operative governance between municipalities and traditional leaders;
- To manage the institutional administrative and financial frameworks of traditional institutions;
- To draw up administrative policy guidelines and to draw up and implement capacity building programmes;
- To support and strengthen the development capacity of traditional leadership and institutions; and
- To manage and register traditional land rights.

TABLE 13: SUMMARY OF PAYMENTS AND ESTIMATES: TRADITIONAL INSTITUTION DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Traditional Institutional Administration	3 218	2 725	1 531	1 318	1 618	1 874	3 248	3 476	3 860
2. Traditional Resource Administration	481	21	841	860	860	890	592	322	342
3. Rural Development Facilitation		1 040	498	608	608	563	232	247	355
4. Traditional Land Administration			260	628	628	592	545	892	949
<b>Total payments and estimates</b>	<b>3 699</b>	<b>3 786</b>	<b>3 130</b>	<b>3 414</b>	<b>3 714</b>	<b>3 919</b>	<b>4 617</b>	<b>4 937</b>	<b>5 506</b>

TABLE 13: SUMMARY OF ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTION DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>3 588</b>	<b>3 786</b>	<b>3 130</b>	<b>3 414</b>	<b>3 714</b>	<b>3 919</b>	<b>4 617</b>	<b>4 937</b>	<b>5 506</b>
Compensation of employees	1 424	2 587	2 396	2 810	2 810	2 964	2 548	2 716	2 983
Goods and services	2 164	1 199	734	604	904	955	2 069	2 221	2 523
Interest and rent on land									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Universities									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
<b>Payments for capital assets</b>	<b>111</b>								
Buildings and other fixed structures									
Machinery and equipment	111								
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 699</b>	<b>3 786</b>	<b>3 130</b>	<b>3 414</b>	<b>3 714</b>	<b>3 919</b>	<b>4 617</b>	<b>4 937</b>	<b>5 506</b>

The programme 's expenditure increased by 1.9 per cent from R3.6 million in 2008/09 to R3.9 million in 2011/12. The programme's budget is planned to increase considerably from R3.9 million in 2011/12 to R5.5 million, or by 38 per cent over the MTEF. The increase is the result of the incorporation of North-West and Mpumalanga traditional community areas into Gauteng and the need to provide for the administration of traditional affairs. The budget will cater for strengthening cooperative governance between traditional leaders through the establishment of relevant institutions.

### SERVICE DELIVERY MEASURES

Performance Measure/ Indicator	Estimated Performance 2011/12	Estimated Annual Targets		
		2012/13	2013/14	2014/15
Functional Traditional Leadership Structures established in 2 communities by March 2013	1 traditional leadership structure aligned in relation to legislative prescripts	2 traditional structures established	2 traditional structures established	2 traditional structures established

Performance Measure/ Indicator	Estimated Performance 2011/12	Estimated Annual Targets		
		2012/13	2013/14	2014/15
Implementation of regulations on the election of 40% of traditional council membership in line with the Gauteng Traditional Leadership and Governance Act of 2000 by March 2013	Support the implementation of Phase 2 of the project plan	Support Traditional Institutions in the implementation of the legislation	Support Traditional Institutions in the implementation of the legislation	Support Traditional Institutions in the implementation of the legislation
3 capacity building activities implemented for 20 traditional councillors by March 2013	Implementation of 3 capacity building programmes	Provide 3 capacity building programmes to 20 traditional councillors	Provide capacity building programmes to 20 traditional councillors	Provide capacity building programmes to 20 traditional councillors

## 7. OTHER PROGRAMME INFORMATION

### 7.1 Personnel Numbers and costs

TABLE 14: PERSONNEL NUMBER AND COST

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1: Administration	875	867	607	607	607	607	607
2: Human Settlement	297	319	303	303	303	303	303
3: Cooperative Governance	814	805	752	752	752	752	752
4: Traditional Institutional Development	7	7	7	7	7	7	7
<b>Total provincial personnel numbers</b>	<b>1 993</b>	<b>1 998</b>	<b>1 669</b>	<b>1 669</b>	<b>1 669</b>	<b>1 669</b>	<b>1 669</b>
Total departmental personnel cost (R thousand)	345 134	378 894	518 633	518 633	518 787	546 510	582 033
Unit cost (R thousand)	180	178	311	311	311	327	349

TABLE 15: SUMMARY OF DEPARTMENTAL PERSONNEL NUMBERS AND COSTS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12		2012/13
Total for department									
Personnel numbers (head count)	1,992	1,789	1665	1669	1669	1669	1669	1694	1718
Personnel cost (R thousands)	345 134	402 745	429 494	518 633	518 633	520 136	546 510	582 033	619 865
Human resources component									
Personnel numbers (head count)	27	53	70	70	70	70	70	70	70
Personnel cost (R thousands)	4 732	14 195	20 135	21 385	21 385	21 385	25 386	26 090	26 763
Head count as % of total for department	1%	3%	4%	4%	4%	4%	4%	4%	4%
Personnel cost as % of total for department	1%	4%	5%	4%	4%	4%	5%	4%	4%
Finance component									
Personnel numbers (head count)	94	100	106	106	106	106	106	106	106
Personnel cost (R thousands)	16 475	26 783	30 490	32 383	32 383	32 383	38 441	39 507	40 527
Head count as % of total for department	5%	6%	6%	6%	6%	6%	6%	6%	6%

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Personnel cost as % of total for department	5%	7%	7%	6%	6%	6%	7%	7%	7%
<b>Full time workers</b>									
Personnel numbers (head count)	1871	1636	1417	1449	1449	1449	1457	1482	1506
Personnel cost (R thousands)	226 786	244 872	229 054	326 351	326 351	326 607	305 205	328 020	352 586
Head count as % of total for department	94%	91%	85%	87%	87%	87%	87%	87%	88%
Personnel cost as % of total for department	66%	61%	53%	63%	63%	63%	56%	56%	57%
<b>Part-time workers</b>									
Personnel numbers (head count)									
Personnel cost (R thousands)									
Head count as % of total for department									
Personnel cost as % of total for department									
<b>Contract workers</b>									
Personnel numbers (head count)			72	44	44	44	36	36	36
Personnel cost (R thousands)			20 710	13 442	13 442	13 442	13 055	13 418	13 764
Head count as % of total for department			4%	3%	3%	3%	2%	2%	2%
Personnel cost as % of total for department			5%	3%	3%	3%	2%	2%	2%

The table above shows personnel numbers and estimates relating to the Department of Local Government and Housing over the period under review. The Department reviewed its organisational structure after the merger of the Department of Local Government and Housing departments to streamline human resources to all components of the department and to reduce the need for outsourcing which can be more costly.

The Department does not have contract workers, as all contract workers have been absorbed into permanent positions.

## 7.2 Training

**Table 16: PAYMENTS ON TRAINING: LOCAL GOVERNMENT AND HOUSING**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
1. Administration of which	276	1 141	604	1 850	1 850	1 850	3 450	6 580	12 225
Subsistence and travel									
Payments on tuition	276	1 141	604	1 850	1 850	1 850	3 450	6 580	12 225
2. Human Settlement of which				563	563	563			
Subsistence and travel									
Payments on tuition				563	563	563			



R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
3. Cooperative Governance	778	5 057	405	2 000	2 000	2 000	3 235	9 500	14 300
of which									
Subsistence and travel									
Payments on tuition	778	5 057	405	2 000	2 000	2 000	3 235	9 500	14 300
4. Traditional Institutional Development	239	50	43	21	21	21	48	101	235
of which									
Subsistence and travel									
Payments on tuition	239	50	43	21	21	21	48	101	235
<b>Total payments on training</b>	<b>1 293</b>	<b>6 248</b>	<b>1 052</b>	<b>4 434</b>	<b>4 434</b>	<b>4 434</b>	<b>6 733</b>	<b>16 181</b>	<b>26 760</b>

TABLE 17: INFORMATION ON TRAINING: LOCAL GOVERNMENT AND HOUSING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Number of staff	2 050	1 959	1 780	1 700	1 700	1 700	2 000	2 000	2 100
Number of personnel trained	1 635	769	89	500	500	500	600	700	700
of which									
Male	800	334	39	200	200	200	200	300	300
Female	835	427	50	300	300	300	400	400	400
Number of training opportunities	62	67	11	35	35	35	40	40	40
of which									
Tertiary	24	24		50	50	50	50	50	50
Workshops	11	14		25	25	25	25	25	25
Seminars	5	7		5	5	5	5	5	5
Other		22	34	20	20	20	20	20	20
Number of bursaries offered	75	71	50	40	40	40	50	50	50
Number of interns appointed	100	84		60	60	60	70	70	70
Number of learnerships appointed	336	311					10	10	10
Number of days spent on training			32	40	40	40	40	40	40

## 8. CROSS-CUTTING ISSUES

TABLE 19: Sector Development Support

Cross-Cutting Issue	Programme and sub-programme	Indicator/Measure	Output	Outcome	MTEF BUDGET		
					2011/12	2012/13	2013/14
					R'000	R'000	R'000
Youth	Empowerment: Capacity building and skills training of youth interested in construction work	Number of youth successfully trained and placed with contractors for the National Youth Service (NYS) Programme	40 youth trained	40 youth competent in the area of housing construction	200	R500	750
Vulnerable groups	Empowerment: Capacity building and skills training of people with disabilities interested in construction work	Number of members from vulnerable groups trained on construction and business management	10 members from the vulnerable trained	10 members from vulnerable groups competent in the area of housing construction	1 500	2000	2 500
Women	Empowerment: Capacity building and skills training of women councillors	Number of women councillors who completed training	50 Women councillors trained on the skills training programme	Women councillors understand their roles as leaders in the community.	1 500		
Gender	Review of local government gender guidelines	Gender guidelines reviewed and tabled for approval	Local government gender guidelines reviewed and approved	An integrated gender mainstreaming roadmap for municipalities			
Youth	All municipalities trained on youth guidelines	Number of municipalities trained on gender guidelines	12 municipalities trained on gender guidelines	Improved youth mainstreaming initiatives by municipalities reflected in plans			
People with Disabilities (PWDs)	Advocacy & training on the Convention on the Rights of PWDs and Optional Protocol	Integration of PWD programs into IDPs HR statistics accommodative of PWD Employment Equity Act % & no of beneficiaries (PWDs) of Preferential Procurement Policy Framework Implemented within municipalities % & no of PWD beneficiaries of Skills Development Act – capacity building & training Inclusion & empowerment on transversal issues – transport; housing; public schools; social security & assistive device	Approved disability strategy & policies	Financial & other resources allocated for disability (measurable & reported)			
		% & no of beneficiaries (PWDs) of Preferential Procurement Policy Framework Implemented within municipalities % & no of PWD beneficiaries of Skills Development Act					
HIV/AIDS	Implementation of the Municipal HIV & AIDS Program	% males and females who are reached with HIV/AIDS communication programmes % most at risk groups who are reached with HIV/AIDS communication programme	Indigent Burial Support Workplace Program Mass Door to Door Education Programme Training & Capacity Building NGO/BBO/PBO support & funding	Halving new HIV infections by 2011	13 650 (5% escalation)  22 000 (wish list to implement program @ 60% capacity)	1 434  23 100	1 505  24 255

# **ANNEXURES TO THE ESTIMATES OF PROVINCIAL REVENUE EXPENDITURE**

TABLE 20: SPECIFICATION OF RECEIPTS: LOCAL GOVERNMENT AND HOUSING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than capital assets	236	340	372	432	386	425	452	477	506
Sale of goods and services produced by department (excluding capital assets)	236	340	372	432	386	425	452	477	506
Sales by market establishments	236	340	372	432	386	425	452	477	506
Transfers received from:									
Other governmental units									
Fines, penalties and forfeits									
Interest, dividends and rent on land	410	479	210	301	32	132	317	334	354
Interest	410	479	210	301	32	132	317	334	354
Dividends									
Rent on land									
Sales of capital assets									
Land and sub-soil assets									
Other capital assets									
Transactions in financial assets and liabilities	1 805	4 089	861	3 262	15 940	17 772	3 425	3 613	3 830
<b>Total departmental receipts</b>	<b>2 451</b>	<b>4 908</b>	<b>1 443</b>	<b>3 995</b>	<b>16 358</b>	<b>18 329</b>	<b>4 194</b>	<b>4 424</b>	<b>4 690</b>

TABLE 21: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: LOCAL GOVERNMENT AND HOUSING

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>562 143</b>	<b>597 820</b>	<b>593 964</b>	<b>667 176</b>	<b>668 063</b>	<b>670 463</b>	<b>651 406</b>	<b>699 550</b>	<b>748 270</b>
Compensation of employees	345 134	402 745	429 494	518 633	518 633	520 136	546 510	582 033	619 865
Salaries and wages	291 391	349 750	371 324	445 424	445 424	446 927	480 930	512 188	545 678
Social contributions	53 743	52 995	58 170	73 209	73 209	73 209	65 580	69 845	74 187
Goods and services of which	217 009	195 075	164 470	148 543	149 430	150 327	104 896	117 517	128 405
Administrative fees	126	422	84	35	26	79	5	130	214
Advertising	7 948	2 084	900	2 000	355	2 450	630	680	834
Assets <R5000	1 056	1 319	1 913	1 500	1 500	2 650	750	728	850
Audit cost: External	5 706	7 586	6 046	9 000	6 000	8 078	6 000	465	1 500
Bursaries (employees)	321	637	88	1 413	850	857	100	120	130

<b>R thousand</b>	<b>Outcome</b>			<b>Main appropriation</b>	<b>Adjusted appropriation</b>	<b>Revised estimate</b>	<b>Medium-term estimates</b>		
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>			<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
<i>Catering:</i>									
<i>Departmental activities</i>	5 130	3 693	899	4 425	2 925	1 229	437	1 205	1 460
<i>Communication</i>	12 167	22 944	19 497	28 696	26 696	28 812	19 345	16 418	10 467
<i>Computer services</i>	4 105	3 264	541	1 005	1 605	3 557	118	645	973
<i>Cons/prof:business &amp; advisory services</i>	15 817	20 716	9 537	14 011	14 011	21 168	19 373	18 720	21 375
<i>Cons/prof: Infrastructure &amp; planning</i>									
<i>Cons/prof: Laboratory services</i>									
<i>Cons/prof: Legal cost</i>	1 442	1 762	19	2 100	2 100		190	200	473
<i>Contractors</i>	10 907	9 563			3 187	4 042	330	1 650	1 850
<i>Agency &amp; support/ outsourced services</i>	46 860	30 826	19 938	5 521	5 521	7 986	10 920	17 408	17 796
<i>Entertainment</i>	62	19	6				53	13	21
<i>Fleet Services (F/ SER)</i>	9 665		6	23 885	21 259				
<i>Housing</i>		75	2 244						
<i>Inventory: Food and food supplies</i>		1	34	215	215	18	40	45	53
<i>Inventory: Fuel, oil and gas</i>									
<i>Inventory:Learn &amp; teacher support material</i>									
<i>Inventory: Materials and supplies</i>		3	3				5	6	7
<i>Inventory: Medical supplies</i>		44							
<i>Inventory: Military stores</i>		1							
<i>Inventory: Other consumables</i>	4 203	1 090	1 230	2 000	2 600	2 964	330	2 269	2 443
<i>Inventory: Stationery and printing</i>	8 678	7 535	7 219	9 457	9 347	10 113	1 322	3 076	4 134
<i>Lease payments</i>	35 131	19 831	40 863	23 345	23 345	22 870	7 766	8 766	9 114
<i>Rental and Hiring</i>									
<i>Property payments</i>	1 906	32 719	36 441	814	10 557	12 503	27 287	25 142	25 407
<i>Transport provided dept activity</i>	6 658		12 699		30	2 943			
<i>Travel and subsistence</i>	8 009	19 451	2 102	13 413	10 493	13 312	2 950	5 825	11 439
<i>Training &amp; development</i>	778	5 598	1 620	3 000	3 400	2 726	4 940	10 200	11 147
<i>Operating payments</i>	21 852	432	7	40	340	603	645	1 000	1 223
<i>Venues and facilities</i>	8 482	3 460	534	2 668	3 068	1 367	1 360	2 806	5 495
<i>Interest and rent on land</i>									
<i>Interest</i>									
<i>Rent on land</i>									
<b>Transfers and subsidies to:</b>	<b>3 056 420</b>	<b>3 282 243</b>	<b>3 925 623</b>	<b>3 857 520</b>	<b>3 876 669</b>	<b>3 857 620</b>	<b>4 066 276</b>	<b>4 394 426</b>	<b>4 689 340</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provinces and municipalities	79 920	14 000	103 510		20 000				
Provinces <sup>2</sup>			100 282						
Provincial Revenue Funds									
Provincial agencies and funds			100 282						
Municipalities <sup>3</sup>	79 920	14 000	3 228		20 000				
Municipalities of which: Regional service council levies					20 000				
Municipal agencies and funds	79 920	14 000	3 228						
Departmental agencies and accounts									
Households	2 976 500	3 268 243	3 822 113	3 857 520	3 856 669	3 857 620	4 066 276	4 394 426	4 689 340
Social benefits	10	5 798	4 241				7 500	7 500	7 875
Other transfers to households	2 976 490	3 262 445	3 817 872	3 857 520	3 856 669	3 857 620	4 058 776	4 386 926	4 681 465
<b>Payments for capital assets</b>	<b>11 555</b>	<b>175 548</b>	<b>12 660</b>	<b>43 647</b>	<b>43 647</b>	<b>43 647</b>	<b>19 443</b>	<b>15 000</b>	<b>15 825</b>
Buildings and other fixed structures		81 951							
Buildings		81 951							
Other fixed structures									
Machinery and equipment	11 555	1 808	12 660	43 647	43 647	43 647	19 443	15 000	15 825
Transport equipment	679								
Other machinery and equipment	10 876	1 808	12 660	43 647	43 647	43 647	19 443	15 000	15 825
Heritage Assets									
Land and sub-soil assets		91 790							
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>45</b>	<b>1 418</b>	<b>75</b>			<b>65</b>			
<b>Total economic classification</b>	<b>3 630 163</b>	<b>4 057 029</b>	<b>4 532 322</b>	<b>4 568 343</b>	<b>4 588 379</b>	<b>4 571 795</b>	<b>4 737 125</b>	<b>5 108 976</b>	<b>5 453 435</b>

TABLE 22: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: ADMINISTRATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>267 130</b>	<b>284 520</b>	<b>322 993</b>	<b>283 287</b>	<b>298 633</b>	<b>290 906</b>	<b>241 740</b>	<b>249 252</b>	<b>262 867</b>
Compensation of employees	157 375	175 052	190 193	202 808	202 808	202 808	216 644	232 028	247 262
Salaries and wages	137 667	152 486	166 793	178 537	178 537	178 537	190 647	204 185	217 776
Social contributions	19 708	22 566	23 400	24 271	24 271	24 271	25 997	27 843	29 486
Goods and services of which	109 755	109 468	132 800	80 479	95 825	88 098	25 096	17 224	15 605
Administrative fees		169	54	10	26	40	5	8	75
Advertising	4 904	660	548		300	407	100	120	127

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Assets <R5000	910	1 214	1 892	1 500	1 500	2 650	300	200	218
Audit cost: External	5 706	6 000	5 699	6 000	6 000	5 078	6 000	465	1 500
Bursaries (employees)	276	637	88	850	850	294	100	120	130
Catering:									
Departmental activities	2 117	1 989	458	2 150	2 150	914		180	200
Communication	6 275	15 226	15 633	21 706	21 706	21 782	14 345	12 218	6 015
Computer services	3 970	2 784	129	1 005	1 605	3 557	100	110	120
Cons/prof:business & advisory services	890	1 186	9 451	1 200	1 200	7 867	2 000	200	2 650
Cons/prof: Infrastructre & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	1 428	1 711	17	2 100	2 100		40	50	60
Contractors	10 886	9 283			3 187	4 040	200	1 500	1 700
Agency & support/ outsourced services	8 094	12 599	19 236	2 100	2 100	4 585	20	28	40
Entertainment	53	14	6				53	13	21
Fleet Services (F/ SER)	7 611		6	21 259	21 259				
Housing		75	2 244						
Inventory: Food and food supplies			34	215	215	18	40	45	53
Inventory: Fuel, oil and gas									
Inventory:Learn & teacher support material									
Inventory: Materials and supplies		2	3				5	6	7
Inventory: Medical supplies		43							
Inventory: Other consumables	951	1 015	1 228		600	1 017	314	390	413
Inventory: Stationery and printing	3 330	5 125	6 540	5 051	5 061	5 647	70	30	100
Lease payments	31 099	3 650	17 573	7 000	7 000	7 000	21		22
Rental and Hiring									
Property payments	57	32 685	36 411	814	10 557	12 502	10	20	35
Transport provided dept activity	3 625		12 699		30	34			
Travel and subsistence	3 056	12 212	1 714	5 863	5 923	8 486	460	480	750
Training & development		504	1 015	1 000	1 400	1 117	400	420	500
Operating payments	14 517	103	7		300	205	203	210	220
Venues and facilities		582	115	656	756	858	310	411	649
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies to:</b>	<b>16 553</b>	<b>16 063</b>	<b>11 376</b>	<b>18 579</b>	<b>18 679</b>	<b>18 679</b>	<b>7 500</b>	<b>7 500</b>	<b>7 875</b>



	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Provinces and municipalities			3 510						
Provinces2			282						
Provincial Revenue Funds									
Provincial agencies and funds			282						
Municipalities3			3 228						
Municipal bank accounts									
Municipal agencies and funds			3 228						
Households	16 553	16 063	7 866	18 579	18 679	18 679	7 500	7 500	7 875
Social benefits	10	5 795	4 216				7 500	7 500	7 875
Other transfers to households	16 543	10 268	3 650	18 579	18 679	18 679			
<b>Payments for capital assets</b>	<b>8 771</b>	<b>1 282</b>	<b>7 668</b>	<b>5 584</b>	<b>5 584</b>	<b>5 584</b>	<b>17 500</b>	<b>15 000</b>	<b>15 825</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	8 771	1 282	7 668	5 584	5 584	5 584	17 500	15 000	15 825
Transport equipment									
Other machinery and equipment	8 771	1 282	7 668	5 584	5 584	5 584	17 500	15 000	15 825
Payments for financial assets	45	1 418	75			65			
<b>Total economic classification</b>	<b>292 499</b>	<b>303 283</b>	<b>342 112</b>	<b>307 450</b>	<b>322 896</b>	<b>315 234</b>	<b>266 740</b>	<b>271 752</b>	<b>286 567</b>

TABLE 23 :PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: HUMAN SETTLEMENT

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
<b>Current payments</b>	<b>109 813</b>	<b>127 613</b>	<b>136 332</b>	<b>144 016</b>	<b>129 257</b>	<b>141 842</b>	<b>208 230</b>	<b>218 706</b>	<b>229 580</b>
Compensation of employees	86 715	103 667	113 761	114 016	114 016	115 365	150 958	160 771	171 219
Salaries and wages	68 356	92 772	99 119	88 902	88 902	90 251	132 843	141 478	150 673
Social contributions	18 359	10 895	14 642	25 114	25 114	25 114	18 115	19 293	20 546
Goods and services	23 098	23 946	22 571	30 000	15 241	26 477	57 272	57 935	58 361
of which									
Administrative fees			27	25		25		32	39
Advertising		6		2 000	55	2 000			7
Assets <R5000	74	14	12				415	420	424
Audit cost: External				3 000		3 000			
Bursaries (employees)				563		563			
Catering:									
Departmental activities	2 085	1 348	222	1 500		1	145	210	239
Communication	2 126	4 003	16	2 000		2 000	1 000		
Computer services	135	253							
Cons/prof:business & advisory services	928		408	912	912	1 412	14 173	15 100	15 100

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
Cons/prof: Infrastructre & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost									
Contractors	21	104				2	130	150	150
Agency & support/ outsourced services		20					10 000	11 000	11 000
Entertainment	9								
Fleet Services (F/ SER)	2 054			2 626					
Housing									
Inventory: Medical supplies		1							
Inventory: Medicine									
Medsas inventory interface									
Inventory: Military stores									
Inventory: Other consumables	2 077	15	2				15	28	28
Inventory: Stationery and printing	4 971	1 030	632	3 000	2 880	3 000	542	696	700
Lease payments		11 896	20 877	10 874	10 874	10 874	2 000	2 722	2 722
Rental and Hiring									
Property payments	1 828						27 227	24 842	24 842
Transport provided dept activity	10					2 909			
Travel and subsistence	1 705	4 851	201	3 500	520	548	1 095	1 985	2 158
Training & development							100	200	200
Operating payments	5 075	263				143	230	300	300
Venues and facilities		142	174				200	250	452
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies to:</b>	<b>2 959 947</b>	<b>3 252 173</b>	<b>3 914 222</b>	<b>3 837 941</b>	<b>3 837 977</b>	<b>3 837 941</b>	<b>4 058 776</b>	<b>4 386 926</b>	<b>4 681 465</b>
Provinces and municipalities			100 000						
Provinces2			100 000						
Provincial Revenue Funds									
Provincial agencies and funds			100 000						
Non-profit institutions									
Households	2 959 947	3 252 173	3 814 222	3 837 941	3 837 977	3 837 941	4 058 776	4 386 926	4 681 465
Social benefits									
Other transfers to households	2 959 947	3 252 173	3 814 222	3 837 941	3 837 977	3 837 941	4 058 776	4 386 926	4 681 465
<b>Payments for capital assets</b>		<b>173 740</b>		<b>24 063</b>	<b>24 063</b>	<b>24 063</b>			

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
Buildings and other fixed structures		81 951							
Buildings		81 951							
Other fixed structures									
Machinery and equipment				24 063	24 063	24 063			
Transport equipment									
Other machinery and equipment				24 063	24 063	24 063			
Land and sub-soil assets		91 790							
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 069 760</b>	<b>3 553 526</b>	<b>4 050 554</b>	<b>4 006 020</b>	<b>3 991 297</b>	<b>4 003 846</b>	<b>4 267 006</b>	<b>4 605 632</b>	<b>4 911 045</b>

TABLE 24: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: COOPERATIVE GOVERNANCE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
<b>Current payments</b>	<b>181 612</b>	<b>181 901</b>	<b>131 509</b>	<b>236 459</b>	<b>236 459</b>	<b>233 796</b>	<b>196 819</b>	<b>226 655</b>	<b>250 317</b>
Compensation of employees	99 620	121 439	123 144	198 999	198 999	198 999	176 360	186 518	198 401
Salaries and wages	84 146	102 248	103 327	175 753	175 753	175 753	155 197	164 136	174 593
Social contributions	15 474	19 191	19 817	23 246	23 246	23 246	21 163	22 382	23 808
Goods and services of which	81 992	60 462	8 365	37 460	37 460	34 797	20 459	40 137	51 916
Administrative fees	98	253				14		90	100
Advertising	3 044	1 418	259			43	530	560	700
Assets <R5000		91	5				35	108	208
Audit cost: External		1 586	347						
Bursaries (employees)									
Catering:									
Departmental activities	908	342	212	750	750	289	92	395	576
Communication	3 766	3 715	3 848	4 990	4 990	5 030	4 000	4 200	4 452
Computer services		227	412				18	535	853
Cons/prof: business & advisory services	13 562	19 300	( 322)	11 899	11 899	11 889	3 200	3 420	3 625
Cons/prof: Infrastructure & planning									
Cons/prof: Laboratory services									
Cons/prof: Legal cost	14	51	2				150	150	413
Contractors		176							
Agency & support/ outsourced services	38 144	17 721	154	3 000	3 000	3 000		5 480	5 804
Entertainment		5							
Fleet Services (F/ SER)									
Housing									

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
Inventory: Food and food supplies		1							
Inventory: Other consumables	1 175	39		2 000	2 000	1 947	1	1 850	2 000
Inventory: Stationery and printing	197	1 370	30	1 350	1 350	1 410	500	2 250	3 223
Lease payments	3 962	4 285	2 413	5 471	5 471	4 996	5 745	6 044	6 370
Rental and Hiring									
Property payments	21	34	30			1	50	280	530
Transport provided dept activity	3 023								
Travel and subsistence	3 050	2 223	137	4 000	4 000	4 193	1 211	3 200	8 233
Training & development	778	5 057	593	2 000	2 000	1 609	4 400	9 500	10 340
Operating payments	2 195	66				176	177	450	653
Venues and facilities	8 055	2 502	245	2 000	2 000	200	350	1 625	3 836
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies to:</b>	<b>79 920</b>	<b>14 007</b>	<b>25</b>	<b>1 000</b>	<b>20 013</b>	<b>1 000</b>			
Provinces and municipalities	79 920	14 000			20 000				
Provincial agencies and funds									
Municipalities3	79 920	14 000			20 000				
Municipalities bank accounts					20 000				
Municipal agencies and funds	79 920	14 000							
Departmental agencies and accounts									
Households		7	25	1 000	13	1 000			
Social benefits		3	25						
Other transfers to households		4		1 000	13	1 000			
<b>Payments for capital assets</b>	<b>2 673</b>	<b>526</b>	<b>4 992</b>	<b>14 000</b>	<b>14 000</b>	<b>14 000</b>	<b>1 943</b>		
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	2 673	526	4 992	14 000	14 000	14 000	1 943		
Transport equipment	679								
Other machinery and equipment	1 994	526	4 992	14 000	14 000	14 000	1 943		
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>264 205</b>	<b>196 434</b>	<b>136 526</b>	<b>251 459</b>	<b>270 472</b>	<b>248 796</b>	<b>198 762</b>	<b>226 655</b>	<b>250 317</b>

TABLE 25: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION: TRADITIONAL INSTITUTION DEVELOPMENT

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/2014	2014/15
<b>Current payments</b>	<b>3 588</b>	<b>3 786</b>	<b>3 130</b>	<b>3 414</b>	<b>3 714</b>	<b>3 919</b>	<b>4 617</b>	<b>4 937</b>	<b>5 506</b>
Compensation of employees	1 424	2 587	2 396	2 810	2 810	2 964	2 548	2 716	2 983
Salaries and wages	1 222	2 244	2 085	2 232	2 232	2 386	2 243	2 389	2 636
Social contributions	202	343	311	578	578	578	305	327	347
Goods and services	2 164	1 199	734	604	904	955	2 069	2 221	2 523
of which									
Administrative fees	28		3						
Advertising			93						
Assets <R5000	72		4						
Audit cost: External									
Bursaries (employees)	45								
Catering:									
Departmental activities	20	14	7	25	25	25	200	420	445
Communication									
Computer services									
Cons/prof:business & advisory services	437	230							
Agency & support/outsourced services	622	486	548	421	421	401	900	900	952
Inventory: Materials and supplies		1							
Inventory: Military stores		1							
Inventory: Other consumables		21						1	2
Inventory: Stationery and printing	180	10	17	56	56	56	210	100	111
Lease payments	70								
Travel and subsistence	198	165	50	50	50	85	184	160	298
Training & development		37	12				40	80	107
Operating payments	65			40	40	79	35	40	50
Venues and facilities	427	234		12	312	309	500	520	558
Interest and rent on land									
<b>Transfers and subsidies to:</b>									
Provinces and municipalities									
Other transfers to households									
<b>Payments for capital assets</b>	<b>111</b>								
Buildings and other fixed structures									
Machinery and equipment	111								

<b>R thousand</b>	<b>Outcome</b>			<b>Main appropriation</b>	<b>Adjusted appropriation</b>	<b>Revised estimate</b>	<b>Medium-term estimates</b>		
	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>			<b>2012/13</b>	<b>2013/2014</b>	<b>2014/15</b>
Transport equipment									
Other machinery and equipment	111								
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>3 699</b>	<b>3 786</b>	<b>3 130</b>	<b>3 414</b>	<b>3 714</b>	<b>3 919</b>	<b>4 617</b>	<b>4 937</b>	<b>5 506</b>

